



## **Memorandum**

**Date:** December 22, 2011

**To:** John Kovash, Mayor  
Members, West Linn City Council

**From:** Chris Jordan, City Manager *ef*

**Subject:** Miscellaneous Items

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### **Bond Sale**

Chief Financial Officer Richard Seals held conference calls this week with both ratings agencies – Moody's and Standard & Poors. Richard reports that both seemed to go well. One of the representatives specifically noted the City's website and how easy it was to find and retrieve information. As a matter of fact, he indicated that he had never seen a finance website with so much information on it.

We expect to hear from the two agencies in the next few weeks.

### **Council Liaisons and Board Appointments**

Last Monday evening the Council tentatively decided on liaison positions. During that discussion Councilor Cummings requested a position on the South Fork Water Board and Councilor Jones indicated a willingness to not be on that Board. Unfortunately, according to the Intergovernmental Agreement that established the South Fork Water Board, appointees to the Board have a two year term. I've attached the IGA for your information.

### **Schedule**

The Council's next meeting is scheduled for January 9, 2012.

Attachment

RESOLUTION NO. 96-24

A RESOLUTION AUTHORIZING AN INTERGOVERNMENTAL COOPERATIVE AGREEMENT BETWEEN THE CITIES OF WEST LINN AND OREGON CITY OPERATING JOINTLY AS THE SOUTH FORK WATER BOARD

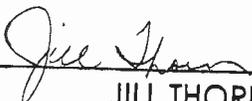
WHEREAS, the cities of West Linn and Oregon City entered into an intergovernmental agreement August 23, 1993 which provided for the updating and continuance of the South Fork Water Board; and

WHEREAS, the ownership is an equal partnership with each of the cities owning an undivided one half interest in the assets of the Board;

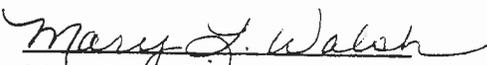
WHEREAS, the cities have agreed to modify the intergovernmental agreement; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of West Linn, Oregon, that the Intergovernmental Cooperative Agreement between the Cities of West Linn and Oregon City, operating jointly as the South Fork Water Board, attached as Exhibit "A" and incorporated herein by its entirety, is hereby adopted.

ADOPTED, SIGNED AND APPROVED THIS 22ND DAY OF JULY, 1996.

  
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JILL THORN  
MAYOR

Attest:

  
Mary L. Walsh  
City Recorder

INTERGOVERNMENTAL COOPERATIVE AGREEMENT  
BETWEEN THE CITIES OF OREGON CITY AND WEST LINN  
OPERATING JOINTLY AS THE  
SOUTH FORK WATER BOARD

This agreement is made and entered into by the cities of Oregon City, an Oregon municipal corporation, (hereinafter "Oregon City"), and the city of West Linn, an Oregon municipal corporation, (hereinafter "West Linn"). West Linn and Oregon City are jointly referred to herein as "the Cities" and "the Parties". The Cities have agreed to modify the Intergovernmental Cooperative Agreement entered into in August 1993 which provided for the updating and continuance of the South Fork Water Board and South Fork Water Commission.

WITNESSETH:

RECITALS:

1. West Linn and Oregon City desire to update the intergovernmental agreement which creates the joint municipal water supply agency previously known both as the South Fork Water Board and the South Fork Water Commission (hereinafter "Board").
2. The parties acknowledge that they have authority to execute this Intergovernmental Cooperative Agreement pursuant to the powers of their respective municipal charters and pursuant to ORS 225.050 and ORS 190.010.

NOW, THEREFORE, the premises being in general as stated in the foregoing recital, it is agreed by and between the parties hereto as follows:

Section 1. Establishment. The South Fork Water Board, previously also known as the South Fork Water Commission, is hereby reestablished and reorganized as the South Fork Water Board in accordance with the terms of this agreement.

Section 2. Purpose. The purpose of the Board is to operate, manage, maintain, and control the water supply and distribution system to provide a domestic water supply to the cities of Oregon City and West and to its contractual surplus water purchasers.

Section 3. Powers. The Board shall have the following powers:

- (a) To purchase, own, hold, appropriate and condemn land, rights-of-way, and water or water rights either in its own name or in the name of the cities of Oregon City and West Linn.
- (b) To purchase from wither Oregon City or West Linn or other, water works, water pipelines, water right, or any interest therein.
- (c) To provide a joint board for the construction, operation or control of the matters referred to in Section 3: Powers.
- (d) To issue, sell, or otherwise dispose of bonds or other securities for the purpose of exercising these powers including authorization under ORS 288.805 through 288.945.

- (e) To perform, pursuant to ORS 190.003 - 190.250, all powers either City possesses pursuant to their respective Charter or ordinances or applicable State or Federal laws, which are necessary to efficiently operate, maintain and expand its water treatment and distribution facilities.

Section 4. Membership. The Board shall consist of the Mayor of Oregon City and two members of the City Commission of Oregon City, and the Mayor of West Linn and two members of the West Linn City Council. All members appointed and acting at the time of the adoption of this Agreement by Oregon City and West Linn, shall continue in office until the expiration of their term of office and the appointment of their successor, or their earlier resignation or removal from office. In addition, because prior to this agreement only two persons from West Linn served on the Board, West Linn shall appoint a third representative to serve on the Board in order to fill its three positions.

Section 5. Terms of Office. Each new member shall be appointed for a term of two years, and shall serve until the expiration of their term of office and the appointment of their successor. Members may be reappointed to succeeding terms.

Section 6. Vacancies and Removal. Appointments to fill vacancies shall be for the remainder of the unexpired term. A member may be removed by the respective City Commission or City Council for misconduct, misfeasance, malfeasance, or non-performance of duty.

Section 7. Chair and Vice-Chair. At the first meeting in January of each year, the Board shall elect from its members a Chair and Vice-Chair to serve a one-year term. However, the person serving as Chair shall alternate each year between a member from West Linn and a member from Oregon City.

Section 8. Meetings. Regular meetings of the Board shall be conducted monthly on a date and at a time as the Board may designate. Chair, upon motion, may, or at the request of two members of the Board, shall, by giving notice to members of the Board, call a previously unannounced special meeting of the Board for a time not earlier than 24 hours after the notice is given, unless an emergency exists. In cases of an emergency, notice reasonable under the circumstances shall be given. Four members of the Board shall constitute a quorum. No action may be taken by the Board unless a majority of the Board, present, including at least one member from each City, votes to support the action proposed.

Section 9. Management. The Board may appoint such positions as it deems prudent or necessary for the effective management and operation of the utility, which shall include the following:

- (a) General Manager. The Board shall appoint a General Manager, who shall perform administrative and professional management duties for the Board, in addition to specific functions enumerated in a Job Description which shall be prepared for this position. The General Manager shall report to and serve at the pleasure of the Board.
- (b) Advisory Committee. The Advisory Committee shall be comprised of the General Manager and the City Managers of each city, or their designees. The members of the Advisory Committee may invite such of their staff members to attend Advisory Committee meetings as they deem necessary. The Advisory Committee shall meet as often as is necessary, and shall review the activities, policies, operation, personnel and fiscal affairs of the Board, and make appropriate recommendations to the Board.

Section 10. Ownership of Assets. Each of the cities shall own an undivided one-half interest in the assets of the Board.

Section 11. Cost of Water. Oregon City and West Linn shall each pay South Fork for the water each City uses through a commodity rate. The commodity rate shall be established pursuant to the guidelines in this Agreement. The rate shall also take into account any short-term debt incurred for each or both of the Cities. The Board may impose a surcharge to repay such debt.

- (a) South Fork shall treat the parties to this Agreement as a separate class of customer from any of the wholesale surplus water customers. The rate to be charged to the parties to this Agreement shall initially be established by the Board. In performing rate studies, South Fork shall give due consideration to accepted rate making methodologies recommended by the American Water Works Association.
- (b) In the event of extraordinary circumstances or a major casualty or loss which requires emergency expenditures to maintain a sufficient water supply, South Fork may impose upon the Parties an emergency surcharge to pay for such expenditures. The surcharge shall be allocated between the Parties to this Agreement in an equitable manner which takes into consideration the benefit to be derived by each party from the expenditure.

Section 12. Dissolution. This Agreement may be terminated at any time by either City; however, the effective date of termination shall be not less than five (5) years from the effective date of the terminating party's action. Upon the occurrence of such action to terminate this Agreement, Chair of the Board shall direct that an accounting of assets and liabilities be conducted and presented to the Board and the Mayors of the respective Cities. The Parties shall thereafter meet and agree upon an equitable distribution of assets and liabilities, which may include a reserve account for contingent, unliquidated or unforeseen liabilities or obligations. If the Parties are unable to agree on the division of assets and liabilities, the Circuit Court of Clackamas County shall have jurisdiction to decide the issue. In any event, the Parties shall remain subject to any bonded or other indebtedness existing at the time of dissolution. Unless otherwise agreed or unless either Party has expressly incurred the debt or obligation on its own behalf, each City's proportionate share of the debts and obligations shall be equal.

Section 13. Amendment Provisions. The terms of this Agreement may be amended by mutual agreement of the Parties. Any amendment shall be in writing and shall refer specifically to this Agreement and shall be executed by the Parties.

Section 14. Written Notice Addresses. All written notices required under this Agreement shall be sent to:

OREGON CITY: City Manager  
City of Oregon City  
320 Warner Milne Road  
PO Box 351  
Oregon City OR 97045

WEST LINN: City Manager  
City of West Linn  
PO Box 48  
West Linn OR 97068

SOUTH FORK. General Manager  
South Fork Water Board  
PO Box 351  
Oregon City OR 97045

IN WITNESS WHEREOF, the Parties have set their hands and affixed their seals.

Oregon City has acted in this matter pursuant to Resolution No. 96-32 adopted by the City Commission on the 21st day of August, 1996.

West Linn has acted in this matter pursuant to Resolution No. ~~96-24~~ adopted by its City Council on the day of July 22, 1996.

CITY OF OREGON CITY  
BY AND THROUGH  
ITS CITY OFFICIALS

BY: *Daniel W. Fowle*  
Mayor

BY: *Frank K. Elliott*  
City Recorder

CITY OF WEST LINN  
BY AND THROUGH  
ITS CITY OFFICIALS

BY: *Jim Thom*  
Mayor

BY: *Mary L Walsh*  
City Recorder

INTERGOVERNMENTAL COOPERATIVE AGREEMENT