



City of Tigard  
**Tigard Business Meeting – Agenda**

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**TIGARD CITY COUNCIL AND LOCAL CONTRACT REVIEW BOARD - Revised on 12/8/2014  
for Item No. 9 to now be heard after Item No. 3 and moved Item No. 8 to the Consent Calendar**

**MEETING DATE AND TIME:** December 9, 2014 - 6:30 p.m. Study Session; 7:30 p.m. Business Meeting

**MEETING LOCATION:** City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

**PUBLIC NOTICE:**

Anyone wishing to speak on an agenda item should sign on the appropriate sign-up sheet(s). If no sheet is available, ask to be recognized by the Mayor at the beginning of that agenda item. Citizen Communication items are asked to be two minutes or less. Longer matters can be set for a future Agenda by contacting either the Mayor or the City Manager.

Times noted are *estimated*; it is recommended that persons interested in testifying be present by 7:15 p.m. to sign in on the testimony sign-in sheet. *Business agenda items can be heard in any order after 7:30 p.m.*

Assistive Listening Devices are available for persons with impaired hearing and should be scheduled for Council meetings by noon on the Monday prior to the Council meeting. Please call 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

Upon request, the City will also endeavor to arrange for the following services:

- Qualified sign language interpreters for persons with speech or hearing impairments; and
- Qualified bilingual interpreters.

Since these services must be scheduled with outside service providers, it is important to allow as much lead time as possible. Please notify the City of your need by 5:00 p.m. on the Thursday preceding the meeting by calling: 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

SEE ATTACHED AGENDA

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**VIEW LIVE VIDEO STREAMING ONLINE:**

<http://live.tigard-or.gov>

**CABLE VIEWERS:** The regular City Council meeting is shown live on Channel 28 at 7:30 p.m. The meeting will be rebroadcast at the following times on Channel 28:

Thursday 6:00 p.m. Sunday 11:00 a.m.

Friday 10:00 p.m. Monday 6:00 a.m.



City of Tigard

## Tigard Business Meeting – Agenda

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**TIGARD CITY COUNCIL AND LOCAL CONTRACT REVIEW BOARD - Revised on 12/8/2014 for Item No. 9 to now be heard after Item No. 3 and moved Item No. 8 to the Consent Calendar**

**MEETING DATE AND TIME:** December 9, 2014 - 6:30 p.m. Study Session; 7:30 p.m. Business Meeting

**MEETING LOCATION:** City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

6:30 PM

- STUDY SESSION

1. RECEIVE COUNCIL LIAISON REPORTS
2. UPDATE ON PRE-DEVELOPMENT OF THE FIELDS INDUSTRIAL PROPERTY

- EXECUTIVE SESSION: The Tigard City Council will go into Executive Session to consult with legal counsel concerning legal rights and duties under ORS 192.660(2)(h). all discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

7:30 PM

1. BUSINESS MEETING
  - A. Call to Order
  - B. Roll Call
  - C. Pledge of Allegiance
  - D. Council Communications & Liaison Reports
  - E. Call to Council and Staff for Non-Agenda Items
2. CITIZEN COMMUNICATION (Two Minutes or Less, Please)
  - A. Follow-up to Previous Citizen Communication
  - B. Tigard High School Student Envoy
  - C. Tigard Area Chamber of Commerce

- D. Citizen Communication – Sign Up Sheet
3. CONSENT AGENDA: (Tigard City Council) These items are considered routine and may be enacted in one motion without separate discussion. Anyone may request that an item be removed by motion for discussion and separate action. Motion to:
- A. RECEIVE AND FILE:
1. Council Calendar
  2. Council Tentative Agenda for Future Meeting Topics
- B. AUTHORIZE THE CITY MANAGER TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT WITH KING CITY REGARDING WATER SYSTEM OWNERSHIP AND WATER SERVICE
- C. APPROVE AN EXTENSION TO THE COMCAST FRANCHISE AGREEMENT THROUGH JUNE 30, 2015

• Consent Agenda - Items Removed for Separate Discussion: Any items requested to be removed from the Consent Agenda for separate discussion will be considered immediately after the Council has voted on those items which do not need discussion.

4. PUBLIC HEARING: APPROVE NEW WATER RATES **7:45 p.m. estimated time**
5. APPROVE TIGARD TRANSPORTATION ADVISORY COMMITTEE (TTAC) BYLAWS AMENDMENT **8:00 p.m. estimated time**
6. APPOINT CLIFFORD RONE AND ZOE MONAHAN TO THE BUDGET COMMITTEE **8:05 p.m. estimated time**
7. APPOINT MELODY GRAEBER AND CHRIS MIDDGAUGH TO THE AUDIT COMMITTEE **8:10 p.m. estimated time**
8. APPOINT ERIK HALSTEAD, BENJAMIN GOOLEY, STEPHANIE MCKEE, JOSEPH VASICEK, TIMOTHY ESAU AND RAVIPRAKASH NAGARAJ TO THE TIGARD TRANSPORTATION ADVISORY COMMITTEE (TTAC) **8:15 p.m. estimated time**
9. PUBLIC HEARING: RECEIVE PUBLIC INPUT REGARDING THE CRITERIA AND/OR PROCESS TO BE USED FOR THE CITY MANAGER'S PERFORMANCE EVALUATION **8:20 p.m. estimated time**
10. PUBLIC HEARING: APPROVING AN AMENDMENT TO THE TIGARD MUNICIPAL CODE TITLE 15.06 FRANCHISED UTILITY ORDINANCE **8:30 p.m. estimated time**
11. ADOPT A REVISED UTILITY FRANCHISE MASTER FEES AND CHARGES SCHEDULE **8:50 p.m. estimated time**

12. APPROVE A RESOLUTION ESTABLISHING A 10 YEAR FRANCHISE AGREEMENT WITH WINDSTREAM COMMUNICATIONS (d.b.a. MCLEODUSA TELECOMMUNICATIONS) **9:05 p.m. estimated time**
13. LOCAL CONTRACT REVIEW BOARD: AWARD A CONTRACT TO MURRAY, SMITH & ASSOCIATES, INC. FOR PAVEMENT OVERLAY ENGINEERING DESIGN SERVICES **9:20 p.m. estimated time**
14. COUNCIL LIAISON REPORTS **9:30 p.m. estimated time**
15. NON AGENDA ITEMS
16. EXECUTIVE SESSION: The Tigard City Council may go into Executive Session. If an Executive Session is called to order, the appropriate ORS citation will be announced identifying the applicable statute. All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.
17. ADJOURNMENT **9:40 p.m. estimated time**

**AIS-1969**

**1.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** 15 Minutes

**Agenda Title:** Council Liaison Reports

**Prepared For:** Marty Wine, City Management

**Submitted By:** Carol Krager, City Management

**Item Type:** Update, Discussion, Direct Staff

**Meeting Type:** Council Business Mtg - Study Sess.

**Public Hearing:** No

**Publication Date:**

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**Information**

**ISSUE**

Council will present liaison reports.

**STAFF RECOMMENDATION / ACTION REQUEST**

**KEY FACTS AND INFORMATION SUMMARY**

**OTHER ALTERNATIVES**

**COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

**DATES OF PREVIOUS COUNCIL CONSIDERATION**

N/A

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**Attachments**

*No file(s) attached.*

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**AIS-1987**

**2.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** 10 Minutes

**Agenda Title:** Fields Industrial Property: Pre Development Update

**Prepared For:** Lloyd Purdy, Community Development

**Submitted By:** Lloyd Purdy, Community Development

**Item Type:** Update, Discussion, Direct Staff      **Meeting Type:** Council  
Business  
Mtg -  
Study Sess.

**Public Hearing:** No

**Publication Date:**

**Information**

**ISSUE**

In November, the public/private partnership we created, to explore ways to convert 42 acres of vacant property into an economic asset, achieved two important benchmarks. We completed a public infrastructure finance plan for the Fields Industrial Property as part of a DLCD funded grant. As part of the process of creating a public infrastructure finance plan, the Fields Trust brought a developer to the partnership through the completion of a purchase and sale agreement.

Trammel Crow is interested in developing 17 acres of the Fields Property for Industrial/flex space. To support this private sector investment, we have begun negotiating a non-binding Memorandum of Understanding with Trammel Crow Construction. The purpose of this non-binding MOU is to align goals, expectations and timing so that site preparation for industrial development can begin in summer 2015.

The draft MOU under consideration outlines the actions the City, Trammel Crow Construction, and the Fields Trust must take individually and in partnership on this project. Along with this MOU, the developer has requested a pre-application meeting in early December to begin the site development process for the 17 acres of industrial zoned property that can best be put to use for industrial/flex space.

Industrial/flex space development on the 17 acres of the Fields Property fronting Wall Street is the first phase of a mixed use development that may ultimately include residential development on the remaining portion of the property.

**STAFF RECOMMENDATION / ACTION REQUEST**

No Council action needed at this time.

## **KEY FACTS AND INFORMATION SUMMARY**

Trammel Crow Construction intends to build industrial/flex space facilities on approximately 17 acres of the Fields Property fronting Wall Street. Industrial development on this portion of the site has the potential to create the following economic impact:

- Estimated 225,000 SF of new space for industrial/flex use.
- This combination of industrial/flex space typically supports at least 115 full time jobs.
- Estimated construction cost for a project of this size is \$22.9 Million.
- This scale of development creates an estimated real market value of \$27.9 Million;
  - an estimated total annual property taxes of \$344,377; and
  - an estimated property tax revenue for the City of \$51,702 per year.

A second phase of development will involve the upland portion of the property (about 26 acres). Given current market conditions, this development will likely include a large portion of multi-family residential development.

## **OTHER ALTERNATIVES**

N/A

## **COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

Industrial development on the Fields Property is consistent with Tigard's Comprehensive Plan Goal 9 supported by the city's 2011 Economic Opportunity Analysis.

This work also furthers Council Goal #6 to develop and adopt strategic priorities, resources, and programs that support the local economy.

## **DATES OF PREVIOUS COUNCIL CONSIDERATION**

August 9, 2014 Council Meeting - Update on Public Infrastructure Finance Plan  
February 18, 2014 Council Meeting - Fields Site Analysis Study

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### **Attachments**

Fields Development Update

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City of Tigard  
Memorandum

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To: Mayor John Cook and City Council

From: Lloyd Purdy, Economic Development Manager

Re: Update on Public/Private Partnership for Mixed Use  
Development on the Fields Property

Date: November 20, 2014

In February 2014 you were introduced to the public/private partnership between the City and the Fields Trust. We created this partnership to explore ways to convert 42 acres of unused property (the remainder of the Fields Estate) into an economic asset through mixed use development. The central focus of this partnership was a public-infrastructure finance plan that defined the infrastructure most needed to support industrial development on the site and in the surrounding Hunziker Industrial Core.

In November, this partnership achieved two important benchmarks. We completed the public infrastructure finance plan as part of a DLCD funded grant, and a purchase and sale agreement was signed between the Fields Estate and Trammel Crow Construction. Trammel Crow Construction intends to build industrial scale facilities on approximately 17 acres fronting Wall Street. Industrial development on this portion of the site has the potential to create the following economic impact:

- Estimated 225,000 SF of new space for industrial/flex use.
- This combination of industrial/flex space typically supports at least 115 jobs.
- Estimated construction cost for a project of this size is \$22.9 Million.
- This scale of development creates an estimated real market value of \$27.9 Million.
- Estimated property tax revenue for the City of \$51,702 per year.

A second phase of development will involve the upland portion of the property (about 26 acres). Given current market conditions, this development will likely include a large portion of multi-family residential development. This type of use is not currently allowed given current I-P zoning. Residential development could be allowed through a comprehensive plan amendment and zoning change to Mixed Use Employment.

Combined, the proposed industrial and residential development creates a mixed-use development scenario. To achieve this, we have begun negotiating a non-binding Memorandum of Understanding with Trammel Crow Construction. The purpose of this non-binding MOU is to align goals, expectations and timing so that site preparation work for industrial development can begin in summer 2015.

The draft MOU under consideration outlines the actions that the City, Trammel Crow Construction, and the Fields Trust must take individually and in partnership on this project. Along with this MOU, the developer has requested a pre-application meeting in early December to begin the development process for the 17 acres of industrial zoned property that can best be put to use for industrial/employment lands.

Development of the upper portion of the property will require a lot line adjustment, and a comprehensive plan amendment. Because this is industrial zoned property and part of our inventory of employment lands, a comprehensive plan amendment should happen after we conduct a Post Acknowledgement Plan Amendment (PAPA) to our Economic Opportunity Analysis (EOA).

#### Fields Property Background

The Fields Property now includes four contiguous parcels encompassing just over 42 acres. The largest two lots are zoned Industrial Park (I-P). A third parcel is zoned Professional Commercial and the smallest is zoned Low Density Residential. According to GIS maps, a small non-jurisdictional (not controlled or regulated by the city) wetland is located on the northwest portion of the site.

The Fields Property is bounded on the south by an active rail line and rail car switching yard. On the southwest side of the property runs a privately owned rail spur and a private access road (Wall Street) serving the adjacent industrial properties. On the east side residential zoned property with an R-3.5 and an R-25 designation borders this potential development site. To the immediate north industrial zoned property has already been developed and put to economic use.

The Fields Property has a combination of development challenges including lack of infrastructure, slope, access constraints from a rail spur, and a variety of land uses I-P, C-P and R3.5. However, the parcels' combined size and the site's location are assets that make this property marketable for a range of uses.

**AIS-2003**

**3. A.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** Consent Item

**Agenda Title:** Receive and File: Council Calendar and Council Tentative Agenda

**Submitted By:** Norma Alley, City Management

**Item Type:** Receive and File

**Meeting Type:** Consent -  
Receive and  
File

**Public Hearing:** No

**Publication Date:**

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**Information**

**ISSUE**

Receive and file the Council Calendar and the Tentative Agenda for future council meetings.

**STAFF RECOMMENDATION / ACTION REQUEST**

No action is requested; these are for information purposes.

**KEY FACTS AND INFORMATION SUMMARY**

Attached are the Council Calendar and the Tentative agenda for future Council meetings.

**OTHER ALTERNATIVES**

N/A

**COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

N/A

**DATES OF PREVIOUS COUNCIL CONSIDERATION**

N/A - Receive and File Items

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**Attachments**

Council Calendar

Tentative Agenda

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# MEMORANDUM

TO: Honorable Mayor & City Council/City Center Development Agency Board

FROM: Carol A. Krager, City Recorder

RE: Three-Month Council/CCDA Meeting Calendar

DATE: December 2, 2014

## December

2 Tuesday City Center Development Agency Meeting – 6:30 p.m., Town Hall

9\* Tuesday Council Business Meeting – 6:30 p.m., Town Hall

16\* Tuesday Council Business Meeting – 6:30 p.m., Town Hall

18 Thursday Council Ground Rules Meeting – 3:00 p.m., Fanno Creek House, 13335 SW Hall Blvd., Tigard

22 Monday Council Goal Setting Meeting – 3:00 p.m., Marriott Courtyard – Sequoia Room, 15686 SW Sequoia Parkway, Tigard

23\* Tuesday **(May be cancelled)** Council Business Meeting – 6:30 p.m., Town Hall

25 **Thursday Christmas Day – City Hall Offices Closed**

## January

1 **Thursday New Year's Day – City Hall Offices Closed**

6 Tuesday City Council Special Meeting (Inauguration) – 6:30 p.m., Town Hall  
**City Center Development Agency Meeting Cancelled**

13\* Tuesday Council Business Meeting – 6:30 p.m., Town Hall

19 **Monday Martin Luther King, Jr. Birthday – City Hall Offices Closed**

20\* Tuesday Council Workshop Meeting – 6:30 p.m., Town Hall

27\* Tuesday Council Business Meeting – 6:30 p.m., Town Hall

## February

3 Tuesday City Center Development Agency Meeting – 6:30 p.m., Town Hall

10\* Tuesday Council Business Meeting – 6:30 p.m., Town Hall

16 **Monday President's Day – City Hall Offices Closed**

17\* Tuesday Council Workshop Meeting – 6:30 p.m., Town Hall

24\* Tuesday Council Business Meeting – 6:30 p.m., Town Hall

Regularly scheduled Council meetings are marked with an asterisk (\*).

Meeting Banner  Business Meeting   
 Study Session  Special Meeting   
 Consent Agenda  Meeting is Full   
 Workshop Meeting  CCDA Meeting

**City Council Tentative Agenda  
 12/1/2014 11:25 AM - Updated**

Form #	Meeting Date	Submitted By	Meeting Type	Title	Department	Inbox or Finalized
1636	12/09/2014	Cathy Wheatley	AAA	December 9, 2014 Business Meeting		
1969	12/09/2014	Carol Krager	ACCSTUDY	15 Minutes - Council Liaison Reports	City Management	11/10/2014
1987	12/09/2014	Lloyd Purdy	ACCSTUDY	10 Minutes - Fields Industrial Property: Pre Development Update	Community Development	11/25/2014
<b>Total Time: 25 of 45 Minutes Scheduled</b>						
1975	12/09/2014	Judy Lawhead	ACONSENT	Consent Item - Authorize the City Manager to Execute an Intergovernmental Agreement with King City Regarding Water System Ownership and Water Service	Public Works	11/25/2014
1985	12/09/2014	Mike McCarthy	CCBSNS	1 5 Minutes - Updates to Tigard Transportation Advisory Committee (TTAC) Bylaws	Public Works	11/25/2014
1903	12/09/2014	Liz Lutz	CCBSNS	2 5 Minutes - Appoint Budget Committee Members	Financial and Information Services	11/25/2014
1904	12/09/2014	Liz Lutz	CCBSNS	3 5 Minutes - Appoint Audit Committee Members	Financial and Information Services	MartyW, City Manager
1959	12/09/2014	Doreen Laughlin	CCBSNS	4 5 Minutes - Tigard Transportation Advisory Committee Appointments	Community Development	11/25/2014
1958	12/09/2014	Louis Sears	CCBSNS	5 5 Minutes - Approve the extension of the current Comcast franchise agreement through 6/30/15	Financial and Information Services	11/13/2014
1788	12/09/2014	Liz Lutz	CCBSNS	6 15 Minutes - Public Hearing: Consideration of New Water Rates	Financial and Information Services	Goodrich J, Utility Div Manager
1952	12/09/2014	Dana Bennett	CCBSNS	7 10 Minutes - Public Hearing: Public Comment on City Manager's Evaluation Criteria and Process	City Management	MartyW, City Manager

Meeting Banner  Business Meeting   
 Study Session  Special Meeting   
 Consent Agenda  Meeting is Full   
 Workshop Meeting  CCDA Meeting

**City Council Tentative Agenda  
12/1/2014 11:25 AM - Updated**

1933	12/09/2014	Loreen Mills	CCBSNS	8 20 Minutes - Public Hearing: Amending Tigard Municipal Code Title 15.06 Franchise Utility Ordinance	City Management	MartyW, City Manager
1935	12/09/2014	Loreen Mills	CCBSNS	9 5 Minutes - Revise Master Fees and Charges Schedule to update utility franchise fees	City Management	11/25/2014
1932	12/09/2014	Kent Wyatt	CCBSNS	10 15 Minutes - Establish a 10 year franchise agreement with Windstream Communications (d.b.a. McLeodUSA Telecommunications).	City Management	MartyW, City Manager
1979	12/09/2014	Joseph Barrett	CCBSNS	11 10 Minutes - Contract Award - PMP Overlay Engineering Design Services	Financial and Information Services	11/25/2014
<b>Total Time: 100 of 100 Minutes Scheduled MEETING FULL</b>						
1637	12/16/2014	Cathy Wheatley	AAA	December 16, 2014 Workshop Meeting		
1972	12/16/2014	Carol Krager	CCBSNS	1 5 Minutes - APPROVE RESOLUTION OF APPRECIATION FOR GRETCHEN BUEHNER	City Management	11/18/2014
1891	12/16/2014	Doreen Laughlin	CCBSNS	2 5 Minutes - Planning Commission Appointments	Community Development	MartyW, City Manager
1850	12/16/2014	Debbie Smith-Wagar	CCBSNS	3 75 Minutes - Public Hearing - Ordinances Adopting the River Terrace Community Plan, Code Amendments and Transportation System Plan	Community Development	Floyd J, Associate Planner
1907	12/16/2014	Debbie Smith-Wagar	CCBSNS	4 25 Minutes - Resolution Adopting the Park System Master Plan Addendum for River Terrace	Community Development	11/26/2014
1908	12/16/2014	Debbie Smith-Wagar	CCBSNS	5 75 Minutes - Resolution Adopting the River Terrace Infrastructure Funding Strategy	Community Development	Smith-Wagar D, Asst Finance Director
<b>Total Time: 185 of 180 Minutes Scheduled MEETING FULL</b>						
			AAA	December 18, 2014 Council Groundrules 3-6 p.m. Fanno Creek House		

Meeting Banner	<input type="checkbox"/>	Business Meeting	<input type="checkbox"/>
Study Session	<input type="checkbox"/>	Special Meeting	<input type="checkbox"/>
Consent Agenda	<input type="checkbox"/>	Meeting is Full	<input type="checkbox"/>
Workshop Meeting	<input type="checkbox"/>	CCDA Meeting	<input type="checkbox"/>

**City Council Tentative Agenda  
12/1/2014 11:25 AM - Updated**

			AAA	December 22, 2014 Council Goal Setting 3-6 p.m. Location TBA		
1638	12/23/2014	Cathy Wheatley	AAA	December 23, 2014 Business Meeting ONLY AVAILABLE IF NEEDED FOR RIVER TERRACE		
1892	01/06/2015	Carol Krager	AAA	January 6, 2015 Special Meeting Inaugural Reception & State of the City Address		
1893	01/13/2015	Carol Krager	AAA	January 13, 2015 Business Meeting		
1955	01/13/2015	Dana Bennett	ACCSTUDY	30 Minutes - Executive Session - Provide City Manager Feedback from the Evaluation Process	City Management	Bennett, D, HR Director
1970	01/13/2015	Carol Krager	ACCSTUDY	15 Minutes - Council Liaison Reports	City Management	11/03/2014
<b>Total Time: 45 of 45 Minutes Scheduled MEETING FULL</b>						
1991	01/13/2015	Norma Alley	CCBSNS	1 5 Minutes - Elect Council President to serve January 2015 through December 2016	City Management	Krager C, City Recorder
1960	01/13/2015	Sean Farrelly	CCBSNS	2 5 Minutes - City Center Advisory Commission Appointments	Community Development	Farrelly S, Redev Project Manager
1968	01/13/2015	Gary Pagenstecher	CCBSNS	3 90 Minutes - A+O Apartments Comprehensive Plan Amendment/Planned Development	Community Development	Pagenstecher G, Assoc Planner
1977	01/13/2015	Joanne Bengtson	CCBSNS	4 5 Minutes - Request for Permit Fee Refund on Stevie Levin Eagle Project	City Management	Lutz L, Conf Exec Asst
<b>Total Time: 105 of 100 Minutes Scheduled MEETING FULL</b>						
1930	01/20/2015	Carol Krager	AAA	January 20, 2015 Workshop Meeting Mayor Absent		
1890	01/20/2015	Carissa Collins	CCWKSHP	45 Minutes - Second Quarter Budget Committee Meeting	Financial and Information Services	08/24/2014

Meeting Banner  Business Meeting   
 Study Session  Special Meeting   
 Consent Agenda  Meeting is Full   
 Workshop Meeting  CCDA Meeting

**City Council Tentative Agenda  
 12/1/2014 11:25 AM - Updated**

<b>Total Time: 45 of 180 Minutes Scheduled</b>						
1895	01/27/2015	Carol Krager	AAA	January 27, 2015 Business Meeting		
1967	01/27/2015	Toby LaFrance	ACCSTUDY	30 Minutes - Pavement Management Program and Street Maintenance Fee Discussion	Financial and Information Services	LaFrance T, Fin/Info Svcs Director
1973	01/27/2015	Norma Alley	ACCSTUDY	15 Minutes - Council Liaison Reports	City Management	11/04/2014
<b>Total Time: 45 of 45 Minutes Scheduled MEETING FULL</b>						
1877	01/27/2015	Judy Lawhead	ACONSENT	Consent Item - Adopt a Resolution Authorizing the City Manager to Execute an Agreement with PGE for a Back-up Power Source for a Water Partnership Facility	Public Works	Koellermeier D, Public Works Dir
1887	01/27/2015	Judy Lawhead	CCBSNS	1 15 Minutes - Briefing on Capital Improvement Plan (CIP) Projects	Public Works	Lawhead, J, Sr. Admin Spec.
1984	01/27/2015	Carol Krager	CCBSNS	2 20 Minutes - Update for Tigard Triangle Strategic Plan	City Management	Caines C, Assoc Planner
1934	01/27/2015	Loreen Mills	CCBSNS	3 20 Minutes - Establish a 10 year franchise agreement with Astound Broadband LLC	City Management	Mills L, Asst to City Manager
1953	01/27/2015	Carissa Collins	CCBSNS	4 15 Minutes - FY 2015 Second Quarter Supplemental Amendment	Financial and Information Services	Collins C, Sr Mgmt Analyst (Fin Adm)
1983	01/27/2015	Carol Krager	CCBSNS	5 10 Minutes - Adopt Ordinance adopting TVF&R Fire Code Ordinance No. 14-02	City Management	11/26/2014
1995	01/27/2015	Sean Farrelly	CCBSNS	6 10 Minutes - Transfer city-owned property to the City Center Development Agency	Community Development	Farrelly S, Redev Project Manager
1996	01/27/2015	Dana Bennett	CCBSNS	7 10 Minutes - City Manager Evaluation	City Management	Bennett, D, HR Director

Meeting Banner  Business Meeting   
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**City Council Tentative Agenda  
 12/1/2014 11:25 AM - Updated**

<b>Total Time: 100 of 100 Minutes Scheduled MEETING FULL</b>							
1896	02/03/2015	Carol Krager	AAA	February 3, 2015 CCDA Meeting			
1961	02/03/2015	Sean Farrelly	CCDA	20 Minutes - Urban Renewal Tax Increment Revenue Forecast	Community Development	Farrelly S, Redev Project Manager	
<b>Total Time: 20 of 180 Minutes Scheduled</b>							
1897	02/10/2015	Carol Krager	AAA	February 10, 2015 Business Meeting Mayor Cook and City Manager Wine Absent			
1992	02/10/2015	Carol Krager	ACCSTUDY	15 Minutes - Council Liaison Reports	City Management	11/24/2014	
1997	02/10/2015	Loreen Mills	ACCSTUDY	20 Minutes - Executive Session - Pending Litigation ORS 192.660(2)(h)	City Management	Krager C, City Recorder	
<b>Total Time: 35 of 45 Minutes Scheduled</b>							
1898	02/17/2015	Carol Krager	AAA	February 17, 2015 Workshop Meeting			
1998	02/17/2015	Debbie Smith-Wagar	CCWKSHOP	60 Minutes - Storm water, Parks, and Transportation Projects	Financial and Information Services		
<b>Total Time: 60 of 180 Minutes Scheduled</b>							
1929	02/24/2015	Carol Krager	AAA	February 24, 2015 Business Meeting			
1993	02/24/2015	Norma Alley	ACCSTUDY	15 Minutes - Council Liaison Reports	City Management	11/24/2014	
<b>Total Time: 15 of 45 Minutes Scheduled</b>							

Meeting Banner  Business Meeting   
 Study Session  Special Meeting   
 Consent Agenda  Meeting is Full   
 Workshop Meeting  CCDA Meeting

**City Council Tentative Agenda  
 12/1/2014 11:25 AM - Updated**

1758	02/24/2015	Carol Krager	CCBSNS	15 Minutes - PLACEHOLDER - Google Franchise Agreement	City Management	Mills L, Asst to City Manager
1986	02/24/2015	Agnes Kowacz	CCBSNS	90 Minutes - River Terrace Code Amendments	Community Development	Floyd J, Associate Planner
<b>Total Time: 105 of 100 Minutes Scheduled MEETING FULL</b>						
1988	03/10/2015	Carol Krager	AAA	March 10, 2015 Business Meeting		
1966	03/10/2015	Judy Lawhead	ACCSTUDY	15 Minutes - Briefing on Sanitary Sewer Reimbursement Districts	Public Works	Lawhead, J, Sr. Admin Spec.
<b>Total Time: 15 of 45 Minutes Scheduled</b>						
1874	03/10/2015	Judy Lawhead	CCBSNS	15 Minutes - Informational Public Hearing to Consider a Resolution Establishing Walnut Street & 112th Avenue Sanitary Sewer Reimbursement	Public Works	Berry G, Project Engineer
<b>Total Time: 15 of 100 Minutes Scheduled</b>						
1989	03/17/2015	Carol Krager	AAA	March 17, 2015 Workshop Meeting		
1990	03/24/2015	Carol Krager	AAA	March 24, 2015 Business Meeting		

**AIS-1975**

**3. B.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** Consent Item

**Agenda Title:** Authorize the City Manager to Execute an Intergovernmental Agreement with King City Regarding Water System Ownership and Water Service

**Prepared For:** Dennis Koellermeier, Public Works

**Submitted By:** Judy Lawhead, Public Works

**Item Type:** Motion Requested

**Meeting Type:** Consent  
Agenda

**Public Hearing:** No

**Publication Date:**

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**Information**

**ISSUE**

Shall the council authorize the city manager to execute an intergovernmental agreement (IGA) with King City regarding water system ownership and water service?

**STAFF RECOMMENDATION / ACTION REQUEST**

Authorize the city manager to execute the agreement.

**KEY FACTS AND INFORMATION SUMMARY**

The council last reviewed this IGA on November 25, 2014.

The City of Tigard has provided water service to the residents of King City, Durham and the Tigard Water District since 1994. This service is provided via three intergovernmental agreements between Tigard and each of the three entities. Those agreements expire in 2018.

The Cities of Tigard, King City and Durham, along with the Tigard Water District (TWD), are members of the Intergovernmental Water Board. This board was created in the 1994 agreements. The board members have attempted to develop a replacement agreement for several years—with limited success. Subsequently, representatives from Tigard and King City chose to table the prior work and undertake a new approach which would redefine the relationship between the parties. That approach, termed the service provider model, received the general support of the Tigard City Council at its November 19, 2013, workshop meeting.

The attached King City IGA is designed to be the "successor" agreement to the original 1994 intergovernmental agreement. Key terms of the King City IGA include:

- The term of the IGA is perpetual.
- King City is transferring its interests in supply assets to Tigard.

- King City is transferring its distribution assets to Tigard.
- Tigard will thus own and operate the water system in King City as a service provider.
- King City will receive a 5-percent franchise fee on annual revenues generated in King City.

Assuming both the King City and Tigard City Councils authorize this IGA, a joinder agreement to this IGA will be offered to the City of Durham. Lastly, a similar agreement, with some minor modifications, will be developed in conjunction with the TWD for council consideration.

## **OTHER ALTERNATIVES**

The council could choose not to authorize the IGA and direct staff to:

- Re-negotiate the terms of the IGA.
- Pursue some other course of action regarding the provision of water service to King City.

## **COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

Tigard City Council - Proposed Goals and Milestones  
September 2013 - December 2014

*Water*

*Intergovernmental Water Board*

*Work plan for, and next governance agreements with Tigard Water District, Durham, King City (expires 2017, 2-yr notice)*

## **DATES OF PREVIOUS COUNCIL CONSIDERATION**

The council:

- Was briefed on the IGA on November 25, 2014.
- Was updated on the progress of the IGA on October 28, 2014.
- Reviewed the IGA on November 19, 2013.
- Received a memo on the development of a new agreement in its October 31, 2013, council packet.
- Discussed its strategy for future water service to King City, Durham and the TWD in executive session on August 14, 2012.

### **Fiscal Impact**

#### **Fiscal Information:**

Upon execution of the new agreement by both parties, Tigard should expect a minor increase in the annual remittance from water sales it pays to King City.

### **Attachments**

IGA and Exhibits

## Intergovernmental Agreement Regarding Water System Ownership and Water Service

This Intergovernmental Agreement Regarding Water System Ownership and Water Service (Agreement) is made by and between the City of Tigard, a municipal corporation of the State of Oregon (Tigard) and the City of King City, a municipal corporation of the State of Oregon (King City).

### RECITALS

WHEREAS, effective July 1, 1993, the Cities of Tigard, Durham and King City withdrew the area and water system infrastructure within their boundaries from the Tigard Water District. In lieu of the division of Tigard Water District assets as provided by 222.540, the City of Tigard entered into intergovernmental agreements for the delivery of water service to areas within the then-existing District boundaries including the cities of Durham, King City and the Tigard Water District; and

WHEREAS, this arrangement was memorialized in three separate agreements (IWB Agreements) between Tigard and the City of Durham, Tigard and the City of King City, and Tigard and the Tigard Water District; and

WHEREAS, the IWB Agreements provided, among other things, for City of Tigard operation and management of the entire water system wherever located and that all users within the Tigard Water Service Area would obtain service at the same rates and on the same terms and conditions; and

WHEREAS, the IWB Agreements also provided for participation by the Parties through an Intergovernmental Water Board to make recommendations on various water-related issues to the Tigard City Council; and

WHEREAS, the City of Tigard has provided all services under the IWB Agreements since their effective date and the existing IWB Agreements expire on December 31, 2018. Tigard desires, and King City is willing, to continue with the existing IWB Agreement with the City of Tigard until December 31, 2018 or such time as the all of the IWB Agreements are terminated, whichever first occurs, and then transfer complete ownership and responsibility of the Water Supply System Assets within King City and to supply water to King City; and

WHEREAS, entry into this Agreement by the Parties is consistent with ORS 225.020 and the Parties' respective city charters, municipal codes, comprehensive plans and public facilities Plans; and

WHEREAS, pursuant to the Tigard City Charter and ORS 225.020, Tigard has the authority to acquire, own and operate the King City water system located outside the incorporated boundaries of Tigard and provide direct service to King City water system users; and

WHEREAS, as set forth below in the terms and conditions of this Agreement, King City desires to transfer ownership and responsibility of the water system to Tigard and Tigard agrees to:

- a) Assume ownership and full responsibility to operate, maintain and repair the King City water system, and
- b) Continue to supply water and to secure future supply as needed, and
- c) Provide all water-related administration; and

WHEREAS, the parties have authority to enter into this Agreement pursuant to ORS 190.003 through 190.030, and being fully advised.

NOW, THEREFORE THE PARTIES AGREE AS FOLLOWS:

#### I. DEFINITIONS

1.1 “City of King City” shall mean the City of King City, an Oregon municipal corporation (King City).

1.2 “City of Tigard” shall mean the City of Tigard, an Oregon municipal corporation (Tigard).

1.3 “Distribution System” or “Distribution System Assets” shall mean the potable water distribution systems of each Party providing direct service to that Party’s system users through pipelines twelve (12) inches or less in diameter.

1.4 “Intergovernmental Water Board Agreements,” shall mean those three (3) separate agreements that took effect on January 1, 1994, between Tigard and the City of Durham, Tigard and the City of King City, and Tigard and the Tigard Water District (IWB Agreements).

1.5 “Oregon Health Authority” shall, mean the State of Oregon Health Authority (OHA).

1.6 “Party” or “Parties” shall mean any signatory entity to this Agreement or any other local government or domestic water supply district that may join this Agreement. “Safe Drinking Water Act,” shall mean the Federal Safe Drinking Water Act of 1974 as amended (SDWA).

1.7 “Tigard Water Services Area,” shall mean the area of the Tigard Water District, as it existed on July 1, 1993, the effective date of the IWB Agreements and as set forth on Exhibit 1,

attached and incorporated by reference and all additions to the TWSA by annexation to either Party, amendments to the Urban Growth Boundary or designation as Urban Reserve.

1.8 “Water Supply System” or “Water Supply System Assets” shall mean all water sources and facilities, appurtenances, real property and personal property used in treatment, pumping, storage and transmission of potable water within the TWSA to provide water to distribution system.

## II. EFFECTIVE DATE

2.1 The effective date of this Agreement is January 1, 2015 and shall continue in perpetuity unless terminated as provided in Article VII.

## III. OWNERSHIP

3.1 Water Supply System Assets. In consideration of the assumption of obligations and responsibilities by Tigard in Article IV below, effective on termination of the IWB Agreement between Tigard and King City King City grants, conveys, transfers and assigns all ownership right, title and interest in any and all Water Supply System Assets that King City owns or has any rights of whatsoever kind and wherever situated in the TWSA to Tigard and Tigard accepts ownership AS-IS. The Water Supply System Assets are identified on Exhibit 2, attached hereto and incorporated by reference. King City agrees to execute all documents to effectuate such conveyances as requested by Tigard. Upon conveyance, Tigard will own 100% of King City’s interest in the Water Supply System Assets wherever situated and King City shall have no shared ownership or tenancy in common in any Water Supply System Asset.

3.2 Distribution System Asset. In consideration of the assumption of obligations and responsibilities by Tigard in Article IV below, effective on termination of the IWB Agreement between Tigard and King City, King City grants, conveys, transfers and assigns all ownership right, title and interest in any and all King City Distribution System Assets of whatsoever kind and wherever situated within the incorporated area of King City to Tigard and Tigard accepts ownership AS-IS. The Distribution System Assets are identified on Exhibit 3, attached hereto and incorporated by reference. King City agrees to execute all documents to effectuate such conveyances as requested by Tigard. Upon conveyance, Tigard will own 100% of the Distribution System Assets located within King City’s boundaries and King City shall have no shared ownership or tenancy in common in any Distribution System Assets.

3.3 IWB. King City shall appoint the representative to the IWB until December 31, 2018.

## IV. TIGARD COVENANTS AND OBLIGATIONS

In consideration of the terms of this agreement and King City’s release, transfer and conveyance of assets in Article III above, Tigard agrees to:

4.1 Water Supply. Secure and supply all water to King City at the same quality and quantity and on the same terms, conditions and price for the same customer types and classes as exist in Tigard. Tigard has obtained water supply sources and will continue to develop water supply sources to achieve reliable and redundant supplies for the future demands of King City including present boundaries, areas within the Urban Growth Boundary that may be annexed and urban reserves. Tigard agrees to provide water to King City so long as King City is a Party to this Agreement.

4.2 System Management. Tigard will plan, design, build, finance, operate, maintain, repair and replace those components of the Water Supply System and the Distribution System located within King City's boundaries as necessary for source, treatment, transmission, pumping and storage in a manner comparable to such systems in the City of Tigard and to deliver water as necessary to King City water system users with recovery of costs through rates so that users in King City pay their share under Section 4.9 below.

4.3 Curtailment. Tigard maintains a curtailment plan to meet shortages in water supply. Curtailment shall be consistent and equal throughout Tigard and King City so that all users are treated equally.

4.4 Demand Forecasting. Tigard will be responsible for demand forecasting and planning based on population or other information provided by King City. King City will provide information as reasonably requested by Tigard to enable Tigard to complete this task.

4.5 Regulatory Matters. Tigard will be responsible for compliance with all federal and state statutes, rules and administrative processes related to water source and water supply and the Distribution Systems within King City. Tigard will provide or will contract for all water quality sampling, testing, monitoring and reporting for SDWA and OHA compliance, as well as any other required reporting for regulatory compliance. Tigard will provide all interfaces with the Oregon Water Resources Department and other related regulatory agencies regarding provision of drinking water.

4.6 Cross Connection Control. Tigard maintains and will continue to maintain a cross connection and backflow prevention program that meets current state rules and regulations.

4.7 Mapping. King City will provide all available maps, drawings, as-builts, AUTOCADS, or other information to enable Tigard to develop a mapping system compatible with Tigard's information system

4.8 Budget. Tigard's requested budget will be provided to King City for review within 7 days following submission to Tigard's Budget Officer. King City may provide comments or

questions to Tigard prior to the first meeting of the Tigard Budget Committee. The Tigard City Council is the sole and final decision maker on budget and rate matters.

4.9 Rate Methodology. Tigard will be responsible for calculation of rates and charges, including system development charges, as related to the Water Supply System. Tigard will adopt rates in accordance with the current edition of the American Water Works Association *Principles of Water Rates, Fees, and Charges* (known as M1 standards), including any system-related debt coverage requirements. Tigard will include in the rates such amounts it deems necessary for the operation, maintenance, repair and replacement of the Distribution System located within King City's boundaries. Tigard and King City users shall obtain service at the same rates and on the same terms and conditions.

4.10 Billing. Tigard will assume all billing and collection functions, including management of any existing agreements King City may have for meter reading and other billing and collection services. King City may include a newsletter to citizens to be included in customer bills so long as Tigard does not incur additional costs beyond a typical bill. If inclusion of a newsletter or other publication increases mail processing costs, (printing, folding, stuffing, etc.), or postage costs, King City must pay the additional costs.

4.11 Public Relations. Tigard will be responsible for communications and public messaging regarding water-related issues involving King City. Tigard will make reasonable efforts to first inform or consult with King City regarding announcement of significant changes or matters that may be controversial.

4.12 Council/City Staff Meetings. Tigard representatives familiar with the Distribution System located within King City's boundaries or familiar with current issues of interest to King City will attend King City City Council meetings and will meet with the King City city manager as requested.

4.13 Emergency Service. Tigard will respond to water emergencies 24-hours-a-day, including weekends and holidays. Tigard will retain records of emergency calls in accordance with Oregon public records law. King City will forward all water emergency calls to Tigard.

4.14 Water Management and Conservation. Tigard will be responsible for all water management and conservation planning as required by the Oregon Water Resources Department. Tigard will also be responsible for the water master planning as required by the Oregon Health Authority. In the course of water management and conservation planning, Tigard may perform water audits and leak detection services in the Distribution System located within King City's boundaries. Tigard will provide King City a reasonable opportunity to review and comment on water management and conservation matters affecting King City.

4.15 System Operation and Maintenance. Tigard will operate and maintain the Distribution System located within King City's boundaries in a manner comparable to the Distribution System within the City of Tigard. Tigard will install services and meters as needed in accordance with Tigard's standards. Additions, replacements or repairs to the Distribution System will be according to Tigard's standards for construction. Tigard will develop maintenance schedules consistent with prudent water utility practices. Tigard will be responsible for service requests and account inquiries.

4.16 Capital Improvement. Tigard will be responsible to budget and appropriate money for capital improvements. Capital improvements shall be made according to Tigard's Capital Improvement Plan and timing of projects reasonably designated by Tigard. Tigard will manage the Capital Improvement Program. All capital improvements shall be constructed according to Tigard construction standards. Tigard will provide King City with an opportunity to review and comment on proposed capital improvement plan amendments and the timing of projects that directly relate to water system assets located in or directly impacting King City.

4.17 Telemetry. Tigard will manage, maintain, and upgrade or replace, as necessary, the telemetry system. King City will cooperate when radio frequency license renewal is required, if necessary.

4.18 Activities in King City's Right of Way. King City will not charge Tigard any right of way permit fees for water-related projects. Except in case of emergency, Tigard will obtain the appropriate permits prior to working in King City's right of way. Tigard will make reasonable efforts to notify King City of projects affecting King City's right of way so that King City may coordinate traffic and other construction-related impacts.

4.19 Pay Stations. King City will designate publicly accessible location(s) for pay stations where users can submit Tigard utility payments.

4.20 Consumer Confidence Reports. Tigard will provide consumer confidence reports to King City users, commencing with the report due June 30, 2014.

4.21 New Development. King City shall refer all applicants who require water service to Tigard. Tigard will review and provide comments to King City on development applications. These comments will be provided within the timelines set in current land use statutes. Tigard will provide the review, approval of engineering plans, inspections and final acceptance of additions or modifications to the water Distribution System. The Tigard City Engineer has the authority regarding public water Distribution System improvement design standards, including any variances within those standards.

4.22 Debt. Tigard shall not incur general obligation bonds or indebtedness that is a lien against real property regarding Water Supply System Assets or Distribution System Assets, or obligate King City or its residents to repay any such debt, without the prior approval of King City. This restriction shall not apply to bonds or indebtedness backed solely by water system revenues from King City and Tigard water users. Nothing in this agreement imposes any additional responsibility on King City or its residents for debt incurred prior to the termination of the IWB Agreement except as provided in the IWB Agreement.

4.23 Other Matters. Tigard will perform such other functions as the Parties hereto mutually agree in writing.

## V. RIGHT OF WAY

5.1 Use and Occupancy. Tigard shall have the right to use and occupy the streets and roads of King City where Water Supply System Assets or the Distribution System now exist or are installed in the future, subject to obtaining a right of way permit for activities within King City right of way and in accordance with King City's street standards.

5.2 Fee for Use of Right of Way. Effective 60 days from the date of execution of this Agreement, Tigard shall pay King City a fee of 5% of gross water system revenues generated by King City water users for use of King City rights of way for Water Supply System Assets and the Distribution System. The Parties agree that such payment is mutually agreed and voluntary. The fee may be revised by mutual agreement of the parties.

## VI. ANNEXATION

6.1 Service to Annexed Areas. Tigard has planned for and will provide water service according to anticipated densities under the applicable comprehensive plan and zoning codes of Tigard and King City. Tigard will also serve areas annexed to King City, areas added to the Urban Growth Boundary and any designated Urban Reserves where King City will ultimately be required to provide water service. Service will only be provided on annexation to King City or Tigard, unless the health hazard annexation statutory process compels Tigard to provide water service to the subject property(ies).

## VII. WITHDRAWAL AND TERMINATION

7.1 Voluntary Withdrawal. If King City elects, King City may voluntarily withdraw from this Agreement without cause upon at least one (1) year prior written notice. Withdrawal will occur on the next July 1<sup>st</sup> being at least 12 months from the date of notice. Unless otherwise agreed by the parties, and except as provided in paragraph 7.5, Tigard will transfer back to King City the Distribution System Assets. Master meters will be installed at all connection points to the Distribution System located within King City's boundaries. Master meters will be owned by

Tigard but installed at King City expense. If bonds or indebtedness have been incurred against the Water Supply System Assets or Distribution System Assets, withdrawal cannot occur until the debts have been paid or satisfactory arrangements to Tigard have been made for payment of the proportionate share of debt through a wholesale contract with Tigard where the calculated rate contains a debt service component or other repayment method agreed to by the parties. The most current edition of the American Water Works Association *Principles of Water Rates, Fees, and Charges* (known as M1 standards) will be used to determine wholesale rates.

7.2 Material Breach. In consideration of the conveyance of all right, title and interest to the Water Supply System Assets to Tigard in Exhibit 2, Tigard agrees to provide water service to King City. King City may terminate this agreement for material breach on first providing notice and 60 day opportunity to cure. Termination and withdrawal shall be effective on the date specified in notice, unless the Parties agree otherwise in writing.

7.3 Notice and Opportunity to Cure. Tigard shall have 60 days from the date of notice of termination for breach in which to cure, or make substantial progress in curing the alleged breach. For purposes of this section, “substantial progress” shall mean that a minimum, Tigard has provided to King City reasonable assurances that it developed a solution to the breach and has the means and capability to implement the solution within a reasonable period of time.

7.4 Distribution System Assets. On termination, Tigard shall transfer to King City those Distribution System Assets located within King City’s boundaries as provided in paragraph 7.1, unless otherwise agreed by the parties. If bonds or indebtedness have been incurred against the Water Supply System Assets or Distribution System Assets, withdrawal cannot occur until the debts have been paid or satisfactory arrangements to Tigard have been made for payment of the proportionate share of debt through a wholesale contract with Tigard where the calculated rate contains a debt service component or other repayment method agreed to by the parties.

7.5 Water Supply System Assets. Recognizing the conveyance to Tigard under Section 3.1, King City shall have no right to obtain or re-acquire ownership in any Water Supply System Asset wherever located. King City shall not re-acquire any Distribution System Assets owned by Tigard that serve Tigard users within or outside King City’s boundaries.

7.6 Source. If King City terminates the Agreement and re-acquires the Distribution System, King City must negotiate a wholesale water purchase contract with Tigard or obtain its own source. If King City negotiates wholesale purchase contract with Tigard, then billings will be based on water through master meters according to the terms of the contract. The cost of the master meter, installation thereof, and master meter operations, maintenance repair and replacement will be included in the rate. The proportionate cost of debts under Sections 7.1 or 7.4 will also be included in the rate.

7.7 Cross Connections. If King City obtains water from another source, then in addition to the master meters at connection points, Tigard approved backflow prevention devices must be installed at the expense of King City, unless, in Tigard's sole discretion, it waives this requirement.

7.8 No Further Obligations. Following withdrawal and/or termination, King City shall be solely responsible for all aspects of the Distribution System transferred to King City. Tigard shall have no further responsibility for supply and shall be completely released from further obligations under this Agreement, known or unknown.

## VIII. DISPUTE RESOLUTION

8.1 The Parties hereby agree that resolution of any and all disputes, other than a declaration of material breach, arising out of the terms of this Agreement or interpretation thereof shall follow the steps as set forth hereunder. Nothing shall prevent the disputing Parties from waiving any of the steps by mutual consent.

8.2 Dispute Resolution Steps.

a) Step One – Negotiation.

A Party who has a dispute will give written notice (Dispute Notice) to the other Party setting forth the reasons for such dispute. Within ten (10) calendar days following the Dispute Notice, each Party will designate an authorized representative to negotiate on behalf of the Party he/she represents and attempt to negotiate a proposed resolution. If the representatives negotiate a proposed resolution within ninety (90) days of the Dispute Notice, the representatives shall reduce the resolution to writing and submit the same for approval by the King City and Tigard city managers, subject to approval by the governing bodies if necessary. A resolution so approved shall be binding. If the proposed resolution is not approved within sixty (60) days, the Parties shall proceed to Step Two.

b) Step Two – Mediation.

If the dispute cannot be resolved within the timeframe outlined in Step One, the Parties shall submit the matter to non-binding mediation. The Parties shall attempt to agree on a mediator. If they cannot agree, within thirty (30) days (or one hundred and ninety days 190 days of the Dispute Notice), the Parties will select a mediator through the Rules of the American Arbitration Association's Mediation Service or such other neutral service as the Parties may agree upon.

c) Step Three – Legal Action.

If the parties cannot agree on a mediator or if mediation is unsuccessful after two

hundred and fifty (250) days from the date of Dispute Notice, a Party may initiate litigation in the Circuit Court of the State of Oregon for Washington County and may seek all available remedies. Each Party shall bear its own legal and expert witness fees at all stages of the dispute resolution process, including at trial or on any appeals.

8.3 Nothing in this Article or in Section 7.2 precludes King City from seeking immediate provisional relief from a court of competent jurisdiction if King City determines that such relief is necessary to address an immediate threat to the health, safety and welfare of the residents of King City arising from an alleged breach of this Agreement.

## IX. INDEMNITY AND INSURANCE

9.1 Mutual Indemnity. Subject to the Constitution and laws of the State of Oregon and the damage limitations of ORS 30.260 to 30.300, each Party shall defend, indemnify, and hold each other harmless from and against any and all claims, demands, suits, actions, judgments, recoveries, liabilities, damages, penalties, costs and expenses, including but not limited to reasonable attorneys' fees resulting from damage to property or bodily injury, including death, to the extent caused by a Party's breach of this Agreement or the negligent actions or omissions of that Party, or its employees, servants, agents, or officers elected or appointed. The indemnification obligation provided in this section shall survive any withdrawal from, or any expiration or termination of this Agreement for the duration of any applicable statute of limitations.

9.2 Insurance. If Tigard hires a consultant or contractor to work on any portion of the Water Supply System or Water Distribution System located within King City's boundaries, the contract documents shall require that consultant/contractor obtain, prior to beginning any work, and maintain in full force and effect for the term of the contract, at consultant's/contractor's expense, comprehensive general liability, to include bodily injury and property damage on a combined single limit per occurrence and aggregate basis; automobile liability with a combined single limit coverage to include bodily injury and property damage; and other insurance appropriate to the work to be performed in amounts not less than what Tigard would typically require for similar work. The named insureds on any policies shall be the consultant/contractor, Tigard and King City. Consultant/contractor shall name Tigard and King City, their elected and appointed officials, officers, agents, employees and volunteers as additional insureds. The policies shall be primary to and non-contributory with any insurance or self-insurance carried by Tigard or King City, and shall be issued by a company authorized to do business in the State of Oregon. The consultant/contractor shall provide Tigard written notice within thirty (30) days of cancellation or material modification of the insurance contract at the addresses listed below. Consultant/contractor shall provide certificates of insurance and additional insured policy endorsement to Tigard prior to commencement of any work. If requested, complete copies of

insurance policies shall be provided to Tigard and King City. Consultant/contractor shall be financially responsible for all pertinent deductibles, self-insured retention and/or self-insurance used to satisfy these requirements.

## X. GENERAL PROVISIONS

10.1 Amendments. Any Party may request changes to this Agreement. Amendments to this Agreement must be proposed in writing and approved by a vote of the governing body of each Party.

10.2 Access to Records. To the extent permitted by law, all records, accounts and documents relating to matters covered by this Agreement shall be subject to inspection, copying, review or audit by any requesting Party. Upon reasonable notice, during normal working hours, each Party shall provide the other Party with access to its facilities for copying said records at the requesting Party's expense.

10.3 Public Records. Tigard and King City will comply all public records laws. A public records request will be reviewed to identify possible disclosure exemptions prior to disclosure of the record.

10.4 Confidential Information. If a Party considers any portion of a record it provides under this Agreement, whether in electronic or hard copy form, to be protected from disclosure under law, the Party shall clearly identify any specific information that it claims to be "Confidential." A Party receiving a request for a record marked as Confidential shall notify the other Party of the request and the date that such record will be released to the requestor unless another Party obtains a court order to enjoin that disclosure. If another Party fails to timely obtain a court order enjoining disclosure, the receiving Party will release the requested information on the date specified. No Party shall be liable for any records that the Party releases in compliance with this section or in compliance with an order of a court of competent jurisdiction.

10.5 Agreement Complete. This Agreement is a complete expression of the terms herein and any oral or written representations or understandings not incorporated herein are excluded.

10.6 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement.

10.7 Waiver. No term or provision of this Agreement shall be deemed waived and no breach excluded unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented.

10.8 Subsequent Breach. Waiver of any default shall not be deemed a waiver of any

subsequent default. Waiver of breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Agreement unless stated to be such through written approval of all Parties.

10.9 Rights Reserved. Except as specifically provided herein, each Party retains all rights and claims that may exist now or in the future against another Party.

10.10 Notice. Any notice shall be in writing and shall be addressed to the person designated below. Any notice may be given by certified mail, overnight delivery, facsimile, or personal delivery. Notice is deemed given when delivered. Email may be used for notice that does not allege a breach or dispute under this Agreement. The following contact information shall apply until amended in writing by a Party providing new contact information to each other Party.

<u>KING CITY</u> <u>Name: City Manager</u> <u>Address: 15300 SW 116th Ave, King City, OR 97224</u> <u>Email:</u> <u>Telephone: 503-547-8150</u> <u>Fax:</u>	<u>TIGARD</u> <u>Name: City Manager</u> <u>Address: 13125 SW Hall Blvd, Tigard, OR 97223</u> <u>Email:</u> <u>Telephone: 503-639-4171</u> <u>Fax:</u>
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10.11 Partial Invalidity. If any of the provisions of this Agreement are held to be invalid, illegal or unenforceable, the remaining provisions shall remain in full force and effect. If the invalidated section is essential to the benefit of the bargain, the Parties will in good faith negotiate a replacement provision to make the Parties whole to the greatest extent possible.

10.12 Assignment. No Party may sell or assign any of its rights or benefits under this Agreement without approval of the governing bodies of each Party.

10.13 Survival. Unless otherwise provided in a deed or document transferring assets, the terms of this Agreement shall survive closing or transfer.

CITY OF KING CITY

CITY OF TIGARD

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

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

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

Title: City Manager \_\_\_\_\_

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

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

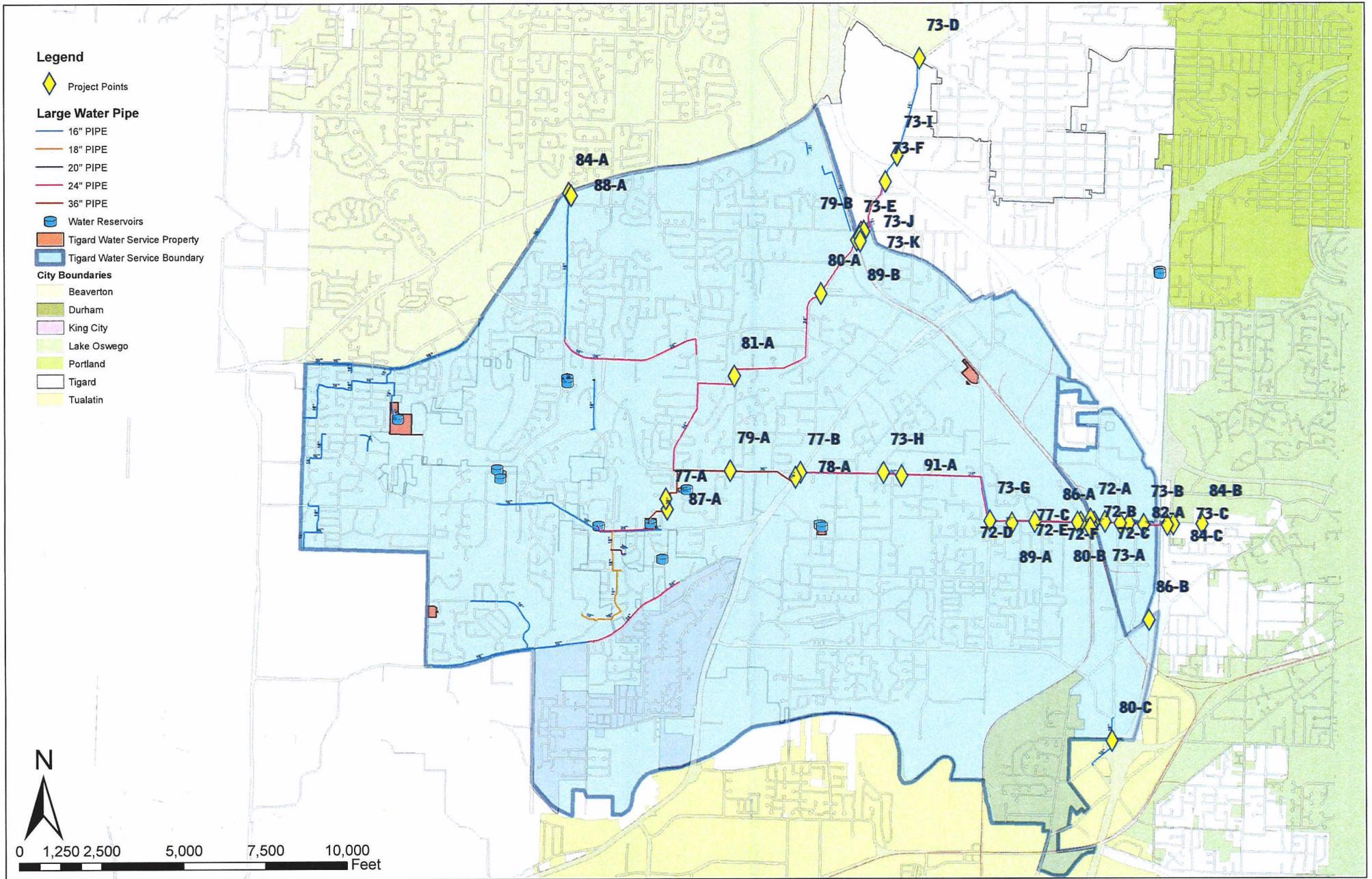
ATTEST: \_\_\_\_\_

City Recorder

ATTEST: \_\_\_\_\_

City Recorder

<p>Approval as to Form</p> <p>_____</p> <p>City Attorney</p>	<p>Approval as to Form</p> <p>_____</p> <p>City Attorney</p>
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## Exhibit 2-1

### Water Supply System Assets

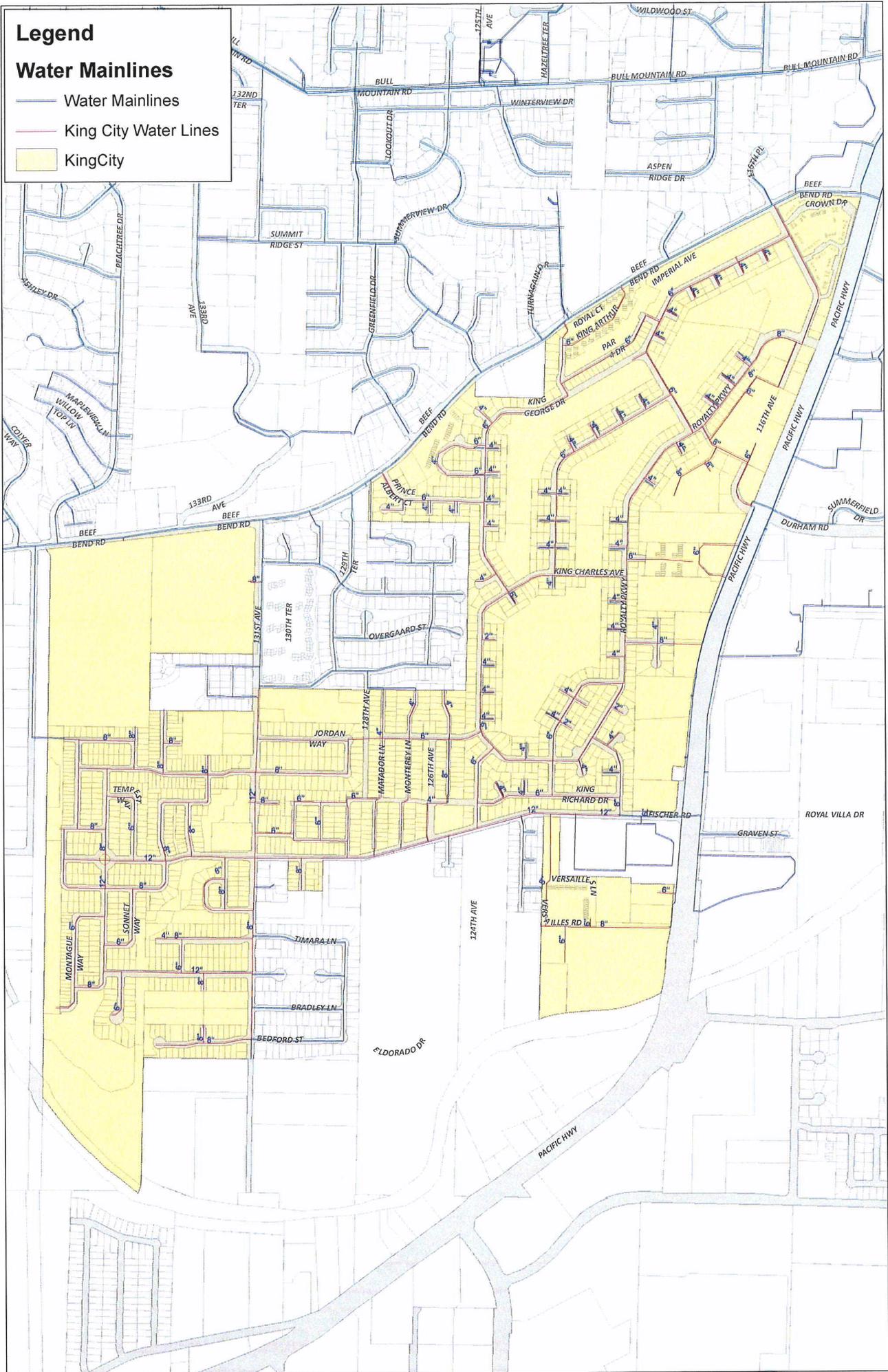
Any and all water pipelines, valves, hydrants, meters, air release valves and any other appurtenance above or below ground of whatsoever kind and wherever situate owned by the City of King City within the area set forth on Exhibit 2-2.

Also any other Water Supply System Assets or Other Assets as defined in the Intergovernmental Water Board Agreement effective July 1, 1993 to which the City of King City has an interest or subsequently is determined to have an interest.

# Legend

## Water Mainlines

- Water Mainlines
- King City Water Lines
- KingCity



**AIS-1985**

**4.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** 5 Minutes

**Agenda Title:** Updates to Tigard Transportation Advisory Committee (TTAC)  
Bylaws

**Prepared For:** Mike McCarthy, Public Works

**Submitted By:** Mike  
McCarthy,  
Public  
Works

**Item Type:** Resolution

**Meeting Type:** Council  
Business  
Meeting -  
Main

**Public Hearing:** No

**Publication Date:**

**Information**

**ISSUE**

Updating the Tigard Transportation Advisory Committee (TTAC) Bylaws.

**STAFF RECOMMENDATION / ACTION REQUEST**

Staff recommends adopting the attached resolution to update the TTAC Bylaws.

**KEY FACTS AND INFORMATION SUMMARY**

This resolution would amend the Tigard Transportation Advisory Committee (TTAC) Bylaws with the following key changes:

1. Inclusion of several items from the city's standard bylaws template (which has been implemented since the original Bylaws were adopted);
2. Clarification of the charge and duties of the committee;
3. Clarification of the role of subcommittees in relation to TTAC;
4. The new Bylaws would give more flexibility where the existing Bylaws require eight resident members and three business representatives. The new bylaws would allow nine residents and two business/employer representatives;
5. The new Bylaws would allow one citizen representative to live outside of the city;
6. Clarifying the election and role of the chair and vice-chair (to be consistent with other city committees); and
7. Other housekeeping and cleanup items.

These changes were discussed among the group with consensus support in the summer of 2013, but did not get officially adopted at that time. A clean version of the changed Bylaws is

attached as well as an underlined/strikeout version so Council can see what changes have been made.

**OTHER ALTERNATIVES**

Council could decide not to adopt the proposed changes.

**COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

N/A

**DATES OF PREVIOUS COUNCIL CONSIDERATION**

The original bylaws were adopted and amended in 2009.

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**Fiscal Impact**

**Fiscal Information:**

None anticipated

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**Attachments**

Resolution

Exhibit A - Bylaws

Underline strikeout from old bylaws

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CITY OF TIGARD, OREGON  
TIGARD CITY COUNCIL  
RESOLUTION NO. 14 - \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL AMENDING THE BYLAWS OF THE TIGARD  
TRANSPORTATION ADVISORY COMMITTEE (TTAC)

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WHEREAS, the Transportation Advisory Committee was formed by Council Resolution No. 09-14 to act as an advisory body to the City Council and staff and to provide a venue for citizen input and awareness of transportation issues; and

WHEREAS, certain revisions to the bylaws approved under the resolution are necessary for the Transportation Advisory Committee to perform its established functions.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: Bylaws governing the Transportation Advisory Committee are hereby as specified in Exhibit A.

SECTION 2: This resolution is effective immediately upon passage.

PASSED: This \_\_\_\_\_ day of \_\_\_\_\_ 2014.

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Mayor - City of Tigard

ATTEST:

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Deputy City Recorder - City of Tigard



# Tigard Transportation Advisory Committee

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## BYLAWS

December 9, 2014 City Council Meeting

### SECTION I. CHARGE AND DUTIES

- A. The Tigard Transportation Advisory Committee (TTAC) hereafter referred to as the “Committee” shall have no powers except as conferred by resolution, City Charter, Tigard Municipal Code, or the Oregon Revised Statutes.
- B. The Committee and its members shall conduct itself in a manner that’s in keeping with applicable federal, state, and local laws pertaining to conduct and ethics and the City of Tigard Code of Conduct. Any violation of the provisions of such laws shall be grounds for removal from office.
- C. It shall be the function of the Committee to act as an advisory body to the City Council and city staff pursuant to these bylaws.
- D. The Committee shall create and maintain a project list, which designates in order of priority, the projects for which city motor vehicle fuel tax revenue is to be used.
- E. TTAC may serve in an advisory role to staff and Council on a broad range of relevant transportation issues reflecting city priorities and work program capacity, including:
  - 1. Project prioritization for funding in the Capital Improvement Program
  - 2. Preparation of multimodal transportation system plans and corresponding transportation financing/capital investment programs
  - 3. Developing funding mechanisms and sources to implement transportation projects
  - 4. Traffic safety
  - 5. Input on project development and concept design
- F. The Committee may form subcommittees to investigate areas relevant to its charge or duties pursuant to this section.
  - 1. A subcommittee shall include at least one member who is also a member of TTAC.
  - 2. A subcommittee shall operate in accordance with the TTAC bylaws, subject to the direction of TTAC and City Council.
  - 3. A subcommittee shall provide an annual report to TTAC; the annual report may be in the form of a joint meeting.
  - 4. TTAC may dissolve a subcommittee at the time that TTAC determines the work to be substantially completed or no longer productive.

## **SECTION II. COMPOSITION**

- A. The Committee shall consist of eleven (11) members appointed by the City Council with the following representation and restrictions:
  - 1. There shall be at least two (2) representatives who own or have primary management responsibility for businesses, employers, or major institutions within the City of Tigard;
  - 2. There shall be at least eight (8) persons who are residents of Tigard and who represent a cross-section of interests in the community at large.
  - 3. At the discretion of the Mayor and Council, up to one (1) of the above resident positions may be filled by a nonresident who has professional or personal experience that would contribute to the overall purpose of the Committee.
- B. Membership may temporarily drop below required minimums due to resignations and/or difficulty in recruiting qualified applications.

## **SECTION III. APPOINTMENTS**

- A. Council shall fill vacancies with individuals who meet the compositional requirements listed in Section II.
- B. Appointments of at-large members shall be made the City Council, with recommendations from the Mayor.

## **SECTION IV. TERM OF OFFICE**

- A. Committee members serve for a term of three years; terms begin on January 1, except that a mid-year appointment may be made to fill a partial term.
- B. Any vacancy in the Board shall be filled by appointment by the Council and Mayor for the unexpired portion of the term. The unexpired portion of a term does not count towards the fulfillment of the maximum number of allowed terms.
- C. Members may serve up to two consecutive terms.
- D. Members shall receive no compensation for their services; members may be reimbursed for duly authorized expenses. The community development director or city manager shall determine and authorize reimbursable expenses.
- E. A member who seeks to resign from the Committee shall submit a written resignation to the chair of the Committee, the staff liaison, or the city recorder's office. If possible, the resignation should allow for a thirty (30) day notice so the City Council has the opportunity to appoint a replacement.

## **SECTION V. ORGANIZATION OF THE COMMITTEE**

- A. The officers of the Committee shall be a Chair and Vice Chair.
- B. At its first meeting of the year, notice will be given of officer elections at the following meeting. At the second meeting, the Committee shall elect a Chair and Vice Chair from its members who shall hold office for one year, at the pleasure of the Committee.

1. The Chair shall have general directional powers over the Committee. The chair shall preside at all meetings and, in consultation with support staff, set the agendas and notify the board of all meeting times and place.
  2. The Chair shall be the primary spokesperson for the Committee unless this responsibility is delegated to another member or a staff liaison.
  3. Vice Chair. During the absence, disability, or disqualification of the Chair, the vice chair shall exercise or perform all the duties and be subject to all the responsibilities of the chair.
  4. In the absence of the chair and vice chair, the remaining members present shall elect an acting chair.
- C. If the Chair should resign, the Committee shall, at its next meeting, conduct an election and provide a replacement to fill the unexpired term.
- D. Staff liaisons are the primary contacts for City of Tigard boards and the primary interface between these bodies and the City Council, City Manager, and departments. Besides serving as a technical resource, staff liaisons are responsible for meeting logistics, member recruitment and recognition, recordkeeping, and monitoring board effectiveness.

## **SECTION VI. MEETINGS**

- A. The Committee shall meet at least quarterly during a calendar year at a time and place that is specified at least 5 days in advance.
- B. The regular meeting of the Committee shall be held on the first Wednesday of each month at 6:30 p.m. in the Tigard Library 2<sup>nd</sup> Floor Conference Room, unless otherwise determined by the Committee. If the regular meeting day is in conflict with a city holiday, the meeting may be rescheduled. Proper public notice will be given of any variations from the regular meeting schedule.
- C. All meetings shall be conducted in conformance with Public Meeting Law.
- D. Agendas and meeting summaries shall be posted for public notice on the City of Tigard web page. Meeting agendas will also be posted in the lobby of City Hall in compliance with Oregon Public Meetings Law. All meetings shall be open to the public.
- E. A record of the Committee's proceedings shall be filed with the city recorder.
- F. The Chair may call a special meeting, and the Chair shall call a special meeting if requested by a majority of Committee members. The call shall state the purpose of the meeting. Notice of a special meeting must be in writing and communicated to all members at least five days before the meeting.
- G. A majority of votes of Committee members present, and not abstaining from the vote, shall determine the official position of the Committee on a given issue. Alternates are not allowed to vote under any circumstances.
- H. The Chair shall vote on all matters before the Committee unless having declared a conflict of interest.
- I. Committee members shall not send or receive electronic communications concerning any matter pending before the Committee during a Committee meeting.

1. Electronic Communications means e-mail, text messages, or other forms of communications transmitted or received by technological means.
  2. Electronic Communications Devices means laptop computers, blackberries, cell phones, notebooks, or other similar devices capable of transmitting or receiving messages electronically.
- J. Committee member shall not use electronic communication devices to review or access information regarding matters not in consideration before the Committee during a Committee meeting.

## **SECTION VII. COMMITTEE MEMBER RESPONSIBILITIES**

### A. Members of the Committee shall:

1. Regularly attend Committee meetings and contribute constructively to discussions;
2. Consider and discuss issues from a Citywide perspective, as well as that of particular stakeholders or interests;
3. Understand and be able to articulate the Committee's charge, responsibilities, and adopted annual work program;
4. Strive to reach consensus on matters under consideration;
5. Act with respect and consideration for the viewpoint of others;
6. Review and provide comment on reports, presentations, and recommended policies or strategies related to transportation issues that may come before it; and
7. Vote on motions in front of the Committee, except where reasonable abstention is necessary.

B. Committee members shall discharge their duties as specified and or directed by Council. However, the Committee may propose recommendations or otherwise participate regarding legislative matters including but not limited to, citywide transportation policy; transportation system planning, development standards, etc.

C. Members of the Committee shall not make representations on behalf of the City of Tigard or the Committee, nor act in an official capacity, unless specifically authorized through an action of the Committee.

D. Membership in the Committee does not restrict in any way the rights of any Committee member from exercising their participatory or due process rights as a private citizen.

## **SECTION VIII. ATTENDANCE**

If any regular member of the Committee is unable to attend a meeting, he or she is expected to notify the Chair or Vice Chair, or the staff liaison if delegated by the Chair. If any member is absent from any six (6), regularly scheduled meetings within one year or three (3) consecutive meetings without reasonable cause, the issue shall be placed on the upcoming agenda, and upon majority vote of the Committee, that position shall be declared vacant. The Committee shall forward its action to the Mayor and Council, who may fill the vacant position.

## **SECTION IX. QUORUM**

At any meeting of the Committee, a quorum shall be a majority of the current regular members of the Committee. No action shall be taken in the absence of a quorum except that the meeting may continue with discussion on agenda items. For the purposes of forming a quorum, members who have disqualified or excused themselves from participation in any matter shall be counted as present.

In the event a quorum will not be present at any meeting, the Chair or Vice Chair shall notify the Committee members in advance so that a decision may be made whether to meet and take no action on agenda items, or to reschedule to a different time.

#### **SECTION X. REMOVAL OF MEMBERS**

- A. The City Council may remove members of the Committee in accordance with Section VIII Attendance.
- B. The Council may also remove members, when, in its judgment the conduct of a member does not conform to the City of Tigard Code of Conduct for Boards, Commissions and Committees or based on other conduct unbecoming a representative of the City.
- C. The Committee may make a recommendation to Council for the removal of a member for failure to comply with Section 7 Committee Member Responsibilities. The Committee shall forward a recommendation for replacement to the Mayor and Council in a timely manner.

#### **SECTION XI. ANNUAL REPORT OF THE COMMITTEE**

- A. Not later than December 1, the Committee shall prepare an Annual Report to the City Council.
- B. The Annual Report shall include a summary of key activities and proceedings and any specific suggestions or recommendations which the Committee believes would assist its mission or improvement of the City's transportation system.
- C. The Annual Report may be in the form of a joint meeting with Council.
- D. The Annual Report shall not be submitted unless approved by the Committee. Committee members will be provided an opportunity to prepare for and participate in the joint meeting.

#### **SECTION XII. AMENDMENTS**

- A. These bylaws are adopted by resolution of the Tigard City Council, are binding on the Committee, and may be amended by the City Council. The Committee may propose amendments for Council consideration.



# City of Tigard Tigard Transportation Advisory Committee

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BYLAWS  
December 9, 2014 City Council Meeting

Required items in City bylaws template

## **SECTION I. CHARGE AND DUTIES**

- A. The Tigard Transportation Advisory Committee (TTAC) hereafter referred to as the “Committee” shall have no powers except as conferred by resolution, City Charter, Tigard Municipal Code, or the Oregon Revised Statutes.
- B. The Committee and its members shall conduct itself in a manner that’s in keeping with applicable federal, state, and local laws pertaining to conduct and ethics and the City of Tigard Code of Conduct. Any violation of the provisions of such laws shall be grounds for removal from office.
- C. It shall be the function of the Committee to act as an advisory body to the City Council and city staff pursuant to these bylaws.
- D. TTAC is charged with advising City Council on matters pertaining to:
1. Planning and development of a comprehensive transportation network for the City of Tigard, including:
    - a. Preparation of multimodal transportation system plans and corresponding transportation financing/capital investment programs;
    - b. Development of funding mechanisms and sources to implement transportation projects and ensure adequate maintenance of the existing transportation infrastructure;
    - c. Public involvement and education in transportation matters; and,
    - d. Ways to improve traffic safety and accessibility in all transportation modes.
  2. The Committee shall assist and advise City Council and staff regarding development of traffic safety programs and public education about traffic safety. The Committee shall also provide a venue for citizen involvement opportunities in transportation matters. Furthermore, it shall also work to increase community awareness of transportation issues that affect the City of Tigard.
  3. The Committee shall coordinate its tasks, actions, and recommendations with other City advisory commissions and committees. This includes, but is not limited to,
    - a. the Planning Commission regarding the relationship between land use and transportation;
    - b. the Parks Commission concerning trails and pathways, and
    - c. the Budget Committee concerning matters of transportation related funding.

D. The Committee shall create and maintain a project list, which designates in order of priority, the projects for which ~~net~~ city motor vehicle fuel tax revenue shall be used subsequent to sufficient funds being collected to fully finance and pay for the Greenburg Road/Highway 99/Main Street intersection improvements.

E. TTAC may serve in an advisory role to staff and Council on a broad range of relevant transportation issues reflecting city priorities and work program capacity, including:

1. Project prioritization for funding in the Capital Improvement Program
2. Preparation of multimodal transportation system plans and corresponding transportation financing/capital investment programs
3. Developing funding mechanisms and sources to implement transportation projects
4. Traffic safety
5. Input on project development and concept design

F. The Committee may form subcommittees to investigate areas relevant to its charge or duties pursuant to this section.

1. A subcommittee shall include at least one member who is also a member of TTAC.
2. A subcommittee shall operate in accordance with the TTAC bylaws, subject to the direction of TTAC and City Council.
3. A subcommittee shall provide an annual report to TTAC; the annual report may be in the form of a joint meeting.
4. TTAC may dissolve a subcommittee at the time that TTAC determines the work to be substantially completed or no longer productive.

## SECTION II. COMPOSITION

A. The Committee shall consist of eleven (11) members appointed by the City Council with the following representation and restrictions:~~who are residents of Tigard or own businesses or property within the City as follows~~

1. There shall be at least two (2) and at most three (3) representatives who own or have primary management responsibility for businesses, employers, or major institutions within the City of Tigard;
2. There shall be Up to nine (9) and Eight (8) persons who are residents of Tigard and who represent a cross-section of interests in the community at large. ~~Effort shall be made to recruit a youth member and persons representing interests in a person with an interest in alternative transportation modes.~~
3. At the discretion of the Mayor and Council, up to one (1) of the above resident positions may be filled by a nonresident who has professional or personal experience that would contribute to the overall purpose of the Committee.

B. Membership may temporarily drop below required minimums due to resignations and/or difficulty in recruiting qualified applications.

## SECTION III. APPOINTMENTS

A. Council shall fill vacancies with individuals who meet the compositional requirements listed in Section II.

~~B. Council shall determine a means of staggering appointments of members appointed initially to ensure membership continuity.~~

B. Appointments of at-large members shall be made the City Council, with recommendations from the Mayor.

#### **SECTION IV. TERM OF OFFICE**

- A. Committee members serve for a term of three years; terms begin on January 1, except that a mid-year appointment may be made to fill a partial term.
- B. Any vacancy in the Board shall be filled by appointment by the Council and Mayor for the unexpired portion of the term. The unexpired portion of a term does not count towards the fulfillment of the maximum number of allowed terms.
- C. Members may serve up to two consecutive terms.
- D. Members shall receive no compensation for their services; members may be reimbursed for duly authorized expenses. The community development director or city manager shall determine and authorize reimbursable expenses.
- E. A member who seeks to resign from the Committee shall submit a written resignation to the chair of the Committee, the staff liaison, or the city recorder's office. If possible, the resignation should allow for a thirty (30) day notice so the City Council ~~can~~ has the opportunity to appoint a replacement.

#### **SECTION V. ORGANIZATION OF THE COMMITTEE**

- A. The officers of the Committee shall be a Chair and Vice Chair.
- B. At its first meeting of the year, notice will be given of officer elections at the following meeting. At the second meeting, and thereafter annually, the Committee shall elect a Chair and Vice Chair from its members who shall hold office for one year, at the pleasure of the Committee.
  - 1. The Chair shall have general directional powers over the Committee. The chair shall preside at all meetings and, in consultation with support staff, set the agendas and notify the board of all meeting times and place.
  - ~~2. The Chair shall also be an ex-officio member of all subcommittees~~
  - 2. The Chair shall be the sole primary spokesperson for the Committee unless this responsibility is delegated to another member or a staff liaison.
  - 3. Vice Chair. During the absence, disability, or disqualification of the Chair, the vice chair shall exercise or perform all the duties and be subject to all the responsibilities of the chair.
  - 4. In the absence of the chair and vice chair, the remaining members present shall elect an acting chair.
- C. If the Chair should resign, the Committee shall, at its next meeting, conduct an election and provide a replacement to fill the unexpired term.
- D. Staff liaisons are the primary contacts for City of Tigard boards and the primary interface between these bodies and the City Council, City Manager, and departments. Besides serving as a technical resource, staff liaisons are responsible for meeting logistics, member recruitment and recognition, recordkeeping, and monitoring board effectiveness.

## SECTION VI. MEETINGS

- A. The Committee shall meet at least quarterly during a calendar year at a time and place that is specified at least 5 days in advance.
- B. The regular meeting of the Committee shall be held on the first Wednesday of each month at 6:30 p.m. in the Tigard Library 2<sup>nd</sup> Floor Conference Room, unless otherwise determined by the Committee. If the regular meeting day is in conflict with a city holiday, the meeting may be rescheduled. Proper public notice will be given of any variations from the regular meeting schedule.
- C. All meetings shall be conducted in conformance with Public Meeting Law.
- D. Agendas and minutes meeting summaries shall be posted for public notice on the City of Tigard web page. Meeting agendas will also be posted and in the lobby of City Hall in compliance with Oregon Public Meetings Law. All meetings shall be open to the public.
- E. A record of the Committee's proceedings shall be filed with the city recorder.
- F. ~~The parliamentary authority for the Board is *Robert's Rules of Order Revised*, except where superseded by these bylaws or local, state, or federal law.~~
- F. The Chair may call a special meeting, and the Chair shall call a special meeting if requested by a majority of Committee members. The call shall state the purpose of the meeting. Notice of a special meeting must be in writing and communicated to all members at least five days before the meeting.
- G. A majority of votes of Committee members present, and not abstaining from the vote, shall determine the official position of the Committee on a given issue. Alternates are not allowed to vote under any circumstances.
- H. The Chair shall vote on all matters before the Committee unless having declared a conflict of interest.
- I. Committee members shall not send or receive electronic communications concerning any matter pending before the Committee during a Committee meeting.
  - 1. Electronic Communications means e-mail, text messages, or other forms of communications transmitted or received by technological means.
  - 2. Electronic Communications Devices means laptop computers, blackberries, cell phones, notebooks, or other similar devices capable of transmitting or receiving messages electronically.
- J. Committee member shall not use electronic communication devices to review or access information regarding matters not in consideration before the Committee during a Committee meeting.

## SECTION VII. COMMITTEE MEMBER RESPONSIBILITIES

- A. Members of the Committee shall:
  - 1. Regularly attend Committee meetings and contribute constructively to discussions;
  - 2. Consider and discuss issues from a Citywide perspective, as well as that of particular stakeholders or interests;

3. Understand and be able to articulate the Committee's charge, responsibilities, and adopted annual work program;
  4. Strive to reach consensus on matters under consideration;
  5. Act with respect and consideration for the viewpoint of others;
  6. Review and provide comment on reports, presentations, and recommended policies or strategies related to transportation issues that may come before it; and
  7. Vote on motions in front of the Committee, except where reasonable abstention is necessary.
- B. Committee members shall discharge their duties as specified and or directed by Council. ~~However, the Committee shall not discuss specific land development applications that are likely to be heard and/or decided upon by the Planning Commission, City Hearings Officer, or City staff.~~ However, the Committee may propose recommendations or otherwise participate regarding legislative matters including but not limited to, citywide transportation policy; transportation system planning, development standards, etc.
- C. Members of the Committee shall not make representations on behalf of the City of Tigard or the Committee, nor act in an official capacity, unless specifically authorized through an action of the Committee.
- D. Membership in the Committee does not restrict in any way the rights of any Committee member from exercising their participatory or due process rights as a private citizen.

### **SECTION VIII. ATTENDANCE**

If any regular member of the Committee is unable to attend a meeting, he or she is expected to notify the Chair or Vice Chair, ~~or the staff liaison if delegated by the Chair.~~ If any member is absent from any six (6), regularly scheduled meetings within one year or three (3) consecutive meetings without reasonable cause, the issue shall be placed on the upcoming agenda, and upon majority vote of the Committee, that position shall be declared vacant. ~~—~~ The Committee shall forward its action to the Mayor and Council, who ~~shall~~ may fill the vacant position.

### **SECTION IX. QUORUM**

At any meeting of the Committee, a quorum shall be a majority of the current regular members of the Committee. No action shall be taken in the absence of a quorum except that the meeting may continue with discussion on agenda items. For the purposes of forming a quorum, members who have disqualified or excused themselves from participation in any matter shall be counted as present.

In the event a quorum will not be present at any meeting, the Chair or Vice Chair shall notify the Committee members in advance so that a decision may be made whether to meet and take no action on agenda items, or to reschedule to a different time.

### **SECTION X. REMOVAL OF MEMBERS**

- A. The City Council may remove members of the Committee in accordance with Section VIII Attendance.
- B. The Council may also remove members, when, in its judgment the conduct of a member does not conform to the City of Tigard Code of Conduct for Boards, Commissions and Committees or based on other conduct unbecoming a representative of the City.

- C. The Committee may make a recommendation to Council for the removal of a member for failure to comply with Section 7 Committee Member Responsibilities. The Committee shall forward a recommendation for replacement to the Mayor and Council in a timely manner.

**SECTION XI. ANNUAL REPORT OF THE COMMITTEE**

- A. Not later than December 1, the Committee shall prepare an Annual Report to the City Council.
- B. The Annual Report shall include a summary of key activities and proceedings and any specific suggestions or recommendations which the Committee believes would assist its mission or improvement of the City's transportation infrastructure system.
- C. The Annual Report may be in the form of a joint meeting with Council.
- D. The Annual Report shall not be submitted unless approved by the Committee. Committee members will be provided an opportunity to prepare for and participate in the joint meeting.

**SECTION XII. AMENDMENTS**

- A. These bylaws are adopted by resolution of the Tigard City Council, are binding on the Committee, and may be amended by the City Council. The Committee may propose amendments for Council consideration.

**AIS-1903**

**5.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** 5 Minutes

**Agenda Title:** Appoint Budget Committee Members

**Prepared For:** Toby LaFrance, Financial and Information Services

**Submitted By:** Liz Lutz, Financial and Information Services

**Item Type:** Resolution

**Meeting Type:** Council  
Business  
Meeting -  
Main

**Public Hearing:** No

**Publication Date:**

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**Information**

**ISSUE**

Budget Committee Member Clifford Rone's first 3-year term ends on December 31, 2014 and the non-voting 1-year alternate position held by Tim Esau ends on December 31, 2014. One 3-year vacancy needs to be filled on the budget committee beginning January 1, 2015 and one 1-year vacancy for an alternate member of the budget committee must be filled.

**STAFF RECOMMENDATION / ACTION REQUEST**

Approve the recommended appointments to the Budget Committee.

**KEY FACTS AND INFORMATION SUMMARY**

Clifford Rone's Budget Committee term expires on December 31, 2014 and Tim Esau's position as a non-voting alternate also expires on December 31, 2014. The Appointments Advisory Committee recently conducted interviews with several citizens who applied to become members of the Budget Committee.

The Appointments Advisory Committee interviewed 4 citizen candidates. The committee is recommending the City Council appoint Clifford Rone to a second three-year term ending on December 31, 2017. Additionally, the committee recommends Zoe Monahan as an alternate for a one-year term beginning on January 1, 2015.

**OTHER ALTERNATIVES**

Council could decide to not approve some, or all, of the recommendations. This would necessitate reopening the recruitment.

**COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

City will maximize the effectiveness of the volunteer spirit to accomplish the greatest good for our community.

**DATES OF PREVIOUS COUNCIL CONSIDERATION**

NA

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**Attachments**

Resolution

Member bio

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CITY OF TIGARD, OREGON  
TIGARD CITY COUNCIL  
RESOLUTION NO. 14-

A RESOLUTION APPOINTING CLIFFORD RONE TO THE BUDGET COMMITTEE AND  
APPOINTING ZOE MONAHAN AS AN ALTERNATE MEMBER

---

WHEREAS, one position is open on the city's budget committee due to Clifford Rone completing his established term, and Tim Esau has completed his term as an alternate member;

WHEREAS, the Mayor's Appointments Advisory Committee conducted interviews of several individuals on November 3, 2014; and

WHEREAS, the Appointments Advisory Committee has recommended that Clifford Rone be appointed to the city's Budget Committee. In addition, the committee has recommended that Zoe Monahan be appointed as an alternate member.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: Clifford Rone is appointed to a second three-year term on the City of Tigard's Budget Committee beginning January 1, 2015.

SECTION 2: Zoe Monahan is appointed to a one-year term as an alternate member on the City of Tigard's Budget Committee beginning January 1, 2015.

SECTION 3: This resolution is effective immediately upon passage.

PASSED: This \_\_\_\_\_ day of \_\_\_\_\_ 2014.

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Mayor - City of Tigard

ATTEST:

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Deputy City Recorder - City of Tigard

## BUDGET COMMITTEE RECOMMENDATIONS

### CLIFFORD RONE:

Mr. Rone has a Master's of Business and JD degrees. He is currently a real estate consultant and has 30 plus years in the banking industry. He has lived in Tigard for 30 years. Additionally, he volunteers for various organizations.

### ZOE MONAHAN:

Ms. Monahan was an alternate member of our Budget Committee briefly in 2012 until she moved to Jerome, Idaho to become their Community Development Director. Upon her return to Oregon, she became a Management Analyst for the City of Tualatin. She volunteers for various organizations as well.

**AIS-1904**

**6.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** 5 Minutes

**Agenda Title:** Appoint Audit Committee Members

**Prepared For:** Debbie Smith-Wagar, Financial and Information Services

**Submitted By:** Liz Lutz, Financial and Information Services

**Item Type:** Resolution

**Meeting Type:** Council  
Business  
Meeting -  
Main

**Public Hearing:** No

**Publication Date:**

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**Information**

**ISSUE**

Consider a resolution to appoint Melody Graeber as a member and Chris Middaugh as an alternate to the Audit Committee.

**STAFF RECOMMENDATION / ACTION REQUEST**

Staff recommends approval of this resolution.

**KEY FACTS AND INFORMATION SUMMARY**

On June 26, 2012, the council passed resolution 12-26 creating a three-member Audit Committee along with one non-voting alternate member. In January 2014, the council appointed Gretchen Buehner to be the council member liaison. Mayor Cook and Councilor Buehner interviewed and recommended Budget Committee Melody Graeber be appointed to the committee for a three-year term expiring December 31, 2017 and Chris Middaugh be appointed to the non-voting alternate position for a one-year term expiring December 31, 2015.

**OTHER ALTERNATIVES**

Direct Mayor Cook and Councilor Buehner to interview additional candidates.

**COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

**DATES OF PREVIOUS COUNCIL CONSIDERATION**

N/A

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**Attachments**



CITY OF TIGARD, OREGON  
TIGARD CITY COUNCIL  
RESOLUTION NO 14-\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TIGARD, OREGON  
APPOINTING MELODY GRAEBER AS A VOTING MEMBER AND CHRIS  
MIDDAUGH AS AN ALTERNATE TO THE AUDIT COMMITTEE

---

WHEREAS, two positions are open on the city's audit committee; and

WHEREAS, Mayor Cook and Councilor Buehner conducted interviews of several individuals on  
November 3, 2014 for Audit Committee; and

WHEREAS, Mayor Cook and Councilor Buehner have recommended that Melody Graeber be  
appointed to the city's Audit Committee as a voting member and Chris Middaugh be appointed as a  
non-voting alternate.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: Melody Graeber is appointed to a three-year term on the City of Tigard's Audit  
Committee beginning January 1, 2015.

SECTION 2: Chris Middaugh is appointed to a one-year non-voting term on the City of Tigard's  
Audit Committee as an alternate beginning January 1, 2015.

SECTION 3: The three-year terms will end on December 31, 2017.

SECTION 4: This resolution is effective immediately upon passage.

PASSED: This \_\_\_\_\_ day of \_\_\_\_\_, 2014.

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Mayor - City of Tigard

ATTEST:

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Deputy City Recorder - City of Tigard

**AIS-1959**

**7.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** 5 Minutes

**Agenda Title:** Tigard Transportation Advisory Committee Appointments

**Submitted By:** Doreen Laughlin, Community Development

**Item Type:** Resolution

**Meeting Type:** Council Business Meeting - Main

**Public Hearing:** No

**Publication Date:**

**Information**

**ISSUE**

Should Council appoint Erik Halstead, Benjamin Gooley, and Stephanie McKee as voting members and Joseph Vasicek, Timothy Esau, and Raviprakash (Ravi) Nagaraj as alternates to the Tigard Transportation Advisory Committee (TTAC)?

**STAFF RECOMMENDATION / ACTION REQUEST**

Staff recommends adopting the attached resolution appointing Erik Halstead, Benjamin Gooley, and Stephanie McKee as voting members and Joseph Vasicek, Timothy Esau, and Raviprakash (Ravi) Nagaraj as alternates to the Tigard Transportation Advisory Committee (TTAC).

**KEY FACTS AND INFORMATION SUMMARY**

The Tigard Transportation Advisory Committee (TTAC) is comprised of 11 voting positions, including citizen and business representatives. As of December 31, 2014, there will be four vacant voting positions on TTAC. At least two are required by the Bylaws to be business/employer representatives. The remainder can be residents.

The Mayor's appointment advisory committee, consisting of Mayor Cook, Councilor Woodard, and Mike McCarthy from city staff, interviewed nine resident applicants on November 13th and one business applicant on November 25th. From these interviews, Erik Halstead and Benjamin Gooley are recommended as resident voting members, Stephanie McKee as a business/employer representative, and Joseph Vasicek, Timothy Esau, and Raviprakash Nagaraj are recommended as alternates. There would remain one vacant business/employer position due to a lack of business/employer applicants. The appointees for each voting position would start their term on January 1, 2015, with their term expiring on December 31, 2017. Alternate position terms would start on January 1, 2015 and expire on

December 31, 2015. An appointing resolution and bios of the recommended appointees are attached.

### **OTHER ALTERNATIVES**

Council could decide not to make some or all of these appointments. That would result in a need to revise the recommended appointments, and may cause a need to re-recruit for these positions.

### **COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

City Council Long Range Objectives: Tigard citizens are involved in the community and participate effectively.

### **DATES OF PREVIOUS COUNCIL CONSIDERATION**

N/A

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### **Attachments**

Resolution

Appointee Bios

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CITY OF TIGARD, OREGON  
TIGARD CITY COUNCIL  
RESOLUTION NO. 14 - \_\_\_\_\_

A RESOLUTION APPOINTING ERIK HALSTEAD BENJAMIN GOOLEY, AND STEPHANIE MCKEE AS VOTING MEMBERS AND JOSEPH VASICEK, TIMOTHY ESAU, AND RAVIPRAKASH NAGARAJ AS ALTERNATES TO THE TIGARD TRANSPORTATION ADVISORY COMMITTEE (TTAC)

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WHEREAS, Steven Bass served a full term expiring December 31, 2014, creating one vacancy for a citizen representative;

WHEREAS, Tanya Firemoon resigned after partially serving a term which will expire December 31, 2014, creating a second vacancy for a citizen representative;

WHEREAS, Erik Halstead served as an alternate in 2014 and has applied for appointment as a citizen representative;

WHEREAS, two positions for business representatives are currently vacant and Stephanie McKee, who works as a Deputy Fire Marshal at Tualatin Valley Fire & Rescue, has applied for appointment as a business representative;

WHEREAS, The Tigard Transportation Advisory Committee (TTAC) is comprised of 11 voting positions, including eight to nine citizen and two to three business representatives;

WHEREAS, as of December 31, 2014 there are four vacancies on TTAC including one to two full-term resident positions and two to three full-term business representative positions; and

WHEREAS, the Mayor's Appointment Advisory Committee interviewed nine individuals on November 13, 2014 and one on November 25, 2014 and recommends appointing Erik Halstead, Benjamin Gooley, and Stephanie McKee as voting members and Joseph Vasicek, Timothy Esau, and Raviprakash Nagaraj as alternates.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: Erik Halstead, Benjamin Gooley, and Stephanie McKee are appointed as voting members of the Tigard Transportation Advisory Committee (TTAC) with terms expiring December 31, 2017.

SECTION 2: Joseph Vasicek, Timothy Esau, and Raviprakash Nagaraj are appointed as alternate members of the Transportation Advisory Committee with terms expiring December 31, 2015.

SECTION 3: This resolution is effective immediately upon passage.

PASSED: This \_\_\_\_\_ day of \_\_\_\_\_ 2014.

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Mayor - City of Tigard

ATTEST:

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Deputy City Recorder - City of Tigard

## Tigard Transportation Advisory Committee Biographies of Recommended Appointees

On December 9, 2014 the Tigard City Council will consider a resolution appointing voting members to the Tigard Transportation Advisory Committee (TTAC). Following are brief biographies for the individuals recommended for appointment.

Recommended for voting positions:

Erik Halstead has lived in the area for much of the last 30 years, including Beaverton, Tualatin, and SW Portland. He has an interest in transportation, including transit, bicycling, and a special interest in railroad history. Erik served as an alternate on TTAC in 2014.

Benjamin Gooley has lived in Tigard for about 7 years. He works as a customer operations engineer for a software company. He is a married father of young children and also enjoys running on Tigard's trails, sidewalks, and streets. Ben has been a member of TTAC's Pedestrian and Cyclist Subcommittee for the past year.

Stephanie McKee is a Deputy Fire Marshall with TVF&R located in the Tigard Triangle and would serve as a "business" representative on TTAC. TVF&R provides valuable input to the design of new transportation projects and improvements to the existing system.

Recommended as alternates:

Joseph Vasicek has lived in Tigard for nine years and in the area for a few decades. He works as a Mechanical Engineer for the trucking industry at Williams Controls. He is a married father of young children and enjoys walking and biking with his family to many of Tigard's beautiful parks and events. Joe has been a member of TTAC's Pedestrian and Cyclist Subcommittee for the past year.

Timothy Esau has lived in Tigard for 26 years. He works as an information technologies analyst. He has served on the budget committee for the Tigard-Tualatin Aquatic District, and as an alternate on the city's Budget Committee. He has been active in the community on transit and other transportation issues.

Raviprakash (Ravi) Nagaraj has lived in Tigard for 14 years. He has worked in materials science engineering for Intel for 25 years. He is a married father of teenagers, and is also looking forward to getting involved with the city.



new franchise agreement should be completed by June 30th based on current negotiations.

### **OTHER ALTERNATIVES**

Not approve the Comcast cable franchise extension resolution which could lead to denying Comcast the right to use the ROW.

### **COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS**

Not applicable

### **DATES OF PREVIOUS CONSIDERATION**

On January 14th, 2014 City Council approved Resolution 14-04 to extend the Comcast cable franchise agreement through December 31, 2014.

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#### **Fiscal Impact**

**Cost:** 0  
**Budgeted (yes or no):** yes  
**Where Budgeted (department/program):** Cable Franchise Fees

#### **Additional Fiscal Notes:**

The fiscal impact would be positive on the MACC jurisdictions if a new franchise agreement could be agreed to by MACC and Comcast which would avoid the need to spend additional money on the formal process. Currently MACC has set aside a portion of the cable franchise fees collected to pay for the formal process.

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#### **Attachments**

Resolution

MACC Staff Report

Comcast Extension Agreement

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CITY OF TIGARD, OREGON  
TIGARD CITY COUNCIL  
RESOLUTION NO. 14-\_\_\_\_\_

A RESOLUTION EXTENDING THE TERM OF THE CABLE TELEVISION SERVICES AGREEMENT WITH COMCAST OF OREGON II, INC. TO ENABLE THE METROPOLITAN AREA COMMUNICATIONS COMMISSION TO COMPLETE THE FORMAL RENEWAL PROCESS

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WHEREAS, the Metropolitan Area Communications Commission, hereinafter “MACC,” is an intergovernmental cooperation commission formed by Intergovernmental Agreement (“IGA”) under ORS Chapter 190, with Washington County and the cities of Banks, Beaverton, Cornelius, Durham, Forest Grove, Gaston, Hillsboro, King City, Lake Oswego, North Plains, Rivergrove, Tigard, Tualatin and West Linn as members (“Member Jurisdictions”); and

WHEREAS, the IGA contemplates that MACC and its Member Jurisdictions may grant one or more nonexclusive cable franchise agreements to construct, operate, and maintain a cable service system within the combined boundaries of the Member Jurisdictions; and

WHEREAS, on February 1, 1999, MACC and its Member Jurisdictions at that time, granted nonexclusive cable franchise agreements (“Comcast Franchises”) which are now held by Comcast of Oregon II, Inc. (“Comcast”); and

WHEREAS, on March 9, 2011, Comcast requested that the Comcast Franchises be renewed; and

WHEREAS, the IGA authorizes MACC to process Comcast’s renewal request on behalf of the Member Jurisdictions, including informal negotiations as set forth in 47 U.S.C. 546 (h) and the formal renewal process set forth in 47 U.S.C. 546 (a)-(g); and

WHEREAS, in its letter of April 5, 2011, MACC properly responded to Comcast’s request for renewal of the Comcast Franchises and thereafter commenced the franchise renewal process set forth in federal law at 47 U.S.C. 546; and

WHEREAS, on January 24, 2013, MACC directed staff to begin informal franchise renewal negotiations with Comcast, as set forth in 47 U.S.C. 546 (h), which informal negotiations began in February 2013; and

WHEREAS, on November 22, 2013, the MACC Executive Committee directed MACC staff to begin the formal renewal process set forth in 47 U.S.C. 546 (a-g), which direction the MACC Board of Commissioners ratified by Resolution 2013-08 on December 11, 2013; and

WHEREAS, the Member Jurisdictions previously agreed to extend the term of Comcast Franchises to December 31, 2014, to provide time for MACC to process Comcast’s franchise proposal under the formal process rules prior to expiration of the Comcast Franchises; and

WHEREAS, on October 9, 2014, the MACC Commission adopted Resolution 2014-03, recommending that Member Jurisdictions extend the Comcast Franchises to June 30, 2015, to allow MACC and Comcast additional time to complete the formal renewal process; and

WHEREAS, Comcast has agreed to execute extension agreements with each Member Jurisdiction; and

WHEREAS, the City of Tigard finds that it is in the best interest of the City and its residents to extend the term of the Comcast Franchise to allow MACC to complete the formal renewal process.

**NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:**

Section 1: The Mayor is hereby authorized to execute the extension agreement with Comcast substantially in the form attached hereto as Exhibit A to allow MACC to complete the formal renewal process set forth in 47 U.S.C. 546 (a)-(g).

Section 2: This resolution shall be effective from and after its adoption.

Introduced and adopted this \_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Deputy City Recorder

**REPORT TO MACC MEMBER JURISDICTIONS  
RECOMMENDATION  
COMCAST CABLE FRANCHISE TERM EXTENSION  
OCTOBER 2014  
(Prepared by MACC Staff)**

Your jurisdiction is a member of the Metropolitan Area Communications Commission (MACC), the intergovernmental agency that administers and regulates cable television franchises for fourteen cities and Washington County. MACC currently administers Comcast's multiple cable television franchises (Comcast Franchise) on behalf of its members, as well as a Frontier Cable Franchise for eleven jurisdictions where that service is offered. MACC staff, its legal counsel and advisors, negotiate directly on your behalf. Each MACC jurisdiction has its own representative, a MACC Commissioner.

**MACC Recommendation** – On October 9, 2014, the MACC Board of Commissioners (MACC Commission) unanimously passed a resolution (copy attached as Exhibit A) recommending its fifteen member jurisdictions extend the current Comcast Franchise term from December 31, 2014 to June 30, 2015, in order to provide time to complete the ongoing process to renew the Comcast Franchise.

### **Background**

Comcast was granted a 15 year renewal of its cable television franchise in 1999 (then held by TCI Cable). That Franchise was to expire on January 31, 2014.

As we reported to you last winter, informal negotiations with Comcast began in February 2013 and continued over eight months until it became clear to MACC that continued informal negotiations with Comcast would not result in an acceptable franchise agreement before the franchise expired. Therefore, the Commission voted on December 11, 2013, to move negotiations into the Federal Formal Renewal Process (Formal Process) and requested that the member jurisdictions agree to extend the term of the Comcast Franchise from January 31, 2014 to December 31, 2014 in order to provide time to complete that Formal Process. That extension was unanimously approved by the Member Jurisdictions.

### **MACC Formal Process and Need for a Second Extension**

The move to a Formal Renewal Process placed the renewal into a structure similar to a "request for proposal," where the cable operator must provide a response that meets the "cable related needs and interests of the MACC communities." It also requires MACC to carefully review the operator's response before making a recommendation to either grant or deny a new franchise agreement. Typically, the Formal Process provides an additional incentive and structure for the parties to agree on a new franchise agreement. That has been the MACC/Comcast experience as well.

On April 8, 2014, the Commission took the next step in the Formal Process and approved the MACC Request for Formal Renewal Proposal (RFRP). The RFRP, among other things, set forth the results of MACC's Needs Assessment and provided Comcast with a model franchise agreement. Comcast provided its response to MACC's RFRP on August 6, 2014. Under the Formal Process, MACC has four months from this date in which to either renew the franchise or issue a preliminary assessment that the franchise should not be renewed and commence an administrative proceeding to consider the matter.

However, between April and September, MACC and Comcast agreed to continue informal negotiations. These talks have resulted in significant progress on a number of major franchise issues. At the end of September, MACC and Comcast agreed to "toll" or delay the Formal timeline to allow time for the informal negotiations to continue and conclude prior to a decision on the RFRP.

As part of the agreement to toll the Formal timeline, both parties also agreed to ask for an extension of the Comcast Franchise term until June 30, 2015. This action ensures both parties' rights are reserved, including the requirement on Comcast to provide service under the existing franchise agreement, and pay the member jurisdictions franchise fees.

At the MACC Commission's October 9<sup>th</sup> meeting, the Board unanimously agreed to recommend that the MACC member jurisdictions extend the term of the Comcast Franchise Agreement to June 30, 2015.

### **Action Requested**

Today, MACC asks you to extend the term of the Comcast Cable Franchise Agreement until the end of June 2015 in order to accommodate the time needed to complete the current informal negotiations. If negotiations are not successful (which we do not expect), the Formal process and its deadlines will still be there to conclude the process in that timeframe.

We have worked with your staff and legal counsel to prepare a resolution to effect this change in your jurisdiction.

In addition to this report and a copy of MACC's recommending resolution, we have also enclosed a "Question & Answer" memorandum that addresses expected questions about this action. Your MACC Commissioner is a good resource to contact regarding this requested action.

MACC staff would be happy to answer any questions you have about this recommended action.

Enclosures:

- MACC Resolution 2014-03
- MACC "Questions & Answers"

## **FRANCHISE EXTENSION AGREEMENT**

WHEREAS, Comcast of Oregon II, Inc. (“Comcast Oregon”) currently holds, through its subsidiary, Comcast of Tualatin Valley, Inc. (“Comcast Tualatin”), formerly TCI Cablevision of the Tualatin Valley, Inc., a cable franchise with the City of Tigard (“City”), with an effective date of February 1, 1999, which was to expire on January 31, 2014 (“Franchise”); and

WHEREAS, the City entered into an Intergovernmental Agreement, in accordance with ORS Chapter 190, with the Metropolitan Area Communications Commission (“MACC”) for transfer of administration responsibilities associated with the Franchise, including renewal negotiations; and

WHEREAS, the City and Comcast Oregon subsequently agreed, pursuant to a franchise extension agreement dated April 7, 2014, to extend the term of the Franchise to December 31, 2014; and

WHEREAS, MACC, on behalf of the City, has been working to process Comcast’s response to MACC’s request for a formal renewal proposal for renewal of the Franchise in accordance with 47 U.S.C. 546 (“Proposal”); and

WHEREAS, the City and Comcast Oregon wish to extend the Franchise to allow for additional negotiations toward agreement on a renewed franchise agreement, as well as to provide time for MACC to process Comcast’s Proposal under the formal renewal process, prior to expiration of the Franchise.

NOW, THEREFORE, the City and Comcast Oregon agree as follows:

1. The Franchise shall be extended to expire on June 30, 2015, unless a renewed franchise agreement takes effect prior to that date, in which case the Franchise shall expire on the effective date of the renewed franchise.

2. All provisions of the Franchise, other than the duration of the Franchise as set forth in Section 1, shall remain in full force and effect through the expiration date set forth herein.
  
3. The parties do not waive any rights which they enjoy under law as a result of agreeing to this Franchise Extension Agreement.

ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2014.

City of Tigard, Oregon

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

Print Name: \_\_\_\_\_

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

ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2014.

Comcast of Oregon II, Inc.

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

Print Name: \_\_\_\_\_

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

**AIS-1788**

**9.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** 15 Minutes

**Agenda Title:** Public Hearing: Consideration of New Water Rates

**Prepared For:** Toby LaFrance, Financial and Information Services

**Submitted By:** Liz Lutz, Financial and Information Services

**Item Type:** Resolution

Public Hearing - Informational

**Meeting Type:**

Council  
Business  
Meeting -  
Main

**Public Hearing:** Yes

**Publication Date:**

**Information**

**ISSUE**

Shall the Council adopt new water rates for the next five years starting January 1, 2015? On November 18, 2014, Council instructed staff to prepare two water rate scenarios. If Council adopts water rates, which of the two scenarios Council instructed staff to present to Council at this hearing will be approved?

**STAFF RECOMMENDATION / ACTION REQUEST**

Staff recommends adopting new water rates.

**KEY FACTS AND INFORMATION SUMMARY**

- In November 2010, Council set water rates and charges intended to pay for Tigard's share of the Lake Oswego / Tigard Water Partnership (LOTWP) which will provide Tigard Water customers with their own water source allowing the city to no longer depend on Portland Water.
- The result of the 2010 study increased water rates over five years, with increases of 34% in the first year followed by three years of 14% increases. Tigard is set to implement the final 4.3% increase on January 1, 2015. That final increase was intended to represent the annual cost of living increases that would be needed in years beyond the first five years.
- In February 2012, Tigard issued \$97 million in water revenue bonds to pay for the start of the LOTWP project. At the time of issuance, it was known that a second bond issue would be needed to finish the project. It is projected that the proceeds from the first bond will be completely used by February/March 2015.
- Last year, Tigard City Council agreed to change the partnership to increase Tigard's share in the water source by an additional 4 million gallons per day (mgd). This will increase Tigard's share in the project costs. Prior to making the decision to purchase the

4 mgd share, Council was advised the purchase would most likely result in the need to further increase water rates.

- In August 2014, Tigard contracted with HDR Engineering to have Joe Healy perform a water rate analysis to determine the additional revenue required that will permit Tigard to issue a second water revenue bond in February, 2015.
- On November 18, 2014, Tigard City Council held a Workshop to review two proposed scenarios to adjust rates. The adjustments are based on the conclusions of a water revenue analysis performed by Tigard's rate consultants, HDR. The water revenue analysis report is attached to this agenda item. The analysis determined the revenue requirements necessary to issue bonds to finish the LOTWP project. The analysis also includes the need to issue a separate \$7 million bond in FY 2019 to pay for capital projects during the FY 2019 – FY 2021 timeframe. The two scenarios were:
  - Scenario #1: Replace the upcoming 4.3% increase set for January 1, 2015 with three years of 5.3% rate increases. This will be followed by rate increases of 2% annually starting in 2018.
  - Scenario #2: Replace the upcoming 4.3% increase set for January 1, 2015 with a 10.5% increase. This will be followed by rate increases of 2% annually starting in 2016.
- After deliberations at the November 18, 2014, workshop, Council expressed a preference for Scenario #2. Council also instructed staff and the consultant to explore a new Scenario #3. Scenario #3 is based on Scenario #2, but the 2% rate increases starting in 2016 would be replaced by increases sufficient to build fund balances that would allow the capital projects in the FY 2019 – FY 2021 timeframe to be cash funded; alleviating the need for additional debt to the water system. HDR's Addendum to the water rate study to include Option #3 is attached to this agenda. The result of that analysis is:
  - Scenario #3: Replace the upcoming 4.3% increase set for January 1, 2015 with a 10.5% increase. This will be followed by rate increases of 3.25% annually starting in 2016.
- Attached to this agenda item are two revised Master Fees and Charges that could be the Exhibit A for the resolution adopting the new water rates. The two revised versions are based on Option #2 and Option #3.

## **OTHER ALTERNATIVES**

Council can choose to study further rate options. Choosing this option would likely delay the decision on water rates sufficiently that the rates would not be in place in time to sell bonds in February. This may lead to the city seeking higher cost short-term borrowing while the issue of water rates is decided.

Council can also choose not to pass new water rates. Choosing this option would likely place the city in a financial position resulting in violation of the agreement to jointly fund the Lake Oswego/Tigard Water Treatment Plant.

## **COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

LOTWP Bond #2

## **DATES OF PREVIOUS COUNCIL CONSIDERATION**

November 18, 2014 - Workshop on results of water rate study.

July 8, 2014 - Briefing on Infrastructure Financing Project including water and sewer rates

December 10, 2013 - Council adopts IGA on LOTWP to purchase additional 4 mgd of water

July 23, 2013 - Council Executive Session on potential water rate impact of additional 4 mgd of water.

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## **Attachments**

Resolution

Exhibit A Based on Option #2

Exhibit A Based on Option #3

Water Rate Study including Options #1 and #2

Addendum to Water Rate Study for Option #3

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CITY OF TIGARD, OREGON  
TIGARD CITY COUNCIL  
RESOLUTION NO. 14-

A RESOLUTION TO AMEND THE MASTER FEES AND CHARGES SCHEDULE, AS ADOPTED BY RESOLUTION 14-31, TO INCREASE WATER RATES TO FUND THE LAKE OSWEGO - TIGARD WATER PARTNERSHIP AND OTHER CAPITAL IMPROVEMENTS

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WHEREAS, The City of Tigard is the managing authority and water provider for the Tigard Water Service Area (TWSA). The TWSA includes the residents of Durham, King City, two-thirds of Tigard, and the Tigard Water District;

WHEREAS, the Tigard Municipal Code, Chapter 12.10, defines the authority and process for imposing water fees and charges;

WHEREAS, the Intergovernmental Agreements for Delivery of Water Service, Sections 8.B., state that Tigard City Council has the authority to modify, alter or repeal the Rules, Rates and Regulations for Water Service within the Tigard Water Service Area;

WHEREAS, the Intergovernmental Water Board (IWB) has reviewed the Water Rate Study;

WHEREAS, on August 6, 2008, following extensive analysis of various long-term water supply options, the City Council entered into the Lake Oswego-Tigard Water Partnership whereby the cities would jointly develop a shared water system;

WHEREAS, on December 10, 2013, Tigard City Council adopted an amendment to the Intergovernmental Agreement with City of Lake Oswego to secure an additional four million gallons per day of water capacity;

WHEREAS, additional revenue is required to finance the purchase of the four million gallons per day;

WHEREAS, the City of Tigard will issue bonds, secured by water utility revenues, as a funding source for the capital improvements resulting from the partnership; and

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The 2014-2015 Master Fees and Charges Schedule is amended as shown in Exhibit A.

SECTION 2: This resolution is effective immediately upon passage.

PASSED: This \_\_\_\_\_ day of \_\_\_\_\_ 2014.

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Mayor - City of Tigard

ATTEST:

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Deputy City Recorder - City of Tigard

**Exhibit A**  
Master Fees and Charges Amendment  
For Water Rates

Based on Water Rate Study  
**Scenario 2**

Department	Revenue Source	Fee or Charge	Authority	Effective Date
<b>PUBLIC WORKS - UTILITIES</b>				
	<u>Booster Pump Charge</u>			
	Meter Size (diameter inches)			
	5/8 x 3/4	\$4.86 /monthly		1/1/2014
		\$5.15 /monthly		1/1/2015
	1	\$12.95 /monthly		1/1/2014
		\$13.72 /monthly		1/1/2015
	1.5	\$38.83 /monthly		1/1/2014
		\$41.16 /monthly		1/1/2015
	2	\$63.04 /monthly		1/1/2014
		\$66.82 /monthly		1/1/2015
	3	\$111.16 /monthly		1/1/2014
		\$117.83 /monthly		1/1/2015
	4	\$227.97 /monthly		1/1/2014
		\$241.65 /monthly		1/1/2015
	6	\$242.67 /monthly		1/1/2014
		\$257.23 /monthly		1/1/2015
	8	\$388.27 /monthly		1/1/2014
		\$411.57 /monthly		1/1/2015
	10	\$758.59 /monthly		1/1/2014
		\$804.11 /monthly		1/1/2015
	12	\$1,092.36 /monthly		1/1/2014
		\$1,157.91 /monthly		1/1/2015

Department	Revenue Source	Fee or Charge	Authority	Effective Date
	<b>Customer Charge</b>			
	<i>(Basic fee charged to customers to have the City deliver water.)</i>			
	<b>Meter Size (diameter inches)</b>			
	<b>5/8 x 3/4</b>	\$23.38 /monthly		1/1/2014
		<del>\$24.38 /monthly</del>		<del>1/1/2015</del>
		\$25.83 /monthly		1/1/2015
		\$26.35 /monthly		1/1/2016
		\$26.88 /monthly		1/1/2017
		\$27.42 /monthly		1/1/2018
		\$27.97 /monthly		1/1/2019
	<b>3/4 x 3/4</b>	\$33.67 /monthly		1/1/2014
		<del>\$35.11 /monthly</del>		<del>1/1/2015</del>
		\$37.21 /monthly		1/1/2015
		\$37.95 /monthly		1/1/2016
		\$38.71 /monthly		1/1/2017
		\$39.48 /monthly		1/1/2018
		\$40.27 /monthly		1/1/2019
	<b>1</b>	\$52.45 /monthly		1/1/2014
		<del>\$54.70 /monthly</del>		<del>1/1/2015</del>
		\$57.96 /monthly		1/1/2015
		\$59.12 /monthly		1/1/2016
		\$60.30 /monthly		1/1/2017
		\$61.51 /monthly		1/1/2018
		\$62.74 /monthly		1/1/2019
	<b>1.5</b>	\$138.51 /monthly		1/1/2014
		<del>\$144.47 /monthly</del>		<del>1/1/2015</del>
		\$153.05 /monthly		1/1/2015
		\$156.11 /monthly		1/1/2016
		\$159.23 /monthly		1/1/2017
		\$162.41 /monthly		1/1/2018
		\$165.66 /monthly		1/1/2019

Department	Revenue Source	Fee or Charge	Authority	Effective Date
		2	\$224.72 /monthly	1/1/2014
			<del>\$234.38 /monthly</del>	<del>1/1/2015</del>
			\$248.32 /monthly	1/1/2015
			\$253.29 /monthly	1/1/2016
			\$258.36 /monthly	1/1/2017
			\$263.53 /monthly	1/1/2018
			\$268.80 /monthly	1/1/2019
		3	\$442.33 /monthly	1/1/2014
			<del>\$461.35 /monthly</del>	<del>1/1/2015</del>
			\$488.77 /monthly	1/1/2015
			\$498.55 /monthly	1/1/2016
			\$508.52 /monthly	1/1/2017
			\$518.69 /monthly	1/1/2018
			\$529.06 /monthly	1/1/2019
		4	\$840.21 /monthly	1/1/2014
			<del>\$876.34 /monthly</del>	<del>1/1/2015</del>
			\$928.43 /monthly	1/1/2015
			\$947.00 /monthly	1/1/2016
			\$965.94 /monthly	1/1/2017
			\$985.26 /monthly	1/1/2018
			\$1,004.97 /monthly	1/1/2019
		6	\$942.08 /monthly	1/1/2014
			<del>\$982.59 /monthly</del>	<del>1/1/2015</del>
			\$1,041.00 /monthly	1/1/2015
			\$1,061.82 /monthly	1/1/2016
			\$1,083.06 /monthly	1/1/2017
			\$1,104.72 /monthly	1/1/2018
			\$1,126.81 /monthly	1/1/2019
		8	\$1,471.35 /monthly	1/1/2014
			<del>\$1,534.62 /monthly</del>	<del>1/1/2015</del>
			\$1,625.84 /monthly	1/1/2015
			\$1,658.36 /monthly	1/1/2016
			\$1,691.53 /monthly	1/1/2017
			\$1,725.36 /monthly	1/1/2018
			\$1,759.87 /monthly	1/1/2019

Department	Revenue Source	Fee or Charge	Authority	Effective Date
		10	\$2,715.00 /monthly	1/1/2014
			<del>\$2,831.75 /monthly</del>	<del>1/1/2015</del>
			\$3,000.08 /monthly	1/1/2015
			\$3,060.08 /monthly	1/1/2016
			\$3,121.28 /monthly	1/1/2017
			\$3,183.71 /monthly	1/1/2018
			\$3,247.38 /monthly	1/1/2019
		12	\$3,841.55 /monthly	1/1/2014
			<del>\$4,006.74 /monthly</del>	<del>1/1/2015</del>
			\$4,244.91 /monthly	1/1/2015
			\$4,329.81 /monthly	1/1/2016
			\$4,416.41 /monthly	1/1/2017
			\$4,504.74 /monthly	1/1/2018
			\$4,594.83 /monthly	1/1/2019
	<b><u>Final Notification Process Fee</u></b>		\$30.00 /per instance	7/1/2009
	<b><u>Fire Hydrant Flow Test</u></b>		\$325.00 /test	12/9/2008
	<b><u>Fire Hydrant Usage - Temporary</u></b>			
	3" hydrant meter deposit*		\$650.00	9/1/2002
	*Deposit is refundable if returned in good condition			
	Hook-up service		\$50.00	2/27/2001
	Continued use		\$50.00 /month	2/27/2001
	Consumption		Current irrigation water usage rate per 100 cubic feet of water used	9/1/2002
	<b><u>Fire Rates (Sprinklers)</u></b>			
	6" or smaller	\$17.70	/month	7/1/2013
	8" or larger	\$23.42	/month	7/1/2013
	<b><u>Fire Service Connection</u></b>		\$1,457.40 /+ 12% fee based on construction costs.	7/1/2013
	<b><u>Meter Disconnection</u></b>		Actual labor and material costs + 10%	9/1/2002
	<b><u>Meter Installation Fees</u></b>			
	5/8" x 3/4" Meter		\$350.00	9/1/2011
	3/4" x 3/4" Meter		\$400.00	10/1/2011
	1" Meter		\$550.00	9/1/2011
	1 1/2" Meter		\$850.00	9/1/2011
	2" Meter		\$1,100.00	9/1/2011
	3" or more Meter		Actual labor & materials + 10%	9/1/2011
	<b><u>Meter Out-of-Order Test</u></b>		Meter calibration cost + actual labor	9/1/2002

Department	Revenue Source	Fee or Charge	Authority	Effective Date
		and material costs + 10%		
	<b><u>Sanitary Sewer Service (Fee set by Clean Water Services)</u></b>			
	(City receives 16.306% of fees collected)			
	Base Charge	\$25.85 /dwelling unit/month		7/1/2014
	Use Charge	\$1.72 /100 cubic feet/month for individual customer winter average		7/1/2014
	<b><u>Service Installation Fees</u></b>			
	Single Trench - Single Residential Service	\$3,630.00 includes labor & materials		10/1/2011
	1 1/2" Meter and greater	Actual labor and material costs + 10%		10/1/2011
	<b><u>Storm and Surface Water (Fee set by Clean Water Services)</u></b>			
	(City retains 75% of Service Charge fees collected)			
	(City retains 100% of its Surcharge fees collected)			
	Service Charge	\$6.75 /ESU/month		7/1/2014
	Tigard Surcharge	\$2.00 /ESU/month		7/1/2009
	<b><u>Water Bacteriological Quality Testing</u></b>			
	Cost per test	\$60.00		7/1/2008
	<b><u>Water Disconnection Charge for Non-payment</u></b>			
	During business hours	\$50.00		2/27/2001
	<b><u>Water Line Construction - New Development</u></b>		12% of Actual Cost	2/27/2001
	<b><u>Water Main Extension</u></b>		12% of Actual Cost	9/1/2002
	Designed and installed by others			
	<b><u>Water Usage Charges</u></b>			
	<b>Residential</b>			
	Tier 1	\$3.02 /100 cubic feet of water		1/1/2014
	Tier 2	\$4.42 /100 cubic feet of water		1/1/2014
	Tier 3	\$5.05 /100 cubic feet of water		1/1/2014
	<del>Tier 1</del>	<del>\$3.15 /100 cubic feet of water</del>		<del>1/1/2015</del>
	<del>Tier 2</del>	<del>\$4.60 /100 cubic feet of water</del>		<del>1/1/2015</del>
	<del>Tier 3</del>	<del>\$5.27 /100 cubic feet of water</del>		<del>1/1/2015</del>
	Tier 1	\$3.34 /100 cubic feet of water		1/1/2015
	Tier 2	\$4.88 /100 cubic feet of water		1/1/2015
	Tier 3	\$5.58 /100 cubic feet of water		1/1/2015

Department	Revenue Source	Fee or Charge	Authority	Effective Date
		Tier 1 \$3.41 /100 cubic feet of water		1/1/2016
		Tier 2 \$4.98 /100 cubic feet of water		1/1/2016
		Tier 3 \$5.69 /100 cubic feet of water		1/1/2016
		Tier 1 \$3.48 /100 cubic feet of water		1/1/2017
		Tier 2 \$5.08 /100 cubic feet of water		1/1/2017
		Tier 3 \$5.80 /100 cubic feet of water		1/1/2017
		Tier 1 \$3.55 /100 cubic feet of water		1/1/2018
		Tier 2 \$5.18 /100 cubic feet of water		1/1/2018
		Tier 3 \$5.92 /100 cubic feet of water		1/1/2018
		Tier 1 \$3.62 /100 cubic feet of water		1/1/2019
		Tier 2 \$5.28 /100 cubic feet of water		1/1/2019
		Tier 3 \$6.04 /100 cubic feet of water		1/1/2019
	<b>Multi-Family</b>			
		Tier 1 \$2.52 /100 cubic feet of water		1/1/2014
		Tier 2 \$3.67 /100 cubic feet of water		1/1/2014
		Tier 3 \$4.21 /100 cubic feet of water		1/1/2014
		<del>Tier 1 \$2.63 /100 cubic feet of water</del>		<del>1/1/2015</del>
		<del>Tier 2 \$3.83 /100 cubic feet of water</del>		<del>1/1/2015</del>
		<del>Tier 3 \$4.39 /100 cubic feet of water</del>		<del>1/1/2015</del>
		Tier 1 \$2.78 /100 cubic feet of water		1/1/2015
		Tier 2 \$4.06 /100 cubic feet of water		1/1/2015
		Tier 3 \$4.65 /100 cubic feet of water		1/1/2015
		Tier 1 \$2.84 /100 cubic feet of water		1/1/2016
		Tier 2 \$4.14 /100 cubic feet of water		1/1/2016
		Tier 3 \$4.74 /100 cubic feet of water		1/1/2016
		Tier 1 \$2.90 /100 cubic feet of water		1/1/2017
		Tier 2 \$4.22 /100 cubic feet of water		1/1/2017
		Tier 3 \$4.83 /100 cubic feet of water		1/1/2017
		Tier 1 \$2.96 /100 cubic feet of water		1/1/2018
		Tier 2 \$4.30 /100 cubic feet of water		1/1/2018
		Tier 3 \$4.93 /100 cubic feet of water		1/1/2018
		Tier 1 \$3.02 /100 cubic feet of water		1/1/2019
		Tier 2 \$4.39 /100 cubic feet of water		1/1/2019
		Tier 3 \$5.03 /100 cubic feet of water		1/1/2019

Department	Revenue Source	Fee or Charge	Authority	Effective Date
	<b>Commercial</b>			
		Tier 1	\$3.44 /100 cubic feet of water	1/1/2014
		Tier 2	\$5.01 /100 cubic feet of water	1/1/2014
		Tier 3	\$5.73 /100 cubic feet of water	1/1/2014
		<del>Tier 1</del>	<del>\$3.58 /100 cubic feet of water</del>	<del>1/1/2015</del>
		<del>Tier 2</del>	<del>\$5.22 /100 cubic feet of water</del>	<del>1/1/2015</del>
		<del>Tier 3</del>	<del>\$5.98 /100 cubic feet of water</del>	<del>1/1/2015</del>
		Tier 1	\$3.80 /100 cubic feet of water	1/1/2015
		Tier 2	\$5.54 /100 cubic feet of water	1/1/2015
		Tier 3	\$6.33 /100 cubic feet of water	1/1/2015
		Tier 1	\$3.88 /100 cubic feet of water	1/1/2016
		Tier 2	\$5.65 /100 cubic feet of water	1/1/2016
		Tier 3	\$6.46 /100 cubic feet of water	1/1/2016
		Tier 1	\$3.96 /100 cubic feet of water	1/1/2017
		Tier 2	\$5.76 /100 cubic feet of water	1/1/2017
		Tier 3	\$6.59 /100 cubic feet of water	1/1/2017
		Tier 1	\$4.04 /100 cubic feet of water	1/1/2018
		Tier 2	\$5.88 /100 cubic feet of water	1/1/2018
		Tier 3	\$6.72 /100 cubic feet of water	1/1/2018
		Tier 1	\$4.12 /100 cubic feet of water	1/1/2019
		Tier 2	\$6.00 /100 cubic feet of water	1/1/2019
		Tier 3	\$6.85 /100 cubic feet of water	1/1/2019
	<b>Industrial</b>	Uniform Rate	\$4.79 /100 cubic feet of water	1/1/2014
			<del>\$4.99 /100 cubic feet of water</del>	<del>1/1/2015</del>
			\$5.29 /monthly	1/1/2015
			\$5.40 /monthly	1/1/2016
			\$5.51 /monthly	1/1/2017
			\$5.62 /monthly	1/1/2018
			\$5.73 /monthly	1/1/2019
	<b>Irrigation</b>	Uniform Rate	\$6.80 /100 cubic feet of water	1/1/2014
			<del>\$7.09 /100 cubic feet of water</del>	<del>1/1/2015</del>
			\$7.51 /monthly	1/1/2015
			\$7.66 /monthly	1/1/2016
			\$7.81 /monthly	1/1/2017
			\$7.97 /monthly	1/1/2018
			\$8.13 /monthly	1/1/2019

Department	Revenue Source	Fee or Charge	Authority	Effective Date
		<b>Meter Size</b>		
		<b>5/8 x 3/4</b>	Tier 1	6 ccf
			Tier 2	15 ccf
			Tier 3	over 15 ccf
		<b>3/4 x 3/4</b>	Tier 1	9 ccf
			Tier 2	22 ccf
			Tier 3	over 22 ccf
		<b>1</b>	Tier 1	16 ccf
			Tier 2	40 ccf
			Tier 3	over 40 ccf
		<b>1.5</b>	Tier 1	48 ccf
			Tier 2	120 ccf
			Tier 3	over 120 ccf
		<b>2</b>	Tier 1	78 ccf
			Tier 2	195 ccf
			Tier 3	over 195 ccf
		<b>3</b>	Tier 1	137 ccf
			Tier 2	344 ccf
			Tier 3	over 344 ccf
		<b>4</b>	Tier 1	282 ccf
			Tier 2	705 ccf
			Tier 3	over 705 ccf
		<b>6</b>	Tier 1	300 ccf
			Tier 2	750 ccf
			Tier 3	over 750 ccf
		<b>8</b>	Tier 1	480 ccf
			Tier 2	1,200 ccf
			Tier 3	over 1,200 ccf
		<b>10</b>	Tier 1	938 ccf
			Tier 2	2,345 ccf
			Tier 3	over 2,345 ccf
		<b>12</b>	Tier 1	1,350 ccf
			Tier 2	3,376 ccf
			Tier 3	over 3,376 ccf

**Exhibit A**  
Master Fees and Charges Amendment  
For Water Rates

Based on Water Rate Study  
**Scenario 3**

Department	Revenue Source	Fee or Charge	Authority	Effective Date
<b>PUBLIC WORKS - UTILITIES</b>				
	<u>Booster Pump Charge</u>			
	<b>Meter Size (diameter inches)</b>			
	5/8 x 3/4	\$4.86 /monthly		1/1/2014
		\$5.15 /monthly		1/1/2015
	1	\$12.95 /monthly		1/1/2014
		\$13.72 /monthly		1/1/2015
	1.5	\$38.83 /monthly		1/1/2014
		\$41.16 /monthly		1/1/2015
	2	\$63.04 /monthly		1/1/2014
		\$66.82 /monthly		1/1/2015
	3	\$111.16 /monthly		1/1/2014
		\$117.83 /monthly		1/1/2015
	4	\$227.97 /monthly		1/1/2014
		\$241.65 /monthly		1/1/2015
	6	\$242.67 /monthly		1/1/2014
		\$257.23 /monthly		1/1/2015
	8	\$388.27 /monthly		1/1/2014
		\$411.57 /monthly		1/1/2015
	10	\$758.59 /monthly		1/1/2014
		\$804.11 /monthly		1/1/2015
	12	\$1,092.36 /monthly		1/1/2014
		\$1,157.91 /monthly		1/1/2015

Department	Revenue Source	Fee or Charge	Authority	Effective Date
	<b>Customer Charge</b>			
	<i>(Basic fee charged to customers to have the City deliver water.)</i>			
	<b>Meter Size (diameter inches)</b>			
	<b>5/8 x 3/4</b>	\$23.38 /monthly		1/1/2014
		<del>\$24.38 /monthly</del>		<del>1/1/2015</del>
		\$25.83 /monthly		1/1/2015
		\$26.67 /monthly		1/1/2016
		\$27.54 /monthly		1/1/2017
		\$28.44 /monthly		1/1/2018
		\$29.36 /monthly		1/1/2019
	<b>3/4 x 3/4</b>	\$33.67 /monthly		1/1/2014
		<del>\$35.11 /monthly</del>		<del>1/1/2015</del>
		\$37.21 /monthly		1/1/2015
		\$38.42 /monthly		1/1/2016
		\$39.67 /monthly		1/1/2017
		\$40.96 /monthly		1/1/2018
		\$42.29 /monthly		1/1/2019
	<b>1</b>	\$52.45 /monthly		1/1/2014
		<del>\$54.70 /monthly</del>		<del>1/1/2015</del>
		\$57.96 /monthly		1/1/2015
		\$59.84 /monthly		1/1/2016
		\$61.78 /monthly		1/1/2017
		\$63.79 /monthly		1/1/2018
		\$65.86 /monthly		1/1/2019
	<b>1.5</b>	\$138.51 /monthly		1/1/2014
		<del>\$144.47 /monthly</del>		<del>1/1/2015</del>
		\$153.05 /monthly		1/1/2015
		\$158.02 /monthly		1/1/2016
		\$163.16 /monthly		1/1/2017
		\$168.46 /monthly		1/1/2018
		\$173.93 /monthly		1/1/2019

Department	Revenue Source	Fee or Charge	Authority	Effective Date
		2	\$224.72 /monthly	1/1/2014
			<del>\$234.38 /monthly</del>	<del>1/1/2015</del>
			\$248.32 /monthly	1/1/2015
			\$256.39 /monthly	1/1/2016
			\$264.72 /monthly	1/1/2017
			\$273.32 /monthly	1/1/2018
			\$282.20 /monthly	1/1/2019
		3	\$442.33 /monthly	1/1/2014
			<del>\$461.35 /monthly</del>	<del>1/1/2015</del>
			\$488.77 /monthly	1/1/2015
			\$504.66 /monthly	1/1/2016
			\$521.06 /monthly	1/1/2017
			\$537.99 /monthly	1/1/2018
			\$555.47 /monthly	1/1/2019
		4	\$840.21 /monthly	1/1/2014
			<del>\$876.34 /monthly</del>	<del>1/1/2015</del>
			\$928.43 /monthly	1/1/2015
			\$958.60 /monthly	1/1/2016
			\$989.75 /monthly	1/1/2017
			\$1,021.92 /monthly	1/1/2018
			\$1,055.13 /monthly	1/1/2019
		6	\$942.08 /monthly	1/1/2014
			<del>\$982.59 /monthly</del>	<del>1/1/2015</del>
			\$1,041.00 /monthly	1/1/2015
			\$1,074.83 /monthly	1/1/2016
			\$1,109.76 /monthly	1/1/2017
			\$1,145.83 /monthly	1/1/2018
			\$1,183.07 /monthly	1/1/2019
		8	\$1,471.35 /monthly	1/1/2014
			<del>\$1,534.62 /monthly</del>	<del>1/1/2015</del>
			\$1,625.84 /monthly	1/1/2015
			\$1,678.68 /monthly	1/1/2016
			\$1,733.24 /monthly	1/1/2017
			\$1,789.57 /monthly	1/1/2018
			\$1,847.73 /monthly	1/1/2019

Department	Revenue Source	Fee or Charge	Authority	Effective Date
		10	\$2,715.00 /monthly	1/1/2014
			<del>\$2,831.75 /monthly</del>	<del>1/1/2015</del>
			\$3,000.08 /monthly	1/1/2015
			\$3,097.58 /monthly	1/1/2016
			\$3,198.25 /monthly	1/1/2017
			\$3,302.19 /monthly	1/1/2018
			\$3,409.51 /monthly	1/1/2019
		12	\$3,841.55 /monthly	1/1/2014
			<del>\$4,006.74 /monthly</del>	<del>1/1/2015</del>
			\$4,244.91 /monthly	1/1/2015
			\$4,382.87 /monthly	1/1/2016
			\$4,525.31 /monthly	1/1/2017
			\$4,672.38 /monthly	1/1/2018
			\$4,824.23 /monthly	1/1/2019
	<b><u>Final Notification Process Fee</u></b>		\$30.00 /per instance	7/1/2009
	<b><u>Fire Hydrant Flow Test</u></b>		\$325.00 /test	12/9/2008
	<b><u>Fire Hydrant Usage - Temporary</u></b>			
	3" hydrant meter deposit*		\$650.00	9/1/2002
	*Deposit is refundable if returned in good condition			
	Hook-up service		\$50.00	2/27/2001
	Continued use		\$50.00 /month	2/27/2001
	Consumption		Current irrigation water usage rate per 100 cubic feet of water used	9/1/2002
	<b><u>Fire Rates (Sprinklers)</u></b>			
	6" or smaller	\$17.70	/month	7/1/2013
	8" or larger	\$23.42	/month	7/1/2013
	<b><u>Fire Service Connection</u></b>		\$1,457.40 /+ 12% fee based on construction costs.	7/1/2013
	<b><u>Meter Disconnection</u></b>		Actual labor and material costs + 10%	9/1/2002
	<b><u>Meter Installation Fees</u></b>			
	5/8" x 3/4" Meter		\$350.00	9/1/2011
	3/4" x 3/4" Meter		\$400.00	10/1/2011
	1" Meter		\$550.00	9/1/2011
	1 1/2" Meter		\$850.00	9/1/2011
	2" Meter		\$1,100.00	9/1/2011
	3" or more Meter		Actual labor & materials + 10%	9/1/2011
	<b><u>Meter Out-of-Order Test</u></b>		Meter calibration cost + actual labor	9/1/2002

Department	Revenue Source	Fee or Charge	Authority	Effective Date
		and material costs + 10%		
	<b><u>Sanitary Sewer Service (Fee set by Clean Water Services)</u></b>			
	(City receives 16.306% of fees collected)			
	Base Charge	\$25.85 /dwelling unit/month		7/1/2014
	Use Charge	\$1.72 /100 cubic feet/month for individual customer winter average		7/1/2014
	<b><u>Service Installation Fees</u></b>			
	Single Trench - Single Residential Service	\$3,630.00 includes labor & materials		10/1/2011
	1 1/2" Meter and greater	Actual labor and material costs + 10%		10/1/2011
	<b><u>Storm and Surface Water (Fee set by Clean Water Services)</u></b>			
	(City retains 75% of Service Charge fees collected)			
	(City retains 100% of its Surcharge fees collected)			
	Service Charge	\$6.75 /ESU/month		7/1/2014
	Tigard Surcharge	\$2.00 /ESU/month		7/1/2009
	<b><u>Water Bacteriological Quality Testing</u></b>			
	Cost per test	\$60.00		7/1/2008
	<b><u>Water Disconnection Charge for Non-payment</u></b>			
	During business hours	\$50.00		2/27/2001
	<b><u>Water Line Construction - New Development</u></b>		12% of Actual Cost	2/27/2001
	<b><u>Water Main Extension</u></b>		12% of Actual Cost	9/1/2002
	Designed and installed by others			
	<b><u>Water Usage Charges</u></b>			
	<b>Residential</b>			
	Tier 1	\$3.02 /100 cubic feet of water		1/1/2014
	Tier 2	\$4.42 /100 cubic feet of water		1/1/2014
	Tier 3	\$5.05 /100 cubic feet of water		1/1/2014
	<del>Tier 4</del>	<del>\$3.15 /100 cubic feet of water</del>		<del>1/1/2015</del>
	<del>Tier 2</del>	<del>\$4.60 /100 cubic feet of water</del>		<del>1/1/2015</del>
	<del>Tier 3</del>	<del>\$5.27 /100 cubic feet of water</del>		<del>1/1/2015</del>
	Tier 1	\$3.34 /100 cubic feet of water		1/1/2015
	Tier 2	\$4.88 /100 cubic feet of water		1/1/2015
	Tier 3	\$5.58 /100 cubic feet of water		1/1/2015

Department	Revenue Source	Fee or Charge	Authority	Effective Date
		Tier 1	\$3.45 /100 cubic feet of water	1/1/2016
		Tier 2	\$5.04 /100 cubic feet of water	1/1/2016
		Tier 3	\$5.76 /100 cubic feet of water	1/1/2016
		Tier 1	\$3.56 /100 cubic feet of water	1/1/2017
		Tier 2	\$5.20 /100 cubic feet of water	1/1/2017
		Tier 3	\$5.95 /100 cubic feet of water	1/1/2017
		Tier 1	\$3.68 /100 cubic feet of water	1/1/2018
		Tier 2	\$5.37 /100 cubic feet of water	1/1/2018
		Tier 3	\$6.14 /100 cubic feet of water	1/1/2018
		Tier 1	\$3.80 /100 cubic feet of water	1/1/2019
		Tier 2	\$5.54 /100 cubic feet of water	1/1/2019
		Tier 3	\$6.34 /100 cubic feet of water	1/1/2019
	<b>Multi-Family</b>			
		Tier 1	\$2.52 /100 cubic feet of water	1/1/2014
		Tier 2	\$3.67 /100 cubic feet of water	1/1/2014
		Tier 3	\$4.21 /100 cubic feet of water	1/1/2014
		<del>Tier 1</del>	<del>\$2.63 /100 cubic feet of water</del>	<del>1/1/2015</del>
		<del>Tier 2</del>	<del>\$3.83 /100 cubic feet of water</del>	<del>1/1/2015</del>
		<del>Tier 3</del>	<del>\$4.39 /100 cubic feet of water</del>	<del>1/1/2015</del>
		Tier 1	\$2.78 /100 cubic feet of water	1/1/2015
		Tier 2	\$4.06 /100 cubic feet of water	1/1/2015
		Tier 3	\$4.65 /100 cubic feet of water	1/1/2015
		Tier 1	\$2.87 /100 cubic feet of water	1/1/2016
		Tier 2	\$4.19 /100 cubic feet of water	1/1/2016
		Tier 3	\$4.80 /100 cubic feet of water	1/1/2016
		Tier 1	\$2.96 /100 cubic feet of water	1/1/2017
		Tier 2	\$4.33 /100 cubic feet of water	1/1/2017
		Tier 3	\$4.96 /100 cubic feet of water	1/1/2017
		Tier 1	\$3.06 /100 cubic feet of water	1/1/2018
		Tier 2	\$4.47 /100 cubic feet of water	1/1/2018
		Tier 3	\$5.12 /100 cubic feet of water	1/1/2018
		Tier 1	\$3.16 /100 cubic feet of water	1/1/2019
		Tier 2	\$4.62 /100 cubic feet of water	1/1/2019
		Tier 3	\$5.29 /100 cubic feet of water	1/1/2019

Department	Revenue Source	Fee or Charge	Authority	Effective Date
	<b>Commercial</b>			
		Tier 1	\$3.44 /100 cubic feet of water	1/1/2014
		Tier 2	\$5.01 /100 cubic feet of water	1/1/2014
		Tier 3	\$5.73 /100 cubic feet of water	1/1/2014
		<del>Tier 1</del>	<del>\$3.58 /100 cubic feet of water</del>	<del>1/1/2015</del>
		<del>Tier 2</del>	<del>\$5.22 /100 cubic feet of water</del>	<del>1/1/2015</del>
		<del>Tier 3</del>	<del>\$5.98 /100 cubic feet of water</del>	<del>1/1/2015</del>
		Tier 1	\$3.80 /100 cubic feet of water	1/1/2015
		Tier 2	\$5.54 /100 cubic feet of water	1/1/2015
		Tier 3	\$6.33 /100 cubic feet of water	1/1/2015
		Tier 1	\$3.92 /100 cubic feet of water	1/1/2016
		Tier 2	\$5.72 /100 cubic feet of water	1/1/2016
		Tier 3	\$6.54 /100 cubic feet of water	1/1/2016
		Tier 1	\$4.05 /100 cubic feet of water	1/1/2017
		Tier 2	\$5.91 /100 cubic feet of water	1/1/2017
		Tier 3	\$6.75 /100 cubic feet of water	1/1/2017
		Tier 1	\$4.18 /100 cubic feet of water	1/1/2018
		Tier 2	\$6.10 /100 cubic feet of water	1/1/2018
		Tier 3	\$6.97 /100 cubic feet of water	1/1/2018
		Tier 1	\$4.32 /100 cubic feet of water	1/1/2019
		Tier 2	\$6.30 /100 cubic feet of water	1/1/2019
		Tier 3	\$7.20 /100 cubic feet of water	1/1/2019
	<b>Industrial</b>	Uniform Rate	\$4.79 /100 cubic feet of water	1/1/2014
			<del>\$4.99 /100 cubic feet of water</del>	<del>1/1/2015</del>
			\$5.29 /monthly	1/1/2015
			\$5.46 /monthly	1/1/2016
			\$5.64 /monthly	1/1/2017
			\$5.82 /monthly	1/1/2018
			\$6.01 /monthly	1/1/2019
	<b>Irrigation</b>	Uniform Rate	\$6.80 /100 cubic feet of water	1/1/2014
			<del>\$7.09 /100 cubic feet of water</del>	<del>1/1/2015</del>
			\$7.51 /monthly	1/1/2015
			\$7.75 /monthly	1/1/2016
			\$8.00 /monthly	1/1/2017
			\$8.26 /monthly	1/1/2018
			\$8.53 /monthly	1/1/2019

Department	Revenue Source	Fee or Charge	Authority	Effective Date
		<b>Meter Size</b>		
		<b>5/8 x 3/4</b>	Tier 1	6 ccf
			Tier 2	15 ccf
			Tier 3	over 15 ccf
		<b>3/4 x 3/4</b>	Tier 1	9 ccf
			Tier 2	22 ccf
			Tier 3	over 22 ccf
		<b>1</b>	Tier 1	16 ccf
			Tier 2	40 ccf
			Tier 3	over 40 ccf
		<b>1.5</b>	Tier 1	48 ccf
			Tier 2	120 ccf
			Tier 3	over 120 ccf
		<b>2</b>	Tier 1	78 ccf
			Tier 2	195 ccf
			Tier 3	over 195 ccf
		<b>3</b>	Tier 1	137 ccf
			Tier 2	344 ccf
			Tier 3	over 344 ccf
		<b>4</b>	Tier 1	282 ccf
			Tier 2	705 ccf
			Tier 3	over 705 ccf
		<b>6</b>	Tier 1	300 ccf
			Tier 2	750 ccf
			Tier 3	over 750 ccf
		<b>8</b>	Tier 1	480 ccf
			Tier 2	1,200 ccf
			Tier 3	over 1,200 ccf
		<b>10</b>	Tier 1	938 ccf
			Tier 2	2,345 ccf
			Tier 3	over 2,345 ccf
		<b>12</b>	Tier 1	1,350 ccf
			Tier 2	3,376 ccf
			Tier 3	over 3,376 ccf

# Memo

Date: Tuesday, October 21, 2014

Project: Infrastructure Financing Services: Water

To: Toby LaFrance, John Goodrich

From: Joe Healy

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Subject: Water Revenue Requirements Summary

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Thank you for the opportunity to serve the City of Tigard (City). HDR is pleased to continue supporting the City with its water infrastructure financing needs.

## Introduction to the Financial Plan Analysis

The first major task of this study was to review rate revenue scenarios that prudently fund the City's future revenue requirements under alternative capital improvements plans and cost assumptions.

HDR met at the City's offices for a financial planning workshop on September 4, 2014. During the workshop, HDR and the City analyzed all of the assumptions within the financial planning model, including capital improvements plan (CIP) costs, operations and maintenance (O&M) costs, debt service repayments, rate and non-rate revenues, system development charge (SDC) collections, reserve funds, and various assumptions around interest rates and escalation factors for future years of the projection period.

Once all of the assumptions had been reviewed and agreed to, HDR and the City calibrated the financial planning model to develop the optimal solution to meeting the City's water revenue requirements going forward. The forecast scenarios included fiscal year (FY) 2015 through FY2044<sup>1</sup>, and examined the impacts of funding capital improvements with a mix of rate revenue, reserves, and future debt financing. By forecasting costs over an extended time-period, Tigard can anticipate and plan for significant needs in operating and capital requirements. By planning around these anticipated needs, Tigard may also minimize short-term rate impacts and overall long-term rates. Softening rate impacts was the goal of the first scenario presented in this memorandum. The two scenarios analyzed include:

1. **Smoothed Rate Impact** – This scenario is based on the City's capital projects to identify optimal amounts of new debt and rates to pay for projects while minimizing short-term rate impacts to the City's customers.
2. **One-Time Rate Hike in 2015** – The City requested an analysis of the water financial forecast given a large rate adjustment in 2015, and holding future annual rate adjustments to approximately 2% or less.

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<sup>1</sup> In this analysis, FY2015 represents fiscal year ending in 2015, or FY2014-15.

The scenarios presented in this memorandum are based on the agreed upon CIP assumptions, budget numbers, and collective estimates of interest rates and escalation factors. Each scenario raises sufficient rate revenue to meet the City’s future revenue requirements<sup>2</sup>, maintain prudent reserve fund balances, and achieve target debt service coverage ratios.

## Overview of the Revenue Requirement Calculation

The financial plan, or revenue requirement analysis, is the first analytical step in a water rate study process. This analysis determines the overall adequacy of Tigard’s water rates. From this analysis, a determination can be made as to the overall level of water rate revenue adjustment needed to provide adequate and prudent funding for both operating and capital needs. Typically, the main objective of a water financial plan is to develop a plan to meet future revenue requirements, while attempting to minimize the impacts to the City’s customers. A major focus of most revenue requirement analyses (including the City’s) is the funding of capital improvements.

Financial planning for utilities is based on a “cash-flow” approach, also known as the “cash basis” approach. This approach matches revenue with costs over time such that over the planning period, annual revenues will be equal to or greater than the utility’s annual costs. Table 1 provides a summary of the cash basis methodology used to develop the City’s water revenue requirements.

**Table 1: Overview of the “Cash Basis” Revenue Requirement Methodology**

+	Operations and Maintenance Costs
+	Taxes/Transfer Payments
+	Capital Projects Funded from Rates
+	Debt Service Repayments (P + I)
	<hr/>
=	Total Revenue Requirement
-	Miscellaneous Revenues
	<hr/>
=	Net Revenue Requirement from Rates

Each of these components is described below.

## Water Revenue Requirements Assumptions

The primary financial inputs in this process were the City’s accounting and billing records, capital plan, and budget. Provided below is a detailed discussion of the steps and key assumptions contained within the development of the City’s water utility revenue requirement.

<sup>2</sup> Revenue requirements include cash-funded capital improvements, debt service, and operational expenses.

## Capital Improvements

Capital improvements typically consist of large and costly additions to utility facilities that oftentimes occur infrequently and at irregular intervals. Capital improvement projects are designed to fulfill a range of needs including:

- Compliance with new state and federal regulations,
- Enhancement of the level and reliability of the service provided,
- Meet ongoing demands of system growth and economic development, and
- Replacement and refurbishment of existing system infrastructure.

Table 2 provides a summary of the City's CIP over the next seven years and totals over the 30-year projection period. In addition to the water supply costs of the Partnership, the City has a significant capital improvement program that includes water storage, pipelines, and other system improvements. All amounts include the effects of assumed cost escalation.<sup>3</sup> To improve visibility in years with actual expenditures, HDR shaded the zeroes in years with no projected expenditures.

**Table 2: CIP Summary (millions)**

Description	Fiscal Year Ending							2015-44 Totals
	2015	2016	2017	2018	2019	2020	2021	
Water Meter Replacement Program	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$10.7
Water Main Line Oversizing	0.2	0.2	0.2	0.2	0.2	0.2	0.2	8.0
Aquifer Storage & Recovery Well #3	0.3	0.0	0.0	0.0	3.6	0.0	0.0	3.8
Lake Oswego-Tigard Water Partnership	72.8	22.9	1.3	0.0	0.0	0.0	0.0	96.9
LO-Tigard Water Partnership Internal Expenses	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.6
Water Line Replacement Program	0.1	0.1	0.1	0.2	0.2	0.2	0.2	7.5
Fire Hydrant Replacement Program	0.2	0.1	0.1	0.1	0.1	0.1	0.1	5.4
Main Street/Waterline Replacement	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1
New Water Source Systemwide Improvements	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.7
Pipeline Connecting 550 Zone to 530 Zone	0.0	0.0	0.0	0.0	2.5	0.0	0.0	2.5
Annual Fire Flow Improvement Allocation	0.1	0.1	0.1	0.1	0.1	0.1	0.1	4.8
Tigard HS Well Abandonment	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Barrows/Scholls Ferry 16" Line Extensions (River Road)	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Pacific Highway/Gaarde Utility Casing Bore Crossing	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Cach Reservoir and Pump Station Design	0.0	0.0	0.0	1.1	0.0	5.8	6.0	13.0
550 Pressure Zone Connection to Price Reservoir	0.3	1.8	0.0	0.0	0.0	0.0	0.0	2.0
Vehicles	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.4
<b>Totals</b>	<b>\$75.6</b>	<b>\$25.7</b>	<b>\$2.1</b>	<b>\$2.1</b>	<b>\$6.8</b>	<b>\$6.6</b>	<b>\$6.9</b>	<b>\$157.3</b>

## Debt Service Costs

The next component of Tigard's water revenue requirement is debt service. Debt service relates to the City's annual debt repayment obligations (principal and interest), incurred when capital projects are financed with long-term borrowing.

<sup>3</sup> Partnership project cost estimates already included assumed capital cost escalation. Tigard provided all other capital improvement plan costs using a FY2015 cost-basis. The assumed escalation rate for future costs began at 2.0% in FY2016, increasing by 0.5% annually to a maximum annual escalation rate of 4.0% in FY2020 and beyond.

Utilities frequently finance major capital improvements by issuing long-term debt for two primary reasons. First, the financial resources required for these types of projects typically exceed the utility's available resources from the normal operation of its system. Second, spreading the debt service costs for the project over the repayment period effectively spreads the financial burden of financing large improvements to both existing and future users of the system. This burden sharing allows the utility to sequence the cost of improvements with those customers using the improvements.

### **Existing Debt Service**

Tigard is currently making repayments for two outstanding debt issues, revenue bonds issued in 2012 and ARRA debt. The City's annual debt service payments are scheduled at \$4.88 million in FY2015 and FY2016, and \$6.72 million annually thereafter through FY2032. The Series 2012 repayments of \$6.56 million annually are scheduled through FY2043, while the final payment on the ARRA debt is FY2033.

As a part of the rate covenants associated with this outstanding debt, the City must maintain minimum debt service coverage (DSC) ratios. DSC is the ratio of the City's net revenues to its annual debt service subject to coverage requirements. With input from the City's financial advisor, HDR assumed that the City must maintain a minimum 1.15 DSC ratio if SDCs are included in the calculation of net revenues. In other words, the City's net revenue<sup>4</sup> must, at a minimum, exceed its annual debt service by 15%. If SDCs are excluded from the calculation of net revenue, a 1.10 DSC ratio is required.

Based on recommendations from HDR and the City's financial advisor, the City chose to set its minimum debt ratio targets higher than the minimum required. This is a matter of prudent financial policy, in which the City will strive to achieve a higher standard than the minimum requirements set forth in its bond covenants. Utilities commonly adopt higher standards to achieve better financial performance, and thereby, a higher bond rating. Additionally, by achieving target net revenue higher than its minimum requirements, the City will provide itself a degree of safety from technical default on its bonds in the case of unforeseen expenditures or revenue shortfalls in the future.

For the purposes of this analysis, the target DSC ratio is 1.40 for all years if SDCs are included in the calculation of net revenues; 1.25 for all years if SDCs are excluded from the calculation of net revenues. Based on this assumption, HDR estimates that the City will exceed the minimum requirements and meet target DSC ratios throughout the planning period.

### **Future Debt Service**

Given the large expenditures related to the City's capital improvements program, HDR and the City anticipate the need for new debt financing in FY2015 (nearly \$40 million) and FY2019 (approximately \$7 million). For debt service related to future borrowing, HDR and the City assumed that future debt issues would have a 5.0% interest rate and term to coincide with the final repayment of the Series 2012 debt. HDR and the City also assumed that new debt would be subject to the same DSC covenants as the City's existing debt.

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<sup>4</sup> Net revenue is gross revenues less operating expenses. Operating expenses do not include depreciation expense.

## Total Debt Service

By combining the City's existing debt service repayments with the projected additional debt service, HDR developed estimated debt repayments. Table 3 presents the next 20 years of annual debt service for the CIP scenario presented in Table 2. Note the significant increase in FY2017. This is due to an increase in the annual repayments on the Series 2012 debt and the assumed structuring of the anticipated FY2015 debt financing. The City's financial advisor suggested that the City will structure the new debt so that they may defer principal repayments for 2 years from the time the debt is issued. Therefore, interest-only payments are projected to occur in FY2015 and FY2016, with total repayments (principal and interest) for the FY2015 debt issuance forecasted to begin in FY2017.

Table 3: Annual Debt Service

Year	Annual DS*	Year	Annual DS*
FY2015	\$5.5	FY2025	\$9.7
FY2016	6.8	FY2026	9.7
FY2017	9.2	FY2027	9.7
FY2018	9.2	FY2028	9.7
FY2019	9.5	FY2029	9.7
FY2020	9.7	FY2030	9.7
FY2021	9.7	FY2031	9.7
FY2022	9.7	FY2032	9.7
FY2023	9.7	FY2033	9.7
FY2024	9.7	FY2034	9.7

\* Note: Projected costs rounded to millions.

Given the assumptions of this scenario, HDR and the City projected the structure of the future debt issue in a way that would provide for level annual debt repayments through FY2043 when combined with the currently scheduled repayments on existing debt.

## Operations and Maintenance Costs

Tigard incurs operation and maintenance expenses (O&M) for reliable water supply resources and delivery to the City's customers. O&M costs account for most of the day-to-day expenditures for operating a water utility. O&M costs include labor, benefits, insurance, water purchases, etc. The City's budget O&M costs were used as a starting point for the O&M forecast. O&M costs were projected to escalate from FY2015 data at various annual rates, specific to line item. For planning purposes, O&M costs were accounted for during the current year and were not capitalized or amortized over an extended period of years.

HDR and the City walked through the line-item budget to identify and confirm the appropriate cost escalation rates by item. Based on the FY2015 budget assumptions and the cost escalation rates ranging from 2.5% to 4.0% annually (in most instances<sup>5</sup>), the City's total annual O&M costs are expected to increase from \$8.4 million in FY2013 to \$9.0 million in FY2016. In FY2017, the City expects a significant decrease in O&M costs as water from the Partnership replaces the City's current supply from the City of Portland.

<sup>5</sup> Medical benefits were projected to increase at a rate of 6.65% annually.

The annual O&M cost projection is included in Table 4. Only the first 20 years of the projection period are included. It is assumed that costs will continue escalating in future years.

**Table 4: Total Annual O&M Costs** (millions)

Year	Annual O&M*	Year	Annual O&M*
FY2015	\$8.4	FY2025	\$9.2
FY2016	9.0	FY2026	9.6
FY2017	6.9	FY2027	9.9
FY2018	7.2	FY2028	10.3
FY2019	7.4	FY2029	10.7
FY2020	7.7	FY2030	11.0
FY2021	8.0	FY2031	11.5
FY2022	8.3	FY2032	11.9
FY2023	8.6	FY2033	12.3
FY2024	8.9	FY2034	12.8

\* Note: Projected costs include escalation.

## Forecast of Other Revenue

The City collects other revenue that offsets the revenue needed from customer rates. Other revenue includes non-rate revenue and system development charge collections.

### Non-Rate Revenue

For planning purposes, non-rate revenue includes minor amounts of miscellaneous sales and fees. Together, these line items amount to approximately \$165,000 in FY2015. This amount is projected to increase by 0.3% annually thereafter.

### System Development Charges

The City receives SDCs from new development. For the revenue requirements calculation, the City uses SDCs to offset capital costs, including future debt service costs when applicable. In FY2015, the City will receive approximately \$944,000 from water SDCs.

For the duration of the forecast, the City and HDR forecasted future SDC collections conservatively. Future SDC collections were projected using the City's existing customer data and an assumed growth rate of 0.3% annually. Table 5 provides the projected SDC revenue.

**Table 5: Total Annual SDC Revenue**

Year	SDCs*	Year	SDCs*
FY2015	\$944	FY2025	\$824
FY2016	559	FY2026	860
FY2017	583	FY2027	898
FY2018	609	FY2028	938
FY2019	636	FY2029	979
FY2020	664	FY2030	1,023
FY2021	693	FY2031	1,068
FY2022	724	FY2032	1,115
FY2023	756	FY2033	1,164
FY2024	789	FY2034	1,215

\* Note: Projected revenue rounded to thousands.

The City will collect more than the projected SDCs with the future development of River Terrace. However, until SDCs are actually collected from developers, HDR recommends that the City use the lower future SDC estimates as a matter of prudent financial planning for the purpose of funding capital projects and issuing bonds.

### Interest Earnings

Interest earnings on the City’s reserve fund balances also reduce pressure on rate revenue requirements. Interest earnings on the City’s reserve funds were calculated based on interest rates of 0.5% or less in 2015. The assumed annual interest rates were increased over time until each reached 1.5% in FY2021. HDR and the City left the assumed interest rate at 1.5% annually thereafter.

### Reserve Funds

For its minimum reserve fund balance, the City targets 90 days of projected annual O&M costs, plus \$2 million of emergency reserves. Based on the analysis and assumptions contained in this memorandum, the City will meet this reserve target for the duration of the projection period.

## Summary Results from the Water Financial Plan

The water financial planning model that HDR developed for the City is designed to calculate the annual water rate revenue adjustments needed to meet the City’s existing and future water revenue requirements. Based on the revenue requirements described above, less non-rate revenues and SDCs, HDR calculated the rate revenue adjustments that meet the City’s goals, while meeting all of the needs of the water utility’s operations and capital infrastructure.

As discussed in the introduction, the financial planning model included FY2015 through FY2044 (30 years). However, for the purposes of this memorandum and potential adoption by the City Council, only the next five years of rate revenue adjustments are presented in this section.

### Scenario 1 – Smoothed Rate Impact

Summaries of the annual water rate revenue adjustments and example customer impacts for this scenario are shown in Table 6.

Table 6: Summary of Customer Impacts – Scenario 1

Description	Current	Fiscal Year Ending				
		2015	2016	2017	2018	2019
Rate Adj.		5.30%	5.30%	5.30%	2.00%	2.00%
Monthly Bill	\$45.92	\$48.35	\$50.91	\$53.61	\$54.68	\$55.77
Bill Increase		2.43	2.56	2.70	1.07	1.09

Table 7 (next page) presents a summary of the water revenue requirements (sources and uses of funds). The first five years of the projection period are shown so that the new bond issues associated with major capital improvements could be presented. The rate revenue presented in Table 7 includes the proposed annual water rate revenue adjustments shown in Table 6. With

these proposed annual rate revenue adjustments, the total sources and uses of funds (pertaining to the City's water revenue requirements) balance for each year of the forecast.

**Table 7: Scenario 1 Summary of Revenue Requirements Analysis** (millions)

	Fiscal Year Ending				
	2015	2016	2017	2018	2019
<b>Sources of Funds</b>					
Rate Revenue	\$17.0	\$18.0	\$19.0	\$19.7	\$20.2
Non-Rate Rev. & SDCs	1.2	0.8	0.8	0.8	0.9
New Bond Issues	38.4	0.0	0.0	0.0	7.1
Spending Reserves	37.3	22.6	0.0	0.0	0.0
<b>Total Sources</b>	<b>\$94.0</b>	<b>\$41.4</b>	<b>\$19.8</b>	<b>\$20.6</b>	<b>\$28.2</b>
<b>Uses of Funds</b>					
Capital Improvements	\$75.6	\$25.7	\$2.1	\$2.1	\$6.8
Debt Repayments	5.4	6.6	9.2	9.2	9.5
Debt Issuance Costs	4.6	0.0	0.0	0.0	0.8
O&M Expenses	8.4	9.0	6.9	7.2	7.4
Increasing Reserves	0.0	0.0	1.5	2.1	3.5
<b>Total Uses</b>	<b>\$94.0</b>	<b>\$41.4</b>	<b>\$19.8</b>	<b>\$20.6</b>	<b>\$28.2</b>

In Table 7, to improve visibility for active years the same formatting was used as in Table 2. This is helpful for new debt activity and changes in the overall balance of reserve funds.

## Scenario 2 – One-Time Rate Hike in 2015

Summaries of the annual water rate revenue adjustments and example customer impacts for this scenario are shown in Table 8.

**Table 8: Summary of Customer Impacts – Scenario 2**

Description	Current	Fiscal Year Ending				
		2015	2016	2017	2018	2019
Rate Adj.		10.50%	2.00%	2.00%	2.00%	2.00%
Monthly Bill	\$45.92	\$50.74	\$51.76	\$52.80	\$53.86	\$54.94
Bill Increase		4.82	1.02	1.04	1.06	1.08

Table 9 (next page) presents a summary of the water revenue requirements (sources and uses of funds). The first five years of the projection period are shown so that the new bond issues could be presented. The rate revenue presented in Table 9 includes the proposed annual water rate revenue adjustments shown in Table 8.

**Table 9: Scenario 2 Summary of Revenue Requirements Analysis (millions)**

	Fiscal Year Ending				
	2015	2016	2017	2018	2019
<b>Sources of Funds</b>					
Rate Revenue	\$17.4	\$18.6	\$19.0	\$19.4	\$19.9
Non-Rate Rev. & SDCs	1.2	0.8	0.8	0.8	0.9
New Bond Issues	38.4	0.0	0.0	0.0	7.1
Spending Reserves	36.9	22.0	0.0	0.0	0.0
<b>Total Sources</b>	<b>\$94.0</b>	<b>\$41.4</b>	<b>\$19.8</b>	<b>\$20.3</b>	<b>\$27.9</b>
<b>Uses of Funds</b>					
Capital Improvements	\$75.6	\$25.7	\$2.1	\$2.1	\$6.8
Debt Repayments	5.4	6.6	9.2	9.2	9.5
Debt Issuance Costs	4.6	0.0	0.0	0.0	0.9
O&M Expenses	8.4	9.0	6.9	7.1	7.4
Increasing Reserves	0.0	0.0	1.5	1.8	3.3
<b>Total Uses</b>	<b>\$94.0</b>	<b>\$41.4</b>	<b>\$19.8</b>	<b>\$20.3</b>	<b>\$27.9</b>

## Scenario Comparison

The City’s CIP includes planned infrastructure improvements amounting to \$129 million over the next 10 years. These costs, and planning a strategy to fund them, were the primary drivers for the City’s water financial plan analysis.

HDR developed two alternative rate revenue impact scenarios.

1. **Smoothed Rate Impact** – This scenario is based on the City’s capital projects to identify optimal amounts of new debt and rates to pay for projects while minimizing short-term rate impacts to the City’s customers.
2. **One-Time Rate Hike in 2015** – The City requested an analysis of the water financial forecast given a large rate adjustment in 2015, and holding future annual rate adjustments to approximately 2% or less.

In each of these scenarios, HDR assumed that Tigard would incur additional debt only to the amount needed to meet the lower limit of the water utility’s financial and reserve targets. In other words, HDR used its utility financial planning model to calibrate each scenario to the lowest rate revenue adjustments possible to meet reserve fund balance targets and DSC targets.

The results of the two financial forecasts listed above are included in Table 10 (next page). For each scenario, Table 10 presents the overall rate revenue adjustments for the next 5 years and the impacts that those adjustments have on an example single-family residential bill.<sup>6,7</sup>

<sup>6</sup> Rate adjustment percentage is the required overall average adjustment to total rate revenue from all customers.

<sup>7</sup> Example bill assumes monthly billing and 700 cubic feet of water consumed per month.

**Table 10: Rate Adjustments and Bill Impacts by CIP Scenario**

Year	Smoothed Rates		2015 Rate Hike	
	Adj.	Ex. Bill	Adj.	Ex. Bill
Current		\$45.92		\$45.92
FY2015	5.3%	48.35	10.5%	50.74
FY2016	5.3%	50.92	2.0%	51.76
FY2017	5.3%	53.62	2.0%	52.79
FY2018	2.0%	54.69	2.0%	53.85
FY2019	2.0%	55.78	2.0%	54.92

## Conclusion of the Financial Planning Analysis

Based on the assumptions and results of this analysis, HDR determined that the City could meet all of its water utility financial targets with either annual rate adjustments of 5.3% for the next three years, or a one-time rate hike of approximately 10.5% in FY2015. From FY2018 and beyond, annual rate revenue adjustments could be minimal or intermittent under the assumptions included in this analysis. HDR and Tigard view this scenario as a very positive development for Tigard’s existing and future water customers.

### Recommendations

The City should continue to take great care to mitigate risk by following prudent management practices. This includes reviewing rates and revenues annually to see if additional adjustments are necessary. The City should give special attention to its water rates and revenue requirements once it completes the change in governance and costs from a water purchaser to an operator of a water treatment plant. When the City is off the Portland system and operating the Partnership facilities, it should consider undertaking another comprehensive rate study.

### Limitations

Many assumptions are employed in an analysis like this. For this reason, results are not concrete in nature but are necessarily estimates.

# Memo

Date: Thursday, November 20, 2014

Project: Infrastructure Financing Services: Water

To: Toby LaFrance, John Goodrich, Debbie Smith-Wagar

From: Joe Healy

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Subject: Water Revenue Requirements Summary for Additional Rate Hike Scenario

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Thank you for the opportunity to serve the City of Tigard (City). HDR is pleased to continue supporting the City with its water infrastructure financing needs.

## Introduction

On November 18, 2014, HDR presented water financial plan results to the City Council. In that presentation, the Council considered two rate revenue scenarios:

1. **Smoothed Rate Impact** – This scenario is based on the City’s capital projects to identify optimal amounts of new debt and rates to pay for projects while minimizing short-term rate impacts to the City’s customers.
2. **One-Time Rate Hike in 2015** – The City requested an analysis of the water financial forecast given a large rate adjustment in 2015, and holding future annual rate adjustments to approximately 2% or less.

The results of those two scenarios are summarized in the HDR memo dated Tuesday, October 21, 2014 with the subject line “Water Revenue Requirements Summary”. Each scenario assumes a large debt issuance in fiscal year (FY) 2015 and a smaller debt issuance in FY2019.<sup>1</sup>

During the City Council workshop on November 18, the Council showed interest in the rate hike alternative. However, the Council had not previously contemplated the possibility for an additional debt issuance in FY2019. At the end of the Council workshop, the Council asked City staff and HDR to examine an additional alternative:

3. **One-Time Rate Hike in 2015; no additional debt issuances after 2015** – The Council requested an analysis of the water financial forecast given a large rate adjustment in 2015, a large debt issuance in 2015 to finish the work of the Lake Oswego-Tigard Water Partnership, and 100% cash-financing future planned capital improvements.

This memorandum presents the results of this third rate revenue scenario. The scenario presented in this memorandum is based on the agreed upon CIP assumptions, budget numbers, and collective estimates of interest rates and escalation factors. The scenario raises

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<sup>1</sup> In this analysis, FY2015 represents fiscal year ending in 2015, or FY2014-15.

sufficient rate revenue to meet the City’s future revenue requirements<sup>2</sup>, maintain prudent reserve fund balances, and achieve target debt service coverage ratios.

## Water Revenue Requirements Assumptions

The primary financial inputs in this process were the City’s accounting and billing records, capital plan, and budget. Provided below is a detailed discussion of the steps and key assumptions contained within the development of the City’s water utility revenue requirement.

### Capital Improvements

Table 1 provides a summary of the City’s CIP over the next seven years and totals over the 30-year projection period. In addition to the water supply costs of the Partnership, the City has a significant capital improvement program that includes water storage, pipelines, and other system improvements. All amounts include the effects of assumed cost escalation.<sup>3</sup> To improve visibility in years with actual expenditures, HDR shaded the zeroes in years with no projected expenditures.

Table 1: CIP Summary (millions)

Description	Fiscal Year Ending							2015-44 Totals
	2015	2016	2017	2018	2019	2020	2021	
Water Meter Replacement Program	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$10.7
Water Main Line Oversizing	0.2	0.2	0.2	0.2	0.2	0.2	0.2	8.0
Aquifer Storage & Recovery Well #3	0.3	0.0	0.0	0.0	3.6	0.0	0.0	3.8
Lake Oswego-Tigard Water Partnership	72.8	22.9	1.3	0.0	0.0	0.0	0.0	96.9
LO-Tigard Water Partnership Internal Expenses	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.6
Water Line Replacement Program	0.1	0.1	0.1	0.2	0.2	0.2	0.2	7.5
Fire Hydrant Replacement Program	0.2	0.1	0.1	0.1	0.1	0.1	0.1	5.4
Main Street/Waterline Replacement	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1
New Water Source Systemwide Improvements	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.7
Pipeline Connecting 550 Zone to 530 Zone	0.0	0.0	0.0	0.0	2.5	0.0	0.0	2.5
Annual Fire Flow Improvement Allocation	0.1	0.1	0.1	0.1	0.1	0.1	0.1	4.8
Tigard HS Well Abandonment	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Barrows/Scholls Ferry 16" Line Extensions (River Road)	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Pacific Highway/Gaarde Utility Casing Bore Crossing	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Cach Reservoir and Pump Station Design	0.0	0.0	0.0	1.1	0.0	5.8	6.0	13.0
550 Pressure Zone Connection to Price Reservoir	0.3	1.8	0.0	0.0	0.0	0.0	0.0	2.0
Vehicles	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.4
<b>Totals</b>	<b>\$75.6</b>	<b>\$25.7</b>	<b>\$2.1</b>	<b>\$2.1</b>	<b>\$6.8</b>	<b>\$6.6</b>	<b>\$6.9</b>	<b>\$157.3</b>

### Debt Service Costs

The next component of Tigard’s water revenue requirement is debt service. Debt service relates to the City’s annual debt repayment obligations (principal and interest), incurred when capital projects are financed with long-term borrowing.

<sup>2</sup> Revenue requirements include cash-funded capital improvements, debt service, and operational expenses.

<sup>3</sup> Partnership project cost estimates already included assumed capital cost escalation. Tigard provided all other capital improvement plan costs using a FY2015 cost-basis. The assumed escalation rate for future costs began at 2.0% in FY2016, increasing by 0.5% annually to a maximum annual escalation rate of 4.0% in FY2020 and beyond.

### Existing Debt Service

Tigard is currently making repayments for two outstanding debt issues, revenue bonds issued in 2012 and ARRA debt. The City’s annual debt service payments are scheduled at \$4.88 million in FY2015 and FY2016, and \$6.72 million annually thereafter through FY2032. The Series 2012 repayments of \$6.56 million annually are scheduled through FY2043, while the final payment on the ARRA debt is FY2033.

### Future Debt Service

Given the large expenditures related to the City’s capital improvements program, HDR and the City anticipate the need for new debt financing in FY2015 (nearly \$40 million). For debt service related to future borrowing, HDR and the City assumed that the future debt issue would have a 5.0% interest rate and term to coincide with the final repayment of the Series 2012 debt. HDR and the City also assumed that new debt would be subject to the same debt service coverage (DSC) covenants as the City’s existing debt.<sup>4</sup>

### Total Debt Service

By combining the City’s existing debt service repayments with the projected additional debt service, HDR developed estimated debt repayments. Table 2 presents the next 20 years of annual debt service for the rate revenue scenario discussed in this memorandum. Note the significant increase in FY2017. This is due to an increase in the annual repayments on the Series 2012 debt and the assumed structuring of the anticipated FY2015 debt financing. The City’s financial advisor suggested that the City will structure the new debt so that they may defer principal repayments for 2 years from the time the debt is issued. Therefore, interest-only payments are projected to occur in FY2015 and FY2016, with total repayments (principal and interest) for the FY2015 debt issuance forecasted to begin in FY2017.

Table 2: Annual Debt Service

Year	Annual DS*	Year	Annual DS*
FY2015	\$5.5	FY2025	\$9.4
FY2016	6.8	FY2026	9.4
FY2017	9.4	FY2027	9.4
FY2018	9.4	FY2028	9.4
FY2019	9.4	FY2029	9.4
FY2020	9.4	FY2030	9.4
FY2021	9.4	FY2031	9.4
FY2022	9.4	FY2032	9.4
FY2023	9.4	FY2033	9.4
FY2024	9.4	FY2034	9.2

\* Note: Projected costs rounded to millions.

Given the assumptions of this scenario, HDR and the City projected the structure of the future debt issue in a way that would provide for level annual debt repayments through FY2043 when combined with the currently scheduled repayments on existing debt.

<sup>4</sup> For a detailed discussion on debt service coverage, see the HDR memo dated Tuesday, October 21, 2014 with the subject line “Water Revenue Requirements Summary”.

## Operations and Maintenance Costs

The City's budget O&M costs were used as a starting point for the O&M forecast. O&M costs were projected to escalate from FY2015 data at various annual rates, specific to line item. Based on the FY2015 budget assumptions and the cost escalation rates ranging from 2.5% to 4.0% annually (in most instances<sup>5</sup>), the City's total annual O&M costs are expected to increase from \$8.4 million in FY2013 to \$9.0 million in FY2016. In FY2017, the City expects a significant decrease in O&M costs as water from the Partnership replaces the City's current supply from the City of Portland.

The annual O&M cost projection is included in Table 3. Only the first 20 years of the projection period are included. It is assumed that costs will continue escalating in future years.

**Table 3: Total Annual O&M Costs (millions)**

Year	Annual O&M*	Year	Annual O&M*
FY2015	\$8.4	FY2025	\$9.2
FY2016	9.0	FY2026	9.6
FY2017	6.9	FY2027	9.9
FY2018	7.2	FY2028	10.3
FY2019	7.4	FY2029	10.7
FY2020	7.7	FY2030	11.0
FY2021	8.0	FY2031	11.5
FY2022	8.3	FY2032	11.9
FY2023	8.6	FY2033	12.3
FY2024	8.9	FY2034	12.8

\* Note: Projected costs include escalation.

## Forecast of Other Revenue

The City collects other revenue that offsets the revenue needed from customer rates. Other revenue includes non-rate revenue and system development charge collections.

### Non-Rate Revenue

For planning purposes, non-rate revenue includes minor amounts of miscellaneous sales and fees. Together, these line items amount to approximately \$165,000 in FY2015. This amount is projected to increase by 0.3% annually thereafter.

### System Development Charges

In FY2015, the City will receive approximately \$944,000 from water SDCs. For the duration of the forecast, the City and HDR forecasted future SDC collections conservatively. Future SDC collections were projected using the City's existing customer data and an assumed growth rate of 0.3% annually. Table 4 (next page) provides the projected SDC revenue. The City will collect more than the projected SDCs with the future development of River Terrace. However, until SDCs are actually collected from developers, HDR recommends that the City use the lower future SDC estimates as a matter of prudent financial planning for the purpose of funding capital projects and issuing bonds.

<sup>5</sup> Medical benefits were projected to increase at a rate of 6.65% annually.

**Table 4: Total Annual SDC Revenue**

Year	SDCs*	Year	SDCs*
FY2015	\$944	FY2025	\$824
FY2016	559	FY2026	860
FY2017	583	FY2027	898
FY2018	609	FY2028	938
FY2019	636	FY2029	979
FY2020	664	FY2030	1,023
FY2021	693	FY2031	1,068
FY2022	724	FY2032	1,115
FY2023	756	FY2033	1,164
FY2024	789	FY2034	1,215

\* Note: Projected revenue rounded to thousands.

### Interest Earnings

Interest earnings on the City’s reserve funds were calculated based on interest rates of 0.5% or less in 2015. The assumed annual interest rates were increased over time until each reached 1.5% in FY2021. HDR and the City held the assumed interest rate at 1.5% annually thereafter.

### Reserve Funds

For its minimum reserve fund balance, the City targets 90 days of projected annual O&M costs, plus \$2 million of emergency reserves. Based on the analysis and assumptions contained in this memorandum, the City will meet this reserve target for the duration of the projection period.

## Summary Results from the Water Financial Plan

Based on the revenue requirements described above, less non-rate revenues and SDCs, HDR calculated the rate revenue adjustments that meet the City’s goals, while meeting all of the needs of the water utility’s operations and capital infrastructure. For the purposes of this memorandum and potential adoption by the City Council, only the next five years of rate revenue adjustments are presented in this section.

### Scenario 3 – Rate Hike in 2015; cash financing future CIP

Summaries of the annual water rate revenue adjustments and example customer impacts for this scenario are shown in Table 5.

**Table 5: Summary of Customer Impacts – Scenario 2**

Description	Current	Fiscal Year Ending				
		2015	2016	2017	2018	2019
Rate Adj.		10.50%	3.25%	3.25%	3.25%	3.25%
Monthly Bill	\$45.92	\$50.74	\$52.39	\$54.09	\$55.85	\$57.67
Bill Increase		4.82	1.65	1.70	1.76	1.82

Table 6 presents a summary of the water revenue requirements (sources and uses of funds). The first five years of the projection period are shown so that the new bond issues could be

presented. The rate revenue presented in Table 6 includes the proposed annual water rate revenue adjustments shown in Table 5.

**Table 6: Scenario 2 Summary of Revenue Requirements Analysis** (millions)

	Fiscal Year Ending				
	2015	2016	2017	2018	2019
<b>Sources of Funds</b>					
Rate Revenue	\$17.4	\$18.7	\$19.3	\$20.0	\$20.7
Non-Rate Rev. & SDCs	1.2	0.8	0.8	0.8	0.9
New Bond Issues	38.4	0.0	0.0	0.0	0.0
Spending Reserves	36.9	21.9	0.0	0.0	1.9
<b>Total Sources</b>	<b>\$94.0</b>	<b>\$41.4</b>	<b>\$20.1</b>	<b>\$20.9</b>	<b>\$23.5</b>
<b>Uses of Funds</b>					
Capital Improvements	\$75.6	\$25.7	\$2.1	\$2.1	\$6.8
Debt Repayments	5.4	6.6	9.2	9.2	9.2
Debt Issuance Costs	4.6	0.0	0.0	0.0	0.0
O&M Expenses	8.4	9.0	6.9	7.2	7.4
Increasing Reserves	0.0	0.0	1.9	2.4	0.0
<b>Total Uses</b>	<b>\$94.0</b>	<b>\$41.4</b>	<b>\$20.1</b>	<b>\$20.9</b>	<b>\$23.5</b>

## Scenario Comparison

HDR developed three alternative rate revenue impact scenarios.

1. **Smoothed Rate Impact** – This scenario is based on the City’s capital projects to identify optimal amounts of new debt and rates to pay for projects while minimizing short-term rate impacts to the City’s customers.
2. **One-Time Rate Hike in 2015** – The City requested an analysis of the water financial forecast given a large rate adjustment in 2015, and holding future annual rate adjustments to approximately 2% or less.
3. **One-Time Rate Hike in 2015; no additional debt issuances after 2015** – The Council requested an analysis of the water financial forecast given a large rate adjustment in 2015, a large debt issuance in 2015 to finish the work of the Lake Oswego-Tigard Water Partnership, and 100% cash-financing future planned capital improvements.

In each of these scenarios, HDR used its utility financial planning model to calibrate each scenario to the lowest rate revenue adjustments possible to meet reserve fund balance targets and DSC targets. The results of the three financial forecasts listed above are included in Table 7 (next page). For each scenario, Table 7 presents the overall rate revenue adjustments for the next 5 years and the impacts that those adjustments have on an example single-family residential bill.<sup>6,7</sup>

<sup>6</sup> Rate adjustment percentage is the required overall average adjustment to total rate revenue from all customers.

<sup>7</sup> Example bill assumes monthly billing and 700 cubic feet of water consumed per month.

**Table 7: Rate Adjustments and Bill Impacts by CIP Scenario**

Year	Smoothed Rates		2015 Rate Hike		Future Cash Financing	
	Adj.	Ex. Bill	Adj.	Ex. Bill	Adj.	Ex. Bill
Current		\$45.92		\$45.92		\$45.92
FY2015	5.30%	48.35	10.50%	50.74	10.50%	50.74
FY2016	5.30%	50.92	2.00%	51.76	3.25%	52.39
FY2017	5.30%	53.62	2.00%	52.79	3.25%	54.09
FY2018	2.00%	54.69	2.00%	53.85	3.25%	55.85
FY2019	2.00%	55.78	2.00%	54.92	3.25%	57.67

## Conclusion of the Financial Planning Analysis

Many assumptions are employed in an analysis like this. For this reason, results are not concrete in nature but are necessarily estimates. However, based on the assumptions and results of this analysis, HDR determined that the City could meet all of its water utility financial targets with either annual rate adjustments of 5.3% for the next three years, or a one-time rate hike of approximately 10.5% in FY2015. From FY2018 and beyond, annual rate revenue adjustments could be minimal or intermittent under the assumptions included in this analysis. HDR and the City view this scenario as a very positive development for the City’s existing and future water customers.

## Recommendations

The City should continue to take great care to mitigate risk by following prudent management practices. This includes reviewing rates and revenues annually to see if additional adjustments are necessary. The City should give special attention to its water rates and revenue requirements once it completes the change in governance and costs from a water purchaser to an operator of a water treatment plant. When the City is off the Portland system and operating the Partnership facilities, it should consider undertaking another comprehensive rate study.

**AIS-1952**

**10.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** 10 Minutes

**Agenda Title:** Public Hearing: Public Comment on City Manager's Evaluation Criteria and Process

**Submitted By:** Dana Bennett, City Management

**Item Type:** Public Hearing - Informational

**Meeting Type:** Council  
Business  
Meeting -  
Main

**Public Hearing:** Yes

**Publication Date:**

**Information**

**ISSUE**

Is there any public input regarding the criteria and/or process that will be used to conduct the annual performance evaluation for the City Manager?

**STAFF RECOMMENDATION / ACTION REQUEST**

Receive public input regarding the criteria and/or process to be used for the City Manager's performance evaluation.

**KEY FACTS AND INFORMATION SUMMARY**

On November 25, 2014, the City Council selected the review criteria and process to be used to evaluate the performance of the City Manager. The purpose of this hearing is to provide the public an opportunity to give input on the criteria and/or process that Council intends to use.

**OTHER ALTERNATIVES**

N/A

**COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

N/A

**DATES OF PREVIOUS COUNCIL CONSIDERATION**

Council considered the City Manager's evaluation criteria during a study session held on November 25 2014.

## Attachments

Evaluation Memo to Council

Employee Input Form

Evaluation Form

External Partners Evaluation Form

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## City of Tigard Memorandum

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To: Mayor and Council

From: Dana Bennett, Human Resources Director

Re: City Manager's Performance Evaluation

Date: November 26, 2014

Enclosed are the three evaluation documents for the City Manager's upcoming performance review discussed in Study Session on November 25, 2014. One is the Employee Input Form which will be completed and sent to each of you by Tuesday December 2, 2014. The second document is the Council/Staff Evaluation Form which Council selected for use in this year's evaluation, in addition to the hard copy attached here; an electronic copy of this form will be sent each of you via email. This form will also be sent to internal staff for input, per the discussion last evening. The third document is the finalized External Partners Evaluation Questions, which will be sent out to the external partners list that was developed last evening. As was the process last year, all feedback will be sent directly to me and I will compile it into two evaluations, one from the combined feedback of Council and a second one from the combined feedback from staff and external partners. All comments will be included in the evaluation form in a manner that maintains the confidentiality of the reviewer.

I am scheduled to be at the December 9, 2014 meeting in order to take any public input regarding the criteria and/or process that will be used to conduct the annual performance review for the City Manager.

I would appreciate having completed evaluations returned to me by December 29, 2014, in order to be able to compile the final two evaluation forms. Additionally, I will complete an internal and external alignment review for Council to consider during the January performance evaluation meeting scheduled for January 13, 2015.

I would be happy to provide the Council with any other information that you may need. Please let me know if there are any questions that I can answer for you.

Thanks



CITY OF TIGARD  
CITY MANAGER PERFORMANCE EVALUATION

Review period: January 2014- December 2014

I. In completing this evaluation, please consider the City-wide core values adopted to set the standard for service excellence at the City of Tigard (“Get it Done”, “Do the Right Thing”, and “Respect and Care”).

Please use the following criteria: 4 = Exceeds Expectations; 3 = Fully Effective; 2 = Developing 1 = Needs Improvement; NA = Not applicable (have not observed this area during the evaluation period).

PERFORMANCE ASSESSMENT

II. Evaluate and discuss the City Manager’s overall job performance in achievement of the GOALS set for the current review period. Base your evaluation upon the job requirements, achievement of the goals established during the past review period, and your assessment of the City Manager’s accomplishments.

1. GOAL 1 -Economic Development

- a. Establish an ED strategy so Tigard is organized to support developing the local economy
- b. Set up staff resources to carry out and support the strategy
- c. Engage a community committee or group to help with and carry out the strategy
- d. Create transportation connections by continuing to pursue Ash Avenue rail crossing
- e. Downtown Tigard and Urban Renewal District
- f. Advance plaza development through property acquisition
- g. Pursue a housing redevelopment project
- h. Pursue a retail and mixed-use project
- i. Create a bike/pedestrian connection with Tigard Triangle

RATING:    NA    1    2    3    4

2. GOAL 2 -Financial Stability: build the city's financial reserves
  - a. Work with employees to establish "fair share" benefit contribution
  - b. Defer or delay projects or find more efficient ways to do business
  - c. Pursue local option levy in spring of 2014
  - d. Find creative solutions to increase revenues
  - e. Plan for Growth: River Terrace Community Plan substantially complete, bring entitlement/zoning decisions to Council as soon as possible (in calendar year 2013 if possible); communication with annexing residents to understand service desires
  - f. Community recreation: find financing to support increasing recreation capacity in Tigard

RATING:    NA    1       2       3       4

3. GOAL 3 -LO-Tigard Water Partnership: continue to build partnership relationships and keep current sources and project on track
 

RATING:    NA    1       2       3       4

4. GOAL 4 -Community Engagement: develop venues to meet with the public quarterly to gather input on key issues facing the City, including:
  - a. Annexation
  - b. Transportation/HCT

RATING:    NA    1       2       3       4

- 5. GOAL 5 -State and Regional Relations
    - a. Effectively represent Tigard on revenue reform issues in 2013
    - b. Work with neighboring jurisdictions to advance joint transportation and economic development goals at the state and federal level
- RATING:    NA    1       2       3       4

III. Evaluate and discuss the City Manager’s job performance for the current review period. Please provide specific examples to support your assessment/evaluation. Consider the City Manager’s performance in the following areas.

- a. Administrative Ability/Professional Skills including planning, organizing, time management, decision-making, and organizational/strategic thinking
- RATING:    NA    1       2       3       4

- b. Personnel Functions including supervision, delegation, labor relations, and leadership/management style
- RATING:    NA    1       2       3       4

- c. Budget and Finance including financial management and operational efficiency
- RATING:    NA    1       2       3       4

- d. Community Relations including public service, sensitivity, public involvement, and media relations
- RATING:    NA    1       2       3       4

e. Intergovernmental Relations including representation and developing resources

RATING:    NA    1       2       3       4

f. Interpersonal Skills/Individual Characteristics including professionalism, creativity, ethics, and adaptability

RATING:    NA    1       2       3       4

g. Communications including community/public, employees, and Council

RATING:    NA    1       2       3       4

h. Economic Growth & Development including strategy, vision and community engagement

RATING:    NA    1       2       3       4

ADDITIONAL COMMENTS (OPTIONAL)

IV. Are there areas of exceptional performance that should be particularly noted? Provide specific examples.

V. Are there areas of performance needing more attention or improvement? Provide specific examples.

#### ESTABLISHMENT OF GOALS FOR UPCOMING RATING PERIOD

List and discuss your expectations and suggested goals for the City Manager for the upcoming performance evaluation period. Goals should be: (1) related to community goals, (2) may include new projects or ongoing fundamental portions of the position, and (3) should include specific measures including outcomes and timeframes.

#### ADDITIONAL COMMENTS (OPTIONAL)

Please provide any additional comments on the City Manager's performance review in the space provided here.





2. Modify the ROW fee structure to reduce the annual minimum fee from \$10,000 to \$4,000 or 5% of gross revenues (whichever is greater) for utilities owning facilities in the ROW whether they generate revenue or not from city customers; and
3. Create a new fee definition for those utilities that use non-owned facilities to provide service to limited customers in Tigard at 5% of gross revenues so that all utilities using facilities in the ROW pay for management of the public's asset.

Some utility providers have raised concerns about the minimum annual fee creating a possible barrier to entry into the telecommunications market in Tigard. The Federal Telecommunications Act of 1996 (the "Act") preempts the city from effectively prohibiting the provision of telecommunication services. While the existing \$10,000 minimum fee is defensible under the Act, there is concern that this could deter utilities from providing competitive services and could give rise to litigation under the Act that would be costly even when the City prevails in a suit. The City Council's policy is to protect and promote access to the Tigard community by utility providers. Approval of this ordinance further clarifies Council's policy.

Those utility providers that don't own facilities in the ROW and provide services to customers in Tigard typically pay less than \$700 per year when calculated on their gross revenues. Under this proposal, those utility providers would continue to pay fees based on 5% of the gross revenues calculation method.

### **OTHER ALTERNATIVES**

Council provides further direction to staff regarding changes to the proposed language.

### **COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS**

TMC Chapter 15.06 "Franchised Utility Ordinance"

TMC Chapter 15.04 "Work In Right-Of-Way"

### **DATES OF PREVIOUS CONSIDERATION**

August 12, 2014 - Council Executive Session

November 18, 2014 - Council Executive Session

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#### **Fiscal Impact**

**Cost:** -0-

**Budgeted (yes or no):** No

**Where Budgeted (department/program):** General Fund Revenues

**Additional Fiscal Notes:**

There is no change anticipated in general fund revenues generated from franchise fees with these proposed changes. Current utilities whom **own** facilities in the ROW pay more than \$4,000 annually through the 5% of gross revenues calculation method. Utilities which **do not own** facilities in the ROW currently pay under \$700 a year and this will continue under the 5% of gross revenues calculation method.

Tigard anticipates \$5.8 million will be received in this fiscal year (ending 6/30/15) from franchise/ROW fees. About \$3.4 million of that will come from electric, gas and telecommunication utility providers.

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## **Attachments**

Franchise Code Amendment TMC 15.06

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**CITY OF TIGARD, OREGON  
TIGARD CITY COUNCIL  
ORDINANCE NO. 14-\_\_\_\_\_**

AN ORDINANCE AMENDING TIGARD MUNICIPAL CODE CHAPTER 15.06 "FRANCHISED UTILITY ORDINANCE" TO MODIFY THE UTILITY RIGHT-OF-WAY USAGE FEE STRUCTURE.

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WHEREAS, Tigard Municipal Code ("TMC") Chapter 15.06 governs use of the rights-of-way by utility operators; and

WHEREAS, TMC Section 15.06.100 A "Right-of-Way Usage Fee" provides for a fee to ensure the City receives fair and reasonable compensation for private use of the rights-of-way. Clarification is needed to address utility companies ownership of facilities in the rights-of-way and to update the annual fee; and

WHEREAS, TMC Section 15.06.020 defines "Gross Revenues" for purposes of calculating the Right-of-Way Usage Fee. Clarification is needed to ensure that the City is compensated based on the benefits derived from utility use of the public rights-of-way within the City.

NOW, THEREFORE, THE CITY OF TIGARD ORDAINS AS FOLLOWS:

SECTION 1: Sections of TMC Chapter 15.06 are amended as set forth as Exhibit A to this ordinance and are approved and adopted by the City Council.

SECTION 2: This ordinance shall be effective 30 days after its passage by the council, signature by the mayor, and posting by the city recorder.

PASSED: By \_\_\_\_\_ vote of all council members present after being read by number and title only, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Carol A. Krager, City Recorder

APPROVED: By Tigard City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
John L. Cook, Mayor

Approved as to form:

  
\_\_\_\_\_  
Special Counsel

11-24-14  
\_\_\_\_\_  
Date

ORDINANCE No. 14-\_\_\_\_\_

## EXHIBIT A

~~Strike through~~ text is deleted from the Code and underlined text is added to the Code.

### Tigard Municipal Code

#### Chapter 15.06 FRANCHISED UTILITY ORDINANCE

##### Section 15.06.100 Right-of-Way Usage Fee (subsection A)

- A. ~~All persons using~~ Any person that owns a utility system or facility in the right-of-way ~~to provide service to customers within of~~ the City of Tigard and derives gross revenues from such system or facility from customers within the City of Tigard shall pay a right-of-way usage fee that is the greater of: (1) the applicable percentage of gross revenues set forth in subsection B of this section or (2) ~~\$10,000.00~~\$4,000.00. Any person that owns a utility system or facility in the right-of-way of the City of Tigard but does not derive any gross revenues from such system or facility ~~from customers within the City of Tigard~~ shall pay a right-of-way usage fee that is the greater of: (1) the linear foot fee set by council resolution pursuant to subsection C of this section or (2) ~~\$10,000.00~~\$4,000.00. ~~Any person using a utility system or facility in the right-of-way which that person does not own to provide service to customers within the City of Tigard shall pay a right-of-way usage fee that is the applicable percentage of gross revenues set forth in subsection B of this section.~~ The right-of-way usage fee is subject to any applicable limitations imposed by federal and state statutes, including the privilege tax limitations set forth in ORS 221.410 through 221.655. Payment shall be made on the schedule set forth in subsection E of this section or as specified in a franchise agreement.

##### 15.06.020 Definitions (definition of “gross revenues”)

“Gross revenues” means ~~revenues all amounts, less net uncollectibles, earned or derived from the operation of a utility system and from the use of a utility system to serve customers~~ within the city, ~~less net uncollectibles, including but not limited to amounts earned or derived~~ from the sale of electrical energy, gas, telecommunications, water, or sanitary sewage disposal and treatment service, and for the use, rental, or lease of utility facilities of the utility engaged in such business.

1. “Gross revenues” shall not include proceeds from the sale of bonds, mortgage or other evidence of indebtedness, securities or stocks.
2. To the extent that the city’s authority to tax gross revenues of an entity is limited by ORS 221.410 through 221.655, the city shall apply the statutory limitations to the definition of “gross revenues.”

**AIS-1935**

**12.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** 5 Minutes

**Agenda Title:** Revise Master Fees and Charges Schedule to update utility franchise fees

**Prepared For:** Loreen Mills

**Submitted By:** Loreen Mills, City Management

**Item Type:** Resolution

**Meeting Type:** Council Business Meeting - Main

**Public Hearing** No

**Newspaper Legal Ad Required?:**

**Public Hearing Publication**

**Date in Newspaper:**

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**Information**

**ISSUE**

Should the Council revise the Master Fees and Charges Schedule to reflect a change in utility franchise fees adopted through a Tigard Municipal Code (TMC 15.06) revision adopted earlier this evening (12/9/2014)?

**STAFF RECOMMENDATION / ACTION REQUEST**

Staff recommends approval of the attached resolution to confirm changes in the franchise utility fee structure effective January 9, 2015.

**KEY FACTS AND INFORMATION SUMMARY**

At a public hearing earlier this evening, the Tigard City Council approved an ordinance which changed the utility franchise fee structure. In order to reflect these changes in the citywide master fees and charges schedule, the attached resolution needs to be approved.

**OTHER ALTERNATIVES**

If TMC 15.06 was not amended by Council earlier this evening, this resolution should not be approved.

**COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS**

**DATES OF PREVIOUS CONSIDERATION**

August 12, 2014 - Council Executive Session

November 18, 2014 - Council Executive Session

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**Fiscal Impact**

**Cost:** -0-

**Budgeted (yes or no):** No

**Where Budgeted (department/program):** General Fund Revenue

**Additional Fiscal Notes:**

There is no change anticipated in general fund revenues this fiscal year based on the modification of fees since currently all utilities which own facilities in the ROW pay over \$4,000 annually and utilities which do not own facilities in the ROW will continue to pay 5% of the gross revenues (typically under \$700 annually).

Tigard anticipates \$5.8 million will be received in this fiscal year (ending 6/30/15) from franchise/ rights-of-way fees. About \$3.4 million of that will come from electric, gas and telecommunication utility providers.

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**Attachments**

Utility Franchise Fee Changes

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**CITY OF TIGARD, OREGON  
TIGARD CITY COUNCIL  
RESOLUTION NO. 14-**

A RESOLUTION AMENDING THE CITYWIDE MASTER FEES AND CHARGES SCHEDULE TO MODIFY THE MINIMUM UTILITY FRANCHISE FEE.

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WHEREAS, the City of Tigard has a Master Fees and Charges Schedule; and

WHEREAS, city staff has proposed a new minimum franchise fee to ensure the city receives fair and reasonable compensation for private use of the rights-of-way.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The utility franchise fees and charges for the City of Tigard are amended as shown in the attached sheet (Exhibit A).

SECTION 2: This resolution is effective January 9, 2015.

PASSED: This \_\_\_\_\_ day of \_\_\_\_\_ 2014.

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Mayor - City of Tigard

ATTEST:

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City Recorder - City of Tigard

**Exhibit A**  
**Utility Franchise Fee Amendment**

Effective 1/9/2015

Department	Revenue Source	Fee or Charge	Authority	Effective Date
<b>FINANCIAL &amp; INFORMATION SERVICES</b>				
	<b>Franchise Fee/Right of Way Usage Fee (See TMC 15.06)</b>			
	(Owns facility in ROW and provides service to customers within Tigard)			
Electricity	(Owns facility in ROW and provides <b>no</b> service to customers within Tigard)	5% of gross revenue or <del>\$49</del> 4,000 whichever is greater	Res. 01-16 as updated by Ord. 08-21A, Ord. 12-04 & Ord. 14-06	5/8/2014
Electricity	(Using a non-owned facility in ROW and provides service to customers within Tigard)	\$2.90/linear foot of installation in right-of-way or <del>\$49</del> 4,000, whichever is greater	Res. 01-16 as updated by Ord. 08-21A, Ord. 12-04 & Ord. 14-06	5/8/2014
Electricity	(Owns facility in ROW and provides service to customers within Tigard)	5% of gross revenue		
Natural Gas	(Owns facility in ROW and provides service to customers within Tigard)	5% of gross revenue or <del>\$49</del> 4,000 whichever is greater	Ord. 04-06, updated by Ord. 08-21A, & Ord. 14-06	5/8/2014
Natural Gas	(Owns facility in ROW and provides <b>no</b> service to customers within Tigard)	\$2.90/linear foot of installation in right-of-way or <del>\$49</del> 4,000, whichever is greater	Ord. 04-06, updated by Ord. 08-21A, & Ord. 14-06	5/8/2014
Natural Gas	(Using a non-owned facility in ROW and provides service to customers within Tigard)	5% of gross revenue		
Telecom *	(Owns facility in ROW and provides service to customers within Tigard)	5% of gross revenue or <del>\$49</del> 4,000 whichever is greater	Ord. 00-35, updated by Ord. 08-21A & Ord. 14-06	5/8/2014
Telecom *	(Provides <b>no</b> service to customers within Tigard)	\$2.90/linear foot of installation in right-of-way or <del>\$49</del> 4,000, whichever is greater	Ord. 00-35, updated by Ord. 06-11, Ord. 08-21A & Ord. 14-06	05/08/2014
Telecom *	(Using a non-owned facility in ROW and provides service to customers within Tigard)	5% of gross revenue		
*	<i>(Includes telecommunication utilities, long distance providers, private networks and competitive access providers)</i>			
Utility Franchise Application Fee		\$2,000.00	Res. 01-01 Updated to all utility franchise fee application by Ord. 06-11	08/08/2006
Solid Waste Disposal (Sec TMC 11.04)		5% of gross revenue	Ord. 78-64, as amended by Ord. 02-05, Ord. 03-08, & Res. 13-18	07/01/2013
Cable TV (Sec TMC 5.12)		5% of gross revenue	Res. 99-04	01/26/1999
	<i>Application filed with M.A.C.C. (email max@maccor.org)</i>			



McLeodUSA has provided all the required documentation under the City's updated Franchise Utility Ordinance in Tigard Municipal Code (TMC) 15.06.

### **OTHER ALTERNATIVES**

Do not approve the telecommunications franchise agreement. If Council does not approve the attached agreement, McLeodUSA's utility will be governed by the City's Franchised Utility Ordinance (TMC 15.06) and further staff direction on the negotiations of the franchise agreement would be needed.

### **COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS**

- TMC Chapter 15.06 "Franchised Utility Ordinance"
- TMC Chapter 15.04 "Work In Right-of-Way"

### **DATES OF PREVIOUS CONSIDERATION**

N/A

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#### **Fiscal Impact**

**Cost:** N/A  
**Budgeted (yes or no):** No  
**Where Budgeted (department/program):** General Fund

#### **Additional Fiscal Notes:**

No additional revenue is expected from Windstream since they are already paying a franchise fee.

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#### **Attachments**

Windstream Franchise Res

Windstream Franchise Agreement

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CITY OF TIGARD, OREGON  
TIGARD CITY COUNCIL  
RESOLUTION NO. 14- \_\_\_\_\_

A RESOLUTION GRANTING A NON-EXCLUSIVE UTILITY FRANCHISE TO WINDSTREAM COMMUNICATIONS, L.L.C (D.B.A MCLEODUSA TELECOMMUNICATIONS SERVICES, L.L.C.) PURSUANT TO TIGARD MUNICIPAL CODE SECTION 15.06.060.

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WHEREAS, the Tigard Municipal Code (“TMC”) Section 15.06.060 allows the City Council to grant a non-exclusive utility franchise to any person providing utility services which meets the requirements of the TMC; and

WHEREAS, Windstream Communications, L.L.C (d.b.a. McLeodUSA) last held a 10-year franchise agreement with the City from August 10, 2000 through August 10, 2010, to provide telecommunications in the City at which time it expired. Windstream continues to pay franchise fees to the City; and

WHEREAS, Windstream Communications, L.L.C (d.b.a. McLeodUSA) has requested a new utility franchise and has met all necessary requirements in TMC Chapter 15.06; and

WHEREAS, Windstream Communications, L.L.C (d.b.a. McLeodUSA) has signed a standard Utility Franchise Agreement without modification.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: Windstream Communications, L.L.C (d.b.a. McLeodUSA) is hereby granted a non-exclusive utility franchise for a period of 10 years from the date of this action.

SECTION 2: The Mayor is authorized to execute the attached franchise agreement with Windstream Communications, L.L.C (d.b.a. McLeodUSA)

SECTION 3: This resolution is effective immediately upon passage and signing by the Mayor.

PASSED: This \_\_\_\_\_ day of \_\_\_\_\_ 2014.

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Mayor - City of Tigard

ATTEST:

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City Recorder - City of Tigard



## CITY OF TIGARD, OREGON FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into by and between the City of Tigard, an Oregon municipal corporation, (“City”) and Windstream Communications, Inc. an Arkansas corporation, (“Franchisee”) qualified to do business in Oregon:

### RECITALS

1. Pursuant to Federal law, State statutes, and City Charter and local ordinances, the City is authorized to grant non-exclusive franchises to occupy the rights-of-way as defined in Chapter 15.06 of the Tigard Municipal Code (“TMC”), in order to place and operate a Utility System within the municipal boundaries of the City of Tigard (“Franchise Area”); and
2. Franchisee has requested a franchise to place and operate a telecommunications services (the “Utility System”), as defined in TMC 15.06.020, within the Franchise Area; and
3. The City has found that Franchisee meets all lawful requirements to obtain a franchise, and therefore approves the application.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

### AGREEMENT

1. GRANT OF AUTHORITY - The City grants Franchisee the non-exclusive right to occupy City rights-of-way to place and operate a Utility System for a term of ten (10) years from and after the Effective Date of this Agreement (the “Term”), except as set forth below.
2. AUTHORITY NOT EXCLUSIVE - This Agreement shall be nonexclusive, and is subject to all prior rights, interests, agreements, permits, easements or licenses granted by the City to any person to use the rights-of-way for any purpose whatsoever, including the right of the City to use same for any purpose they deem fit, including the same or similar purposes allowed Franchisee hereunder. The City may, at any time, grant to other persons authorization to use the rights-of-way for any purpose. This Agreement does not confer on Franchisee any right, title or interest in any right-of-way.
3. PERFORMANCE - During the term of this Agreement, Franchisee agrees to comply with all lawful terms and conditions of TMC Chapter 15.06, including but not limited to the permit and permit fee requirements set forth in TMC 15.06.200 and TMC Chapter 15.04, and the right-of-way usage fee set forth in TMC 15.06.100, the provisions of which are incorporated herein as though fully set forth.
4. CHANGE OF LAW; AMENDMENT OF FRANCHISE AGREEMENT
  - a. It is the intent of the parties that this Agreement may be amended from time to time to conform to any changes in the controlling federal or state law or other changes material to this agreement. Each party agrees to bargain in good faith with the other party concerning such proposed amendments. This Agreement may be amended or terminated by the mutual consent of the parties and their successors-in-interest.



- b. To the extent any lawful City rule, ordinance or regulation, including any amendment to the provisions of TMC Chapter 15.06, including any change to TMC 15.06.100, is adopted on a jurisdiction-wide basis and is generally imposed on similarly situated persons or entities, the rule, ordinance or regulation shall apply without need for amendment of this Agreement. The City shall provide Franchisee notice of any such change in local law.
5. TAXES - Nothing contained in this Agreement shall be construed to exempt Franchisee from any license, occupation, franchise or excise tax or assessment, which is or may be hereafter lawfully imposed on Franchisee.
  6. INSURANCE - By the Effective Date of this Agreement, Franchisee shall provide a certificate of insurance that names the City as an additional insured and is otherwise consistent with the requirements of TMC 15.06.180.
  7. SEVERABILITY - If any section, subsection, sentence, paragraph, term, or provision hereof is determined to be invalid, or unconstitutional by any court of competent jurisdiction, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Agreement. If any material portion of the Agreement becomes invalid or unconstitutional so that the intent of the Agreement is frustrated, the parties agree to negotiate replacement provisions to fulfill the intent of the Agreement consistent with applicable law.
  8. REMEDIES
    - a. This Agreement shall be subject to termination as set forth in TMC 15.06.310, provided that the City complies with the requirements set forth in TMC 15.06.320 and 15.06.330.
    - b. All remedies under this Agreement, including revocation of the Agreement, are cumulative and not exclusive, and the recovery or enforcement by one available remedy is not a bar to recovery or enforcement by any other such remedy. The City reserves the right to enforce the penalty provisions of any ordinance or resolution and to avail itself of any and all remedies available at law or in equity. Failure to enforce shall not be construed as a waiver of a breach of any term, condition or obligation imposed upon Franchisee by or pursuant to this Agreement. A specific waiver of a particular breach of any term, condition or obligation imposed upon Franchisee by or pursuant to this Agreement shall not be a waiver of any other, subsequent or future breach of the same or of any other term, condition or obligation, or a waiver of the term, condition or obligation itself.
    - c. The right is hereby reserved to the City to adopt, in addition to the reservations contained herein and existing applicable ordinances, such additional regulations as it shall find necessary for the regulation of the right-of-way, provided that such regulations, by ordinance or otherwise, shall be reasonable and not in conflict with the rights herein granted. Franchisee shall, at all times during the life of this Agreement, be subject to all lawful exercise of the police power by the City, and to such reasonable regulations as the City may hereafter by resolution or ordinance provide. The City hereby reserves the right to exercise, with regard to this Agreement, all authority now or hereafter granted to the City by state statute or City charter, except where such authority may be modified or superseded by the Constitution of the State of Oregon or the Constitution of the United States.



9. ASSIGNMENT - All rights and privileges granted and duties imposed by this Agreement upon Franchisee shall extend to and be binding upon Franchisee's successors, legal representatives and assigns. This Agreement may not be transferred or assigned to another person unless such person is authorized under all applicable laws to own or operate the Utility System and the transfer or assignment is approved by all agencies or organizations required or authorized under federal or state laws to approve such transfer or assignment. Franchisee shall provide the City with written notice of any transfer or assignment of this Agreement within twenty (20) days of requesting approval from any state or federal agency.

10. NOTICE - Unless specifically provided otherwise herein, all notices shall be mailed, postage prepaid, to the following addresses or to such other addresses as Franchisee or the City may designate in writing:

If to Franchisee: **Windstream Communications, Inc.**  
 11101 Anderson Drive, Ste. 100  
 Little Rock, AR 72212  
 Office: (501) 748-7654

If to City: **City of Tigard**  
 Attention: Marty Wine, City Manager  
 13125 SW Hall Blvd.  
 Tigard, Oregon 97223

11. GOVERNING LAW - The law of the State of Oregon governs the validity of this Agreement, and its interpretation, performance and enforcement. Any action or suit to enforce or construe any provision of this Agreement by any party shall be brought in the Circuit Court of the State of Oregon for Washington County, or the United States District Court for the District of Oregon.

12. EFFECTIVE DATE - The effective date of this Agreement ("Effective Date") shall be the date it is fully executed by the City and Franchisee.

**CITY OF TIGARD**

**FRANCHISEE**

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

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

By: Jay Rathman

Title: Director OSP Engineering

Date: November 20, 2014

**AIS-1979**

**14.**

**Business Meeting**

**Meeting Date:** 12/09/2014

**Length (in minutes):** 10 Minutes

**Agenda Title:** Contract Award - PMP Overlay Engineering Design Services

**Prepared For:** Joseph Barrett

**Submitted By:** Joseph Barrett, Financial and Information Services

**Item Type:** Motion Requested      **Meeting Type:** Local Contract Review Board

**Public Hearing** No

**Newspaper Legal Ad Required?:**

**Public Hearing Publication**

**Date in Newspaper:**

**Information**

**ISSUE**

Shall the Local Contract Review Board award a contract for pavement overlay engineering design and inspection services for the City's pavement management program to Murray, Smith & Associates, Inc.?

**STAFF RECOMMENDATION / ACTION REQUEST**

Staff recommends the Local Contract Review Board award a contract for pavement overlay engineering design services for the City's pavement management program to Murray, Smith & Associates, Inc. for up to five years with annual renewal, \$1,350,000 over the life of the contract, and authorize the City Manager to take the necessary steps to execute the contract.

**KEY FACTS AND INFORMATION SUMMARY**

The yearly Pavement Management Program (PMP) protects the city's investment in street infrastructure. The program typically includes a combination of minor maintenance projects (slurry seal and crack seal applications) and major maintenance projects (pavement overlays). In a pavement overlay project, the pavement on a street has deteriorated due to traffic usage and weather, and is at the point where pavement repairs and overlays are necessary to avoid further deterioration and return the street to a good condition.

The contract that is before the LCRB for award tonight is for design and inspection services related to the pavement overlay portion of the program. Work under this contract will include:

- An evaluation of existing pavement,
- Recommendations of pavement treatments,
- A survey of existing curb ramps,
- Design of curb ramp retrofits to meet ADA requirements,
- Design of the paving work, and
- Inspection of the paving and curb ramp work.

The city typically solicits these services each year but worked to develop the potential contract for the work as a one-year contract with the option of four additional one-year extensions. This should give the project some longer term stability and save on internal costs associated with the yearly solicitation costs.

The city issued a qualification-based Request For Proposals (RFP) on October 6, 2014 and received proposals from four firms before the October 23 due date. The city's review team reviewed and scored the proposals based on the criteria set forth in the RFP document. The criteria was as follows:

- Firm Qualifications and Specific Experience of Key Staff (40%),
- Project Approach (30%), and
- Project Samples (30%)

As this was a qualification-based RFP due to the specific service, state law prohibited use of pricing criteria (hourly rate, estimated hours, total cost, etc.) in identifying the most-qualified firm. Negotiations were to be conducted once the top-qualified proposer was determined.

The results of the scoring were as follows:

1. Murray, Smith & Associates, Inc. (97.67 average score)
2. Otak (87.67 average score)
3. Wallis Engineering (79.67 average score)
4. Project Delivery Group, LLC (70.33 average score)

Based on the scores, staff moved forward on negotiations with Murray, Smith & Associates, Inc. The results of those negotiations are the first-year estimate of \$265,508. Approximately \$165,000 is for design work to be done in the winter and spring of 2015, to be paid in the current fiscal year. Approximately \$100,000 is for inspection work to be done in the summer of 2015, to be paid in fiscal year 2015-16 and will be included in the requested budget. The cost of future years was projected using this figure to develop an estimated total contract cost of \$1,350,000 over the possible five years. Staff is requesting the LCRB award a contract to Murray, Smith & Associates for a potential five years (the base year plus four one-year options) for a potential total cost of \$1,350,000 over the life of the contract and extensions.

In each of the four subsequent years, staff would have the option of negotiating a contract extension or conducting a new Qualification-Based Selection process.

## **OTHER ALTERNATIVES**

The Local Contract Review Board may elect to not award the contract and direct staff to re-solicit the services and bring a new contract award before the Board in coming months. It should be noted that this would likely result in the city becoming late in the overlay work and could lead to much higher bids for the actual construction contract.

The Local Contract Review Board may elect to award only a single year of the work rather than include the four one-year options and direct staff to solicit the work for future years at a later date. The potential contract value would then be reduced from \$1.35 million to approximately \$265,000 for the work in 2015 only.

### **COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

This work is included in the city's Capital Improvement Plan for each of the next five years as project number 95001.

### **DATES OF PREVIOUS COUNCIL CONSIDERATION**

The Council was presented details on this proposed contract at their November 25, 2014 meeting.

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### **Fiscal Impact**

**Cost:** \$1,350,000

**Budgeted (yes or no):** Partial

**Where budgeted?:** CIP #95001 - Street Maintenance Fee Fund

#### **Additional Fiscal Notes:**

The proposed contract will be for one year with four additional one-year options. The total duration of the contract may not exceed five years. The estimated total five-year expenditure against this contract is estimated at \$1,350,000. The total contract amount for calendar year 2015 is not to exceed \$265,508. Of this amount, \$165,857 is for design work to be done in the winter and spring of 2015, which will be paid in fiscal year 2014-15. The remaining \$99,651 is for construction management and inspection work to be done in the summer of 2015, which will be paid in fiscal year 2015-16 if appropriations are so adopted.

Future years are anticipated to follow a similar pattern of design work in the winter and spring for construction in the summer.

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### **Attachments**

2015 Overlay Design and Inspection Scope

2015 Overlay Design and Inspection Fee Estimate

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**SCOPE OF WORK  
CITY OF TIGARD  
ENGINEERING SERVICES FOR  
2014 PAVEMENT MANAGEMENT PROGRAM**

## Background

The City of Tigard's transportation system includes about 152 miles of City-owned surface streets of varying size and capacity requiring periodic maintenance to keep them operational. The City established a Street Maintenance Fee in 2003 to address maintenance needs for these streets. A significant portion of the fees collected are to be spent on reconstruction/restoration of existing roadways. MSA provided services to the City in 2013 to complete pavement rehabilitation designs initially started by the City, and provided full design and construction administration services to the City in 2014.

## Project Description

This project will include the design and construction of streets identified for pavement rehabilitation in 2015. Street segments being considered for pavement rehabilitation are listed below in Table 1. This list represents the "200%" list relative to available funding. Streets are generally in order of priority based on current information. It is expected that this list will be reduced to fit available funding.

### Key Assumptions:

- Geotechnical information will be developed for the 200% list shown below.
- Project designs will be developed only for the reduced 100% list (currently assumed to be Old Gaarde through Summercrest Drive).
- Total curb ramps to be evaluated and (re)constructed will be approximately 115 based on the anticipated 100% list.
- Curb ramps designs will be developed to approximate total footprint for bidding purposes. Final layout will be coordinated in the field with the contractor to meet the public right of way accessibility guidelines.

Table 1: 200% Street List

Street	From	To	ADT	Heavy	Length	Area	Curb Ramp Corners
Gaarde (Old)	Gaarde	Hwy 99W	2,500	30	450	16200	2
North Dakota	Gallo	Springwood	2,600	30	4,000	120000	35
115th	50's of N.	Cottonwood Ln	1,600	10	900	51200	6
92nd Ave	Durham	Waverly	3,000	60	1,500	66000	8
Nimbus Ave	Scholls Ferry	End	3,000	60	1,150	55200	2
72nd Ave	217 Ramps	Beveland	1,3000	650	900	32400	6
Dartmouth St	99W	Atlanta	8,000	250	310	14880	1
78th Ave	Pfaffle	99W	8,000	200	330	13200	2
72nd Ave	99W	McD's Dwy	10,000	400	400	20000	2
Walnut St	99W	Tiedman	9,000	200	3,000	108000	14
Springwood Dr	East of 121st	Scholls Ferry	1,200	12	2,400	76800	21
Summercrest	Tigard Dr	North Dakota	900	10	2,100	63000	10
Ventura Ct	Barbara	Alfred	800	10	1,450	46400	2
74th	Barbara	Taylors Ferry	700	10	1,500	42000	5
Landmark Ln	72nd Ave	End	600	60	700	26600	1
96th Ave	Murdock	Sattler	800	30	900	24300	3
Kable	98th	100th	1,200	15	700	23800	4
109th Ave	Highland	Naeve	800	10	300	9600	6
Fanno Creek Dr	Bonita	80th	1,000	12	1,200	38400	6
Grant Ave	Walnut	McKenzie	1,500	20	450	14400	1
Grant Ave	Johnson	Tigard	2,200	20	1,100	37400	1
Oak St	Hall	90th	2,000	30	1,400	42000	2
Oak St	69th	71st	600	10	820	21320	0
Brookside Dr	Walnut	Johnson	500	5	950	30400	3
Frewing St	Ash Ave	O'Mara	400	4	2,000	18000	0
Grant Ave	Park St	School St	400	4	700	21000	3
<b>Sub-Total</b>						<b>1,032,50</b>	<b>146</b>

The City anticipates having the following construction budget (design and construction engineering services separate) available for this work.

Fiscal Year (Construction Year)	Construction Budget
2015-16 (2015)	Approximately \$1,300,000

The Consultant will develop pavement rehabilitation designs and produce a bid package to complete this work and incorporate City comments as received. Typical street treatments are expected to be overlays, grind and inlays, and localized pavement repairs if needed.

### City Responsibilities

The City will be responsible for the following:

- Reduce 200% street list to 100% list for use by consultant in developing designs.
- Provide a project engineer/manager who is responsible for overall project development and management and for coordination between the consultant and the City.
- Establish the work scope and design parameters for each project, including the final street list and required standards.
- Provide the Consultant copies of all available, relevant City utility "as-built" plans, topographical maps, reports and studies pertinent to the project.
- Provide Consultant with GIS technical support including a base map based upon coordinate geometry with aerial photography and topographic contours.
- Provide Consultant with the City's standard drafting frame, title block and any standards required to be followed if applicable.
- Provide Consultant with digital copies of the City's standard construction specifications, details and "front end" bidding document sections.
- Provide the Consultant with average daily traffic and percent heavy vehicles for each street. Collaboratively work with Consultant to determine reasonable distribution of heavy vehicle classifications.
- Participate in field walk through with Consultant staff to verify pavement rehabilitation treatments.
- Provide timely review and comment on drawings, bid items and quantities, and estimate submitted by Consultant to City for review and approval.
- Maintain records and process consultant invoices.
- Provide legal review of all contracts, bid forms, and real property.
- Provide notifications as necessary to the public and business community regarding the nature and timing of the work to be completed.
- Advertise and manage the bidding process for construction.
- Review and approve contractor payments and any construction contract change orders.
- Provide public notifications regarding construction schedule and impacts.
- Perform final inspection and provide feedback for punchlist items.

### Proposed Scope of Services

The scope of design services for the contemplated work is presented below.

## Task 1 – Project Management

This effort covers the administration and coordination of the Consultant's staff, subconsultants, and the interface with the City project manager and other City staff. The effort will include the following subtasks:

- Schedule, prepare for, and conduct a project kick-off meeting to review the purpose and scope of the project.
- In addition to the project kickoff meeting, budget assumes two (2) additional meetings. The meetings will occur after the 50% submittal and after the 90% design submittals respectively. Consultant shall schedule and lead project meetings and prepare meeting agendas and minutes. For estimating purposes, it is assumed two (2) MSA team members will be present at each team meeting.
- Coordinate submittal and review of plans, bid items and quantities, and estimate by the City at the 50% and 90% level of completion.
- Process and submit monthly billings with a summary of project status by task and subtask, including a summary of invoicing from subconsultants retained for this project.
- Preparation and maintenance of the overall project schedule including adding staff, subconsultants and other resources as needed to meet scheduled milestones.

### Task 1 Deliverables

- Invoices (monthly)
- Project Design Schedule
- Meeting agendas and minutes for meetings

## Task 2 - Surveying

### Task 2.1 Preliminary Monument Research

Since grind/inlay and overlay pavement rehabilitation has the potential to disturb existing monument, research will be completed to determine which monuments may be affected. It is also possible property corners may be disturbed as part of curb ramp construction. To minimize the risk of disturbance, work will include:

- Research Washington County survey records for recorded surveys, subdivision plats and road drawings that show the location of all survey monuments and property corners that have been previously set within the work limits.
- Research City of Tigard Benchmark records that describe the location of any city benchmarks in the areas of construction.
- Field verify presence of monuments, property corners and benchmarks.
- Using the research described above, provide a markup of the approximate locations on the project plans and incorporate this information into the plans in the 90% design documents (Task 6).

### Task 2.2 Pre-Construction Monument Survey

It is assumed the contractor will be required to preserve or install monument boxes as needed to aid in the process of re-establishing monuments and property corners. Consultant shall provide pre-construction survey services for preserving monuments, property corners and benchmarks described as follows:

- Includes establishing survey control and field locating existing centerline monuments, property corners and benchmarks within the limits of construction.
- Staking the location of box monuments that will be installed during construction.

## Task 2.3 Post-Construction Monument Survey

Consultant shall provide post-construction survey services for preserving monuments, property corners and benchmarks described as follows:

- Checking monument locations after construction.
- Re-setting centerline monuments, property corners and benchmarks that are destroyed during construction.
- Preparation and filing of a Post Construction Record-of-Survey with Washington County Surveyor's Office.
- File the survey with Washington County.

## Task 2 Deliverables

- Monument locations integrated into project plans
- Filed post-construction survey with Washington County

## Task 3 - Utility Coordination

Minor utility conflicts are anticipated for this project relative to pavement elevation changes (overlays) and curb ramp replacements. Utility adjustments during paving operations are anticipated to include valve box (gas and water) adjustments and manhole (storm, sewer and other) adjustments. Depending on each curb ramp design, above ground utility facilities may also need to be adjusted. Adjustments to City-owned facilities will be incorporated into the design.

Utility coordination efforts will include:

- Develop a utility contact information list and email project information letters to all utility companies involved to explain nature of the work.
- Provide project preliminary plans to each utility at 50% and 90%.
- Maintain a record of correspondence with utility companies.
- Identify conflicts and issue conflict notices to impacted utilities.
- Coordinate with private utilities to resolve utility conflicts and finalize utility relocation requirements as appropriate. Affected utilities will be responsible for developing their relocation designs. Consultant shall review each utility's relocation plans and proposed schedule, provide written comments and issue approval.

## Task 3 Deliverables

- Utility contact list
- Project information letters and conflict notices to each affected utility
- Reviewed utility relocation plans with comments and recommendations

## Task 4 - Pavement Services

The City anticipates roadway rehabilitation will generally consist of overlay and grind and inlay paving where possible. In addition, some locations may require base repair or general reconstruction. The field investigation strategy will consist of shallow subsurface explorations, dynamic cone penetrometer (DCP), ground penetrating radar (GPR) testing, and field distress surveys. Information gathered during the field investigations will be used, together with the traffic data, to determine recommended rehabilitation strategies based on the AASHTO design procedure with the overall aim of minimizing grade increases and limiting overlays to 2 inches. The specific scope of services will include the following:

- Attend a meeting with City staff and the City's civil engineering representative to discuss pavement design approach, options, and project team plan.
- Review past City data regarding pavement construction, maintenance, and rehabilitation at each road section.
- Conduct GPR tests in the outside wheel track of the main travel lanes on each street using a 2 GHz truck-mounted horn antenna.
- Analyze truck-mounted GPR data and provide a plot of estimated AC thickness by pavement station. GPR data to be compared to the subsurface exploration data.
- Complete up to 64 pavement cores with locations at the discretion of the engineer for the purpose of GPR comparison and pavement condition assessment. Complete cores at crack locations where possible to verify top-down or bottom-up cracking. This assumes approximately one to three cores for the majority of street sections listed above and approximately 4 to 8 cores for the four segments with the greatest lengths. Cores to be terminated at the bottom of the AC.
- Conduct DCP testing at each core location. Tests will be conducted through the base aggregate (if present) and into the subgrade soil to estimate the thickness and resilient modulus of the base layer as well as the resilient modulus of the subgrade.
- Compare the results of core sampling to the GPR data and adjust GPR results as appropriate.
- Provide a report summarizing the above undertakings, findings, and rehabilitation recommendations.
- Conduct field visit with City staff with report in hand for use in reviewing site specific conditions and constraints. Conduct visit after ADA compliancy review so Consultant can also inform the City on which ramps will be reconstructed.
- Utilize pavement investigation data and field visit observations to develop final pavement rehabilitation recommendations and designs as part of Tasks 5, 6 and 7 below.

#### Task 4 Deliverables

- Report summarizing field investigation results and preliminary rehabilitation recommendations.

#### Task 5 - 50% Design

During this phase, Consultant will develop engineering plans which reflect typical grind and inlay and overlay treatments. The plans will establish appropriate project limits, identify the design sections and edge and longitudinal treatment details, address catch basin treatments to appropriately manage bicycle and drainage concerns, establish which curb ramps need to be modified or replaced to meet ADA requirements and identify typical traffic control. Striping plans will be deferred until the 90% stage. Plan sheet format will generally follow the same format used for the 2014 project. Specific requirements under this task include:

- Complete a review of the City's existing mapping, as-builts, aerial photographs, topographic surveys and GIS information.
- Integrate available base mapping into project plan sheets.
- ADA compliance review:
  - a. Obtain and review City curb ramp inventory information and incorporate data into the ADA compliancy review.
  - b. Complete office desktop review at each street crossing within paving limits utilizing readily available aerial and streetview imagery. Determine where existing curb ramps exist and where new curb ramps are needed. Where sidewalks do not exist, no curb ramps are required for ADA compliance. Document existing/future ramp locations and initial review findings for each ramp utilizing FHWA checklist for ADA compliancy.
  - c. Complete follow-up field evaluation of existing curb ramps and take measurements using FHWA checklist to determine ADA compliancy.
  - d. Make determination of where curb ramps need to be replaced and/or added to meet ADA requirements.
  - e. Develop conceptual sketches of curb ramps with approximate limits.
  - f. Show curb ramp replacement/retrofit locations in the 50% plans and incorporate into cost estimate.

- Develop pavement treatment recommendations and incorporate treatments for each street.
- Establish appropriate project limits, identify the design sections and edge and longitudinal treatment details, address catch basin treatments to appropriately manage bicycle and drainage concerns and identify signal loops (ODOT or other) which may be impacted.
- Prepare a 50% level cost estimate and bid schedule in a format acceptable to the City. Consultant will divide estimate and bid schedule into multiple bid schedules as directed by the City and depending on available funding.
- Prepare 50% construction plans (1" = 30' scale on half size sheets) and details as needed to clearly describe the work to be constructed. Construction plans shall, at a minimum, include civil notes, details and sections, and street improvement plans. For streets requiring more detail (arterials and some collectors), the construction plans may also include striping plans, signal detection, demolition and erosion control plans. It is assumed paving layout sheets and some details will be provided at this stage with striping layout sheets to be added at the 90% design level.

### Task 5 Deliverables

- ADA compliance documentation, as necessary
- Electronic versions of the 50% plans, bid items and quantities, and cost estimate (PDF and Excel).

### Task 6 - 90% Design

The 90% design submittal shall be advanced from the 50% submittal (incorporating all review comments). Additional tasks in addition to those listed above include:

- Coordinate with ODOT as needed for signal loop replacements, curb ramp replacement and other work as may be necessary on ODOT right-of-way.
- No other permitting needs are anticipated.
- Coordinate survey (Task 2) as needed for curb ramps to be reconstructed or added.
- Refine curb ramp retrofit/replacement designs in conformance with Public Right-of-Way Accessibility Guidelines (PROWAG) and the ODOT/APWA standard drawings utilizing survey mapping. Include sufficient curb ramp layout information in project detail sheets sufficient for quantity take-off and initial field layout purposes. Curb ramp details will generally include slope direction, basic ramp dimensions, curb type and surface utility information. For estimating purposes, it is assumed up to 109 intersection corners with curb ramps will be (re)constructed. It is assumed final ramp limits will be field verified during construction based on measurement of formwork.
- Prepare front end contract documents using the City's most recent standard forms and technical specifications in ODOT/APWA format.

### Task 6 Deliverables

- Electronic versions of the complete 90% contract documents including front end documents, technical specifications, plans, bid items and quantities, and cost estimate (PDF, Word and Excel).

### Task 7 - Final Design

The final design submittal shall be advanced from the 90% submittal (incorporating all review comments). Additional tasks in addition to those listed above include:

- Continue coordination with ODOT as necessary to develop a draft permit with conditions to be included in the bid documents. It is assumed the selected Contractor will sign and finalize the permit with ODOT prior to work on ODOT right-of-way.
- Refine curb ramp designs as necessary based on City and ODOT feedback.

## Task 7 Deliverables

- Electronic versions of the complete contract documents including final front end documents, technical specifications, plans, bid items and quantities, and cost estimate (PDF, Word, Excel and CAD).
- Provide one (1) reproducible set of construction plans. The construction plans shall include an 11"x17" (at 1" = 30') set of construction drawings and details.

## Task 8 - Bidding Services

It is assumed the City will print, advertise and be the primary point of contact for bidder inquiries. Consultant services will include:

- Assist the City as needed in responding to all bidder inquiries during the bid period.
- Provide necessary bid addenda to address bidder questions, as needed.

## Task 9 – Construction Phase Services

The Consultant will provide construction contract administration, inspection and HMAC quality assurance testing with support from the City for public notifications and other coordination related items as needed. Construction phase services will include:

- Attending a preconstruction meeting.
- Reviewing requests for information, clarifications and change orders.
- Review of contractor submittals, shop drawings and field testing (particularly focused on asphalt) for conformance to the design requirements of the project and in accordance with the requirements of the contract documents. Consult with and advise City as to the acceptability of substitute and "or-equal" items proposed for use by the contractor.
- Construction inspection to monitor the progress and quality of the work, including preparation of construction inspection reports. Inspection time is assumed to include five visits per week, ten hours per visit over a 10 week construction period plus an additional four visits per week, eight hours per visit over a four week period during high production times.
- Curb ramp layout coordination with the construction contractor to confirm ramps meet ADA compliance. Coordination is anticipated to include a pre-pour meeting, layout of demolition limits, checking of forms for every ramp location and spot checking grades after the pour.
- HMAC quality assurance testing (assume two separate HMAC mix verification tests taken at the asphalt plant and two separate HMAC compaction testing days verification on newly placed HMAC)
- Assistance in determining if non-conforming contract work should be rejected.
- Attendance at progress meetings (assume weekly for a total of two months) with contractor and City to address construction related issues.
- Reviewing and making recommendations for contractor monthly progress payments (assumed four progress payments).
- Attendance during the final inspection, preparation of a "punch list", and recommendation of final acceptance of work by the City.
- Provide Record Drawings representative of the "as constructed" project. Record Drawings will be completed electronically and provided in PDF format.

## Preliminary Sheet List

The following is the anticipated list of plan sheets based on an assumed 100% list:

Running Total	Sheets	Sheet Number	Description
1	1	Cover	Vicinity Map, Sheet Index
2	1	C-1	Overlay Quantities, Legend & Notes
3-5	3	C-2 to C-4	Paving Details
6-33	28	C-5 to C-32	Curb Ramp Details
34-60	1	L-1 to L-27	Paving Layout - Gaarde (Old)
	5		Paving Layout - North Dakota
	2		Paving Layout - 115th
	2		Paving Layout - 92nd Ave
	2		Paving Layout - Nimbus Ave
	2		Paving Layout - 72nd Ave
	1		Paving Layout - Dartmouth St
	1		Paving Layout - 78th Ave
	1		Paving Layout - 72nd Ave
	4		Paving Layout - Walnut St
	3		Paving Layout - Springwood Dr
	3		Paving Layout - Summercrest Dr
	61-65		
67-92		S-1 to S-27	Striping Layout (same format as paving layout shts.)

### Proposed Fee Estimate

MSA proposes to perform this work on a time and expenses basis with a total not to exceed amount of \$265,508 including design and construction services in accordance with the attached Exhibit A.

### Schedule

The design schedule for the 2015 bid package will accommodate an anticipated bid opening in April 2015 with anticipated NTP to the construction contractor in June 2015 and construction beginning in July 2015.

