

RESOLUTION NO. 1019

A RESOLUTION AUTHORIZING THE CITY TO PARTICIPATE IN THE REGIONAL PROVIDERS ADVISORY GROUP PHASE TWO REGIONAL WATER SUPPLY PLAN AND AUTHORIZING THE MAYOR TO SIGN AN INTERGOVERNMENTAL AGREEMENT PERTAINING THERETO

WHEREAS, the Portland Water Bureau conducted the first phase of a regional planning effort to meet the region's water needs from now until the year 2050, and

WHEREAS, a group of water suppliers and distributors in the region, known as the Regional Providers Advisory Group, desires to utilize the results of the first phase and develop a Phase Two Regional Water Supply Plan, and

WHEREAS, the total funding for the Phase Two effort is estimated to be approximately \$2,230,000, and

WHEREAS, the proposed method of allocating those costs among the participants is based upon the estimate of growth in peak day water needs from 1990 to 2050, which would require the City of Troutdale to pay approximately \$40,000, and

WHEREAS, the Regional Providers Advisory Group has prepared a proposed Intergovernmental Agreement to govern the funding and management of this study, and

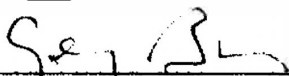
WHEREAS, participation in this study by the City of Troutdale is deemed a reasonable and prudent action by the City as one means to provide for our future water needs.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF TROUTDALE THAT:

The City is authorized to participate in the Regional Providers Advisory Group Phase Two Regional Water Supply Plan, and the Mayor is authorized to sign the Intergovernmental Agreement attached as Exhibit A and made a part hereof.

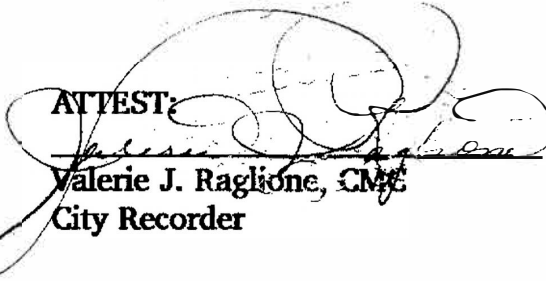
ADOPTED BY THE COMMON COUNCIL OF THE CITY OF TROUTDALE THIS 9TH DAY OF MARCH, 1993.

YEAS: 6
NAYS: 0
ABSTAINED: 0



Gene L. Bui, Mayor
Dated: 3/11/93

ATTEST:



Valerie J. Raglione, CMC
City Recorder

EXHIBIT A

INTERGOVERNMENTAL AGREEMENT

TO FUND PHASE TWO,

REGIONAL WATER SUPPLY PLAN

PARTICIPANTS:

City of Beaverton
Canby Utilities Board, an independent
governmental subdivision of the City of Canby
Clackamas Water District
City of Gladstone
Clairmont Water District
Damascus Water District
City of Fairview
City of Gresham
City of Hillsboro Utilities Commission
City of Forest Grove
City of Lake Oswego
City of Milwaukie
Mt. Scott Water District
Oak Lodge Water District
City of Portland
Powell Valley Road Water District
Raleigh Water District
Rockwood Water
City of Sandy
City of Sherwood
South Fork Water Board, City of Oregon City/City of West Linn
Tigard Water District
City of Troutdale
City of Tualatin
Tualatin Valley Water District
West Slope Water District
City of Wilsonville

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AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT (hereinafter "Agreement") is entered into by and among the following municipalities and districts, herein called "Participants:"

City of Beaverton; Canby Utilities Board, an independent governmental subdivision of the City of Canby; Clackamas Water District; City of Gladstone; Clairmont Water District; Damascus Water District; City of Fairview; City of Gresham; City of Hillsboro Utilities Commission; City of Forest Grove; City of Lake Oswego; City of Milwaukie; Mt. Scott Water District; Oak Lodge Water District; City of Portland; Powell Valley Road Water District; Raleigh Water District; Rockwood Water; City of Sandy; City of Sherwood; South Fork Water Board, City of Oregon City/City of West Linn; Tigard Water District; City of Troutdale; City of Tualatin; Tualatin Valley Water District; West Slope Water District; City of Wilsonville.

WHEREAS, future regional water supply is an issue of great interest to the Participants; and

WHEREAS, the City of Portland, in partnership with the Regional Providers' Advisory Group (RPAG), completed a Phase I study of regional water supply needs consisting of three planning studies: the Water System Demand Study, the Water Source Options Study and the City of Portland Conservation Study; and

WHEREAS, these Phase I studies predicted potential significant shortfalls in water supply region wide, and in all source subareas, by 2050 and demonstrated the need for additional, detailed study in a Phase II Project; and

WHEREAS, since the release of the Phase I studies members of RPAG have: 1) developed and participated in public outreach/public involvement programs, 2) developed a draft scope

of work for formulation of a regional water supply plan (Phase II); and 3) developed a process for adoption of an intergovernmental agreement to fund and manage the Phase II Project; and

WHEREAS, a Phase II Project description has been developed and approved by the Participants; and

WHEREAS, the purpose of the Phase II Project is to develop an integrated resource plan and phased implementation strategies for meeting the region's future water supply needs from the time of plan completion to the year 2050; and

WHEREAS, the Phase II Project objectives are to provide specific guidance to the region's water providers and decision makers regarding the implementation of: 1) demand management/conservation programs; 2) regional system modifications for greater efficiency; 3) actions needed to develop specific new supply sources (e.g., environmental impact statements, water rights, permits, design); 4) appropriate institutional arrangements for providing water service throughout the Region; and

WHEREAS, a request for consultant qualifications was issued, consultant proposals were reviewed by an RPAG consultant selection committee and the firm of Barakat and Chamberlin, which put together a team of experts and consulting firms, was chosen as the prime consultant for the Phase II Project; and

WHEREAS, the RPAG agreed that a Steering Committee of the Participants would be responsible for overall Phase II Project direction; and

WHEREAS, the RPAG agree that it would be most efficient to have one of the Participants administer the Barakat and Chamberlin consultant contract (hereinafter the "contract") and manage the day-to-day aspects of the Phase II Project, and that this Participant shall be the City of Portland due to its greater staffing resources.

NOW, THEREFORE, the Participants agree to the following terms:

A. ROLE OF THE CITY OF PORTLAND

Portland shall:

1. Enter into a contract with Barakat and Chamberlin to conduct the work described in the attached scope of work.

2. Be responsible, through a designated project manager, for day-to-day administration of the Phase II Project contract, subject to review by the Steering Committee and the Participants as described elsewhere in this Agreement. In particular Portland will be available to the consultant to ensure that the consultant understands the obligations of the contract. Portland shall also monitor the scheduling and quality of the consultant's work.

3. Make progress payments to the consultant for work accomplished as provided in the contract with the consultant.

4. Review the consultant's work for compliance with the contract with the City.

5. Review and provide to the Steering Committee oral or written project progress reports as directed by the Steering Committee. Such reports shall include a discussion of work accomplished to date, significant discussions with the consultant, any modifications to the scope of the Project, and any other issues warranting Steering Committee review and discussion.

6. Manage the financial aspects of this Agreement including collection of Participant contributions.

7. Authorize its designated project manager to make such amendments to the contract scope of work as are approved by the Steering Committee or Participants Committee, pursuant to the provisions of Section E of this Agreement.

8. Be authorized to approve minor changes to the Project scope of work which will better accomplish Project purposes and objectives and will not result in substantial changes to the scope of work or any increase in consultant compensation under the contract. Examples of such changes might include substitutions of non-key consultant team personnel, product format and minor revising to the Project task order or methodology.

9. Advise the consultant in case of any Participant default.

10. Permit no assignment of rights under the consultant contract without approval of the Participants Committee.

11. Include within its contract with the consultant a provision prohibiting any Participant's employee from having any financial interest in the proceeds of the contract and prohibiting any Participant's employee who served upon the RPAG consultant selection committee from taking employment with the consultant or any of its subcontractors during the term of the contract.

B. ROLE OF THE STEERING COMMITTEE

1. The Steering Committee shall initially be made up of two Participants from each of the following areas:

Multnomah County (One member of which must be from the City of Portland Water Bureau);

Washington County;

Clackamas County.

2. Members of the Steering Committee shall be selected by the members of the Participants Committee from each of the listed geographic areas.

3. The Participants Committee may add no more than one member to the Steering Committee to represent late-joining water purveyor Participants from outside the already represented county areas or late-joining non-purveyor entities who become Participants pursuant to Section G.

4. The purpose of the Steering Committee is to provide the Participants with a body to review the work of the consultant and to participate, with Portland, in managing the Project contract.

5. It shall be cause for removal from the Steering Committee if a member fails on more than four occasions in any six month period to send a representative to the Steering Committee meetings. Members of the Participants Committee from each of the applicable geographic areas may, by majority vote, remove a member of the Steering Committee for cause as described in this paragraph. A Participant may resign its membership on the Steering Committee upon thirty days notice to all Participants. Participants from the applicable geographic area shall replace any resigning or removed Steering Committee member by majority vote.

6. The Steering Committee shall:

a. Have six (6) members unless others are added later by the Participants Committee.

b. Elect a Chair and Secretary, who may hold those positions until contract termination or completion; provided that the Steering Committee may decide at any time to have the Chair or Secretary serve for shorter terms and elect successors to the Chair and/or Secretary as needed.

c. Meet at least once a month. Until a chair is selected, Portland's project manager shall schedule and convene the meetings. Thereafter, the chair is authorized, and any three members of the Steering Committee may require the Chair, to schedule and convene meetings.

d. Shall act by majority vote only. Each Steering Committee member shall have one vote.

e. Prepare, maintain and make available to Participants minutes of each of its meetings.

f. Take action only if there is a quorum of members present at the applicable meeting or, if necessary, present on a conference telephone call. Four (4) members shall constitute a quorum.

g. Be authorized, at any time, to direct that Portland's designated project manager report to the Steering Committee on any issue regarding project administration, direction and progress.

h. Review the regular progress reports of Portland's designated project manager and of the consultant and provide policy direction to Portland and the consultant on aspects of the Project the control over which is not vested by this Agreement in the City of Portland project manager or the Participants Committee.

i. Review written materials submitted to it by the consultant and, through a process agreed to by the Steering Committee, provide commentary and suggestions on such materials.

j. Approve or disapprove minor amendments to the Project scope of work and recommend approval or disapproval of major amendments to the Participants Committee.

k. Advise the Participants Committee if a member of the Steering Committee resigns or fails to send a representative to the Steering Committee meetings more than four times in any six month period.

l. Designate, for purposes of Sections A.8. and E.1. of this Agreement, the "key personnel" of the consultants. This designation shall be accomplished within 45 days of the

final execution of this Agreement or all personnel shall be considered non-key personnel for purposes of Sections A.8. and E.1. of this Agreement.

7. Any Participant may request, and shall be granted, the right to appear and address, orally or in writing, the Steering Committee at any regular or specially scheduled Steering Committee meeting. Written communications received after any Steering Committee meeting shall be considered no later than at the next regularly scheduled Steering Committee meeting.

C. ROLE OF PARTICIPANTS COMMITTEE

1. All Participants in good financial standing under this Agreement shall have one representative on the Participants Committee.

2. The Participants Committee shall:

a. Act only by majority vote of a quorum of the entire Committee except as provided in Section C.2.d. and C.2.e. herein. At least two thirds of all Participants must be present to constitute a quorum. Each Participant shall have one vote.

b. Review and approve or disapprove Major Amendments to the Phase II Project work as proposed by the Steering Committee and approve Special Amendments to this Agreement.

c. Prepare, maintain, and make available to Participants minutes of each of its meetings.

d. By majority vote of the Participants from the applicable geographic areas, replace members of the Steering Committee should vacancies occur or add Steering Committee members to represent late-joining Participants as provided in Section B.3.

e. By majority vote of members from the applicable geographic areas, remove Steering Committee members for

failure to attend meetings as described in Section B. Financial default will result in automatic removal. (See section D.4.)

f. Meet as necessary to carry out its responsibilities. The first meeting shall be held within 45 days of the final execution of this Agreement and shall be scheduled and convened by the Portland project manager. Upon the selection of a Chair at the first Committee meeting, the Chair shall be authorized, and any four members of the Committee may require the Chair, to schedule and convene a Committee meeting.

g. Elect a chair and secretary who may hold those positions until contract termination or completion; provided that the Participants Committee may decide at any time to have the Chair or Secretary serve for shorter terms and elect successors to the Chair or Secretary as needed.

h. Approve any assignment of rights under the consultant contract.

3. Each Participant shall cooperate with the consultant and the City project manager to advance the goals of the Project and shall send representatives to such meetings or study sessions as the consultant or project manager shall reasonably convene and shall provide such assistance and such available information and data as the consultant or project manager may reasonably request.

D. FINANCIAL OBLIGATIONS

1. Initial Participant Contribution

Each of the original Participants to this Agreement shall make a financial contribution to the Phase II Regional Water Supply Plan Project costs. Allocation of the costs shall be proportional to the Participant's share of the increase in peak-day demand (high forecast) as projected in the Phase I - Water System Demand Study (CH2M Hill, 1992). As a result of this calculation, total contributions (except for additional or

reduced contributions required or agreed in the case of default or major contract amendment or the addition of new Participants pursuant to Section G herein) shall be as follows:

Beaverton	\$ 61,971
Canby	\$ 48,167
Clackamas WD	\$ 72,541
Clairmont	\$ 139,797
Damascus	\$ 68,728
Fairview	\$ 18,509
Gladstone	\$ 7,626
Gresham	\$ 116,003
Hillsboro	\$ 153,890
Forest Grove	\$ 56,976
Lake Oswego	\$ 97,204
Milwaukie	\$ 7,939
Mt. Scott WD	\$ 71,069
Oak Lodge WD	\$ 12,332
Portland	\$ 528,055
Powell Valley WD	\$ 18,219
Raleigh WD	\$ 5,575
Rockwood Water	\$ 19,089
Sandy	\$ 20,850
Sherwood	\$ 38,467
South Fork Water BD	\$ 160,936
Tigard	\$ 52,872
Troutdale	\$ 39,649
Tualatin	\$ 76,064
Tualatin Valley WD	\$ 249,042
West Slope WD	\$ 7,626
Wilsonville	\$ 80,769
TOTAL	\$2,229,965

2. Payment Schedule

Each Participant shall pay its contribution to Portland in partial payments on or before dates and in the amounts presented below. Any Participant may accelerate its payments so as to pay

INTERGOVERNMENTAL AGREEMENT
REGIONAL WATER PLANNING

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more than is indicated for any scheduled payment, and reducing subsequent payments accordingly.

	1992/1993	1993/1994	1994/1995
	Apr 1, 1993	Aug 1, 1993	Aug 1, 1994
Beaverton	\$ 8,676	\$ 44,619	\$ 8,676
Canby	6,743	34,680	6,743
Clackamas WD	10,156	52,229	10,156
Clairmont	19,572	100,654	19,572
Damascus	9,622	49,484	9,622
Fairview	2,591	13,326	2,592
Gladstone	1,068	5,491	1,067
Gresham	16,240	83,522	16,241
Hillsboro	21,545	110,801	21,545
Forest Grove	7,977	41,022	7,977
Lake Oswego	13,609	69,987	13,608
Milwaukie	1,111	5,716	1,112
Mt. Scott WD	9,950	51,170	9,950
Oak Lodge WD	1,726	8,879	1,727
Portland	73,928	380,200	73,927
Powell Valley WD	2,551	13,118	2,551
Raleigh WD	781	4,014	781
Rockwood Water	2,672	13,744	2,673
Sandy	2,919	15,012	2,919
Sherwood	5,385	27,696	5,385
South Fork WB	22,531	115,874	22,530
Tigard	7,402	38,068	7,402
Troutdale	5,551	28,547	5,551
Tualatin	10,649	54,766	10,649
Tualatin Valley WD	34,866	179,311	34,866
West Slope WD	1,068	5,491	1,067
Wilsonville	11,308	58,154	11,307
 TOTAL	 312,195	 1,605,575	 312,195

3. Payment Schedule - Amendments

Payment for authorized amendments shall be received by Portland within 45 days of approval by the Portland City Council of the contract amendment.

4. Payment Delinquencies

a. If payment has not been received within 30 days of the date due the delinquent Participant shall be considered in default of this Agreement. Portland shall notify the Participant of this default in writing, with a copy to all the other Participants. A failure to provide payment within 30 days of receipt of the notice from Portland will automatically remove the defaulting party as a Participant and, if it held a seat on the Steering Committee, shall automatically remove that party from the Steering Committee. The defaulting party will then be in breach of this Agreement and liable to the other parties to this Agreement for recovery of the defaulted payment and the defaulting party's entire remaining contribution under the Agreement as identified in Section D.1, or other remaining contribution applicable at the time of default as the result of others' defaults or the joining of new Participants under Section G, along with attorneys fees and costs incurred in a successful action to recover the defaulted contribution.

b. Upon default of any Participant, each non-defaulting Participant's share of the remaining consultant compensation shall be automatically increased pro rata with that of all other non-defaulting Participants to the extent of the deficiency created by the default, using the formula:

$$\text{Each Remaining Participant's Share of Remaining Obligations (as \% of Total Obligations)} = \frac{\text{Remaining Participant's Old Share (\%)}}{1 - \text{defaulting Share (\%)}}$$

provided, that the sum of all such increases for an individual, non-defaulting Participant shall not exceed, without consent of the Participant, an accumulated maximum of 4% of the Participant's original share of total consultant compensation.

c. In the event that the total defaults exceed 4% of the remaining non-defaulting Participants' original share of the consultant's compensation for the Project and one or more Participants do not consent, within 60 days of the default, to an increase in their pro rata share sufficient to cure the deficiency, this agreement will terminate and the City of Portland shall be authorized to terminate its contract with the consultant.

5. The Participants Committee may also vote to accept any other financial contributions from any other source to pay for work under the contract. If such financial contributions are made, the Participants Committee may determine to credit the money immediately to the Project Account, with Participants' share reduced accordingly as if the contribution came from a Participant buying in to the Project pursuant to Section G, or to place the money in the Project Account to cover defaults or contingencies, subject to the refund provisions of Section F.3.

E. AMENDMENTS TO THE PHASE II PROJECT

1. Minor Amendments

a. The Steering Committee is authorized to approve Minor Amendments to the contract scope of work.

b. A Minor Amendment is an amendment to the contract scope of work which does not increase the total consultant compensation for the Project contract by an amount that would exceed the total, original contributions made pursuant to Section D.1. above. Examples of possible Minor Amendment topics include but are not limited to:

Expansion of, or follow up to, Project tasks as warranted based on new information or insight which will enhance the quality of the product but which can be done by reprioritizing other task(s); replacement or substitution of key consultant personnel assigned to the Project, including addition of any subcontractors.

2. Major Amendments

a. By majority vote the Steering Committee may recommend Major Amendments to the scope of work to the Participants Committee. By majority vote, the Participants Committee may approve Major Amendments to the scope of work.

b. A Major Amendment is an amendment to the contract scope of work which increases the total consultant compensation by an amount that would exceed the total, original contributions made pursuant to Section D.1. above. Examples of possible Major Amendments might be:

Large expansions to the scope of contracted tasks or new Project tasks which are deemed essential to completion of Phase II purposes and objectives.

3. Major Amendment Cost Allocation

Allocations of the cost of Major Amendments will be arranged by the Participants. Portland will not execute any contract amendment until full financing is committed. An amendment may be fully financed by one or more of the Participants.

4. Amendment Approval Process

Subject to Section E.3. above and the agreement of the consultant, Portland's project manager shall execute any amendment to the scope of work approved pursuant to this Section E.

5. Special Amendments

Should all Participants listed in Section D not sign this Agreement or other parties not listed wish to sign, the signing Participants, acting as the Participants Committee, may approve Special Amendments to this Agreement as required to accomplish its purposes, provided, that no Participant shall be required without its consent to provide a greater contribution than the contribution shown in Section D, including the four percent default contingency provided in Section D.4.b.

F. REGIONAL WATER PLANNING ACCOUNT

1. All payments made to Portland shall be accounted for in a separate account within the City of Portland Water Fund. Consultant compensation shall be paid from this Regional Water Planning Account and it shall be used for no other purpose.

2. This account shall accrue interest earnings in accordance with the City of Portland's investment guidelines.. Portland shall retain the interest accrued on the account to cover Portland's costs in administering the Phase II project.

3. Any monies remaining in the Regional Water Planning Account at the completion of the Phase II project, and not necessary for project contract expenses, shall be returned to the Participants in shares proportional to each Participant's overall contribution, (taking into account defaults or addition of Participants), except in the case of any defaulting Participant, which shall receive no refund.

G. BUY-IN OPTION

1. Any public water purveyor or other governmental or public entity that was not an original Participant may request, at any time, to become a Participant in this Agreement. Such entity shall make its interest known to the Participants Committee which shall act to accept or reject the entity as a Participant. The contribution of a late-joining purveyor whose share of peak-day demand was calculated in the Phase I - Water

System Demand Study shall be calculated based upon the amount it would have been charged to become a Participant at the time of contract execution, plus a pro rata share of any other costs incurred by the other Participants since that time, plus any additional amount that the Participants determine should be charged to reflect additional costs or other factors arising from the new Participant's buy-in; provided that if there have been previous defaults or new Participants or contract amendments, the share will be increased or decreased as appropriate.

2. The Participant's Committee shall establish the share to be paid by any water purveyor or other entity not included in the Phase I Demand Study taking into account at least the following factors:

- a. Expected growth in population and/or water demand associated with the new Participant;
- b. Any increased cost of the Project as the result of the new Participant's joining;
- c. Original project contributions;
- d. Special needs or status of the new Participant.

3. The new Participant shall be required to make its share of all previous partial payments at the time it joins. If a new Participant joins the Project, all Participants' shares will be re-calculated for the whole project, taking into account the additional contribution of the new Participant and those recalculated shares will control future payment obligations of the Participants. At the end of the applicable fiscal year all existing Participants shall receive a refund reflecting contributions from any new Participants. The refunds shall be allocated pro rata based on the existing Participants' contributions to that point.

4. The Participants Committee may enroll any new Participant as a full voting Participant or non-voting Associate Participant, under such conditions as it may establish, as it

deems appropriate, given the new Participant's financial contribution and potential role in the overall Study Project.

5. The Participants Committee may, but need not, add up to one Steering Committee Member to represent late-joining water purveyors outside Clackamas, Washington, and Multnomah Counties or late-joining non-purveyor entities.

H. TERMINATION

1. This agreement shall terminate upon the final payment to the consultant, unless otherwise extended by the unanimous vote of the Participants.

2. If this Agreement is terminated prior to the completion of the consultant's work pursuant to Section D.4., the remaining non-defaulting Participants shall be responsible for payment of the consultant for all contract work completed and not paid for at the time the contract is terminated and for which there are insufficient funds in the Regional Water Planning Account. Each Participant shall be responsible for its pro rata share of the remaining contractual obligations, calculated as shown in Section D.4.

3. Payment shall be made to Portland within 30 days of receipt of Portland's final termination notice and billing. This obligation upon termination does not reduce or restrict the right of remaining Participants to seek payments from any defaulting Participant(s).

I. SHARED LIABILITY

All Participants agree to share any costs or damages (including reasonable attorney's fees) from third party actions (including any action by the contractor) against any Participant arising out of or in any way related to the contract or this Agreement, except for an action challenging the legal authority of a Participant to enter into this Agreement. Payment obligations shall be proportional to each participant's original contribution or such other proportion as is applicable if

Participants have defaulted or other entities have joined as Participants pursuant to Paragraph G. Participants agree to assist and cooperate in the defense of such an action. Settlement of any action that would impose an obligation to pay upon the Participants under this provision must be approved by a majority of the Participants Committee. A defaulting Participant shall be liable to the other Participants for its pro rata share of any liability covered by this Section.

J. OWNERSHIP OF PHASE II STUDY PRODUCTS

Portland's contract with the consultant shall provide that all work the consultant performs under its contract shall be considered work made for hire, and shall be the property of the non-defaulting Participants. The non-defaulting Participants shall own any and all data, documents, plans, software, specifications, working papers, and any other materials the consultant produces in connection with its contract with the City. Upon request, consultant shall transfer any common law or statutory copyrights to the non-defaulting Participants at no charge. The agreement shall further provide that at any time upon request and, in any case, no later than upon completion or termination of its contract with the City, the consultant shall deliver to the City, on behalf of the non-defaulting Participants, these materials.

K. OREGON LAW AND FORUM

1. This Agreement shall be construed according to the law of the State of Oregon.

2. Any litigation between the Participants under this Agreement or arising out of work performed under this Agreement shall occur, if in the state courts, in the Multnomah County Court having jurisdiction thereof, and if in the federal courts, in the United States District Court for the District of Oregon.

L. DISPUTE RESOLUTION

1. All disputes that Participants cannot resolve arising out of this Agreement shall, in the first instance, be mediated.

2. Any Participant wishing to dispute application or interpretation of this Agreement shall immediately notify the Steering Committee, in writing, of the Participant's position.

3. Any issue which has not been resolved within 30 days of notification shall be submitted to mediation.

4. The function of the mediator shall be to assist the disputing Participant(s) in finding a mutually acceptable resolution.

5. The mediator shall be selected by a vote of the Steering Committee members within 45 days of a notice of dispute.

6. If, within 20 days of selection of the mediator, mediation fails to provide a satisfactory resolution the Participants will be free to seek all other legal forms of redress.

7. All Participants shall continue to perform fully during the mediation. If a question concerning financial obligations is an issue under dispute, and if a refund is due as a result of the mediation, the successful disputing Participant shall receive a refund. The disputing Participants or, in the case of a monetary dispute, any Participant who would gain or lose as a result of the outcome of the dispute, shall pay the fees and costs charged by the mediator. All disputing Participants, however, shall be responsible for their own costs for participation in the mediation, including attorneys fees.

M. NOTICE

Any notice provided for under this Agreement shall be sufficient if in writing and delivered personally to the designated Participant or deposited in the United States Mail,

postage prepaid, certified mail, return receipt requested, addressed to such person as the appropriate Participant has designated. Each Participant shall provide the other Participants with the name and address of the employee or office which should receive written notifications under this Agreement.

N. INTEGRATION

This Agreement contains the entire agreement between the Participants and supersedes any prior written or oral discussions or agreements.

O. EFFECTIVENESS OF AGREEMENT

* This agreement shall become effective only upon its execution by all Participants named in the Preamble and listed in Section D, unless fewer than all the Participants, acting as the Participants Committee, approves a Special Amendment pursuant to Section E. 5.

P. COUNTERPARTS

This Agreement maybe signed in counterparts. Each Participant shall send one copy of this Agreement signed by its authorized signatory to Lorna Stickel, Project Manager, City of Portland Bureau of Water Works, 1220 SW Fifth Avenue, 6th Floor, Portland, OR 97204. Such copy shall also list the name and address of the person to whom all notices under this Agreement are to be sent on behalf of the signing Participant.

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Q. NOTICE

All Notices under this Agreement to the City of Troutdale
_____ shall be sent to:

Jim Galloway

Public Works Director

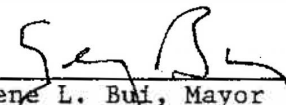
City of Troutdale

104 SE Kibling

Troutdale, OR 97060

Signed this 11 day of March 1993.

By:



Gene L. Bui, Mayor