



Home of the Tualatin River National Wildlife Refuge

CITY COUNCIL MEETING PACKET

FOR

Tuesday, January 4, 2011

**Sherwood City Hall
22560 SW Pine Street
Sherwood, Oregon**

5:00-6:00pm Executive Session
(Pursuant to ORS 192.660(2)(f), Exempt Public Records)

6:00-7:00pm Work Session

7:00pm Regular City Council Meeting



EXECUTIVE SESSION 5:00-6:00PM

WORK SESSION 6:00-7:00PM

REGULAR CITY COUNCIL MEETING

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. NEW BUSINESS
 - A. Recognition of Outgoing Council Members
 - B. Oath of Office Re-Elected and New Council Members
 - C. Appointment to Council Seat 5
 - D. Selection of Council President
5. PRESENTATIONS
 - A. Student Achievement Recognition
6. CONSENT:
 - A. Approval of November 16, 2010 City Council Minutes
 - B. Approval of December 7, 2010 City Council Minutes
 - C. Approval of December 16, 2010 City Council Minutes
 - D. Resolution 2011-001 Reappointing James Boscole to the Cultural Arts Commission
 - E. Resolution 2011-002 Appointing Cydney Corl Hill to the Cultural Arts Commission
 - F. Resolution 2011-003 Appointing Jim Haynes to the Cultural Arts Commission
 - G. Resolution 2011-004 authorizing City Manager to enter into an Intergovernmental Agreement with the City of Wilsonville regarding construction, ownership, and operation of meter vault service connection of the Boeckman Road to Grahams Ferry Road water transmission line (segment 5a) with Sherwood transmission line segment 6 and a transmission pipeline connection (segment 5b) from the meter vault to water transmission segment 5a
 - H. Resolution 2011-005 authorizing the City Manager to enter into a temporary Water Supply Agreement between the City of Wilsonville and the City of Sherwood for pressure testing, flushing and provisions for refresh water for a newly constructed Sherwood 48 inch diameter transmission line (segment 6-9 - 18,000 lf)
7. NEW BUSINESS:
 - A. Resolution 2011-006 Awarding a contract to construct the SW Oregon Street – SW Adams Avenue Improvements Project (Bob Galati, City Engineer)

AGENDA

**SHERWOOD CITY COUNCIL
January 4, 2011**

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22560 Pine Street
Sherwood, OR 97140**

8. ADJOURN TO RECEPTION

How to Find Out What's on the Council Schedule:

City Council meeting materials and agenda are posted to the City web page at www.sherwoodoregon.gov, by the Friday prior to a Council meeting. Council agendas are also posted at the Sherwood Library/City Hall, the YMCA, the Senior Center, and the City's bulletin board at Albertson's. Council meeting materials are available to the public at the Library. The public may make copies of any Council meeting materials, at no charge.

To Schedule a Presentation before Council:

If you would like to appear before Council, please submit your name, phone number, the subject of your presentation and the date you wish to appear to the City Recorder Sylvia Murphy by calling 503-625-4246 or by e-mail to: citycouncil@ci.sherwood.or.us.



SHERWOOD CITY COUNCIL MINUTES
22560 SW Pine St., Sherwood, Or
November 16, 2010

WORK SESSION

1. **CALL TO ORDER:** Mayor Keith Mays called the meeting to order at 6:35pm.
2. **COUNCIL PRESENT:** Mayor Keith Mays, Council President Dave Heironimus, Councilors Lee Weislogel, Linda Henderson and Robyn Folsom. Councilor Dave Grant was absent.
3. **STAFF PRESENT:** Community Development Director Tom Pessemier, Police Chief Jeff Groth, Economic Development Manager Tom Nelson, Finance Director Craig Gibons, City Engineer Bob Galati and City Recorder Sylvia Murphy.
4. **OTHERS PRESENT:** Councilor Elect Matt Langer, Oregonian Report Eric Florip.
5. **TOPIC DISCUSSED:**
 - A. **SWOT Format:** The Council discussed the meeting format and potential dates to receive SWOT reports from City Boards and Commissions. Council conceded to have an informal appreciation dinner meeting on December 16 at 6pm to thank the members of City Boards and Commissions for their service to the community. The SWOT Reports will be provided to the Council prior to the meeting for Council review.
 - B. **City Recorder Annual Evaluation:** The Council discussed the format for the annual evaluation of the City Recorder and reviewed the adopted evaluation criteria (see record, Exhibit A). Council discussed drafting an amendment to the adopted criteria to include a scoring or rating matrix. Council discussed having the amended criteria on the December 7, 2010 Council agenda for consideration of adoption and discussed scheduling an Executive Session for this same date for the City Recorder' annual review.
6. **ADJOURNED:** Mayor Mays adjourned the Work Session at 7:03pm and convened to a regular Council meeting.

REGULAR CITY COUNCIL MEETING

1. **CALL TO ORDER:** Mayor Mays called the meeting to order at 7:10pm.

2. PLEDGE OF ALLEGIANCE AND ROLL CALL:

3. COUNCIL PRESENT: Mayor Keith Mays, Council President Dave Heironimus, Councilors Linda Henderson, Lee Weislogel and Robyn Folsom. Councilor Dave Grant joined the meeting via conference call at 7:37pm.

4. STAFF & LEGAL COUNSEL PRESENT: Community Development Director Tom Pessemier, Police Chief Jeff Groth, Community Services Director Kristen Switzer, Public Works Director Craig Sheldon, Economic Development Manager Tom Nelson, Finance Director Craig Gibons, Human Resource Manager Anna Lee, Planning Manager Julia Hajduk, City Engineer Bob Galati and City Recorder Sylvia Murphy. City Attorney Chris Crean.

Mayor Mays addressed the Consent Agenda and asked for a motion.

5. CONSENT AGENDA:

- A. Approval of October 5, 2010 City Council Meeting Minutes**
- B. Approval of October 22, 2010 City Council Meeting Minutes**
- C. Approval of November 2, 2010 City Council Meeting Minutes**
- D. Resolution 2010-048 Appointing Brad Albert to the Planning Commission**

MOTION: FROM COUNCIL PRESIDENT DAVE HEIRONIMUS TO APPROVE THE CONSENT AGENDA, SECONDED BY COUNCILOR LEE WEISLOGEL. ALL PRESENT COUNCIL MEMBERS VOTED IN FAVOR.

Prior to Mayor Mays addressing the next agenda item he stated staff had updates on current projects. Staff presented information on the follow; Adams Ave South Project, Transportation Growth Management and Urban-Rural Reserves.

Adams Ave. Project: Bob Galati, City Engineer came forward and presented a power point presentation (see record, Exhibit B). Bob informed the Council staff is currently bidding the project and wanted to provide Council with an update, Bob recapped the following areas of the presentation:

Project History and Background:

- 1991 – Identified in City Transportation System Plan (TSP)
- 1995 – Langer PUD/Sherwood Marketplace (PUD 95-997)
- 1995 – Sherwood Village PUD Approved (PUD 95-01)
- 2004 – Target Store Development & ¾ Street Improvements
- 2004 – City hires consultant to begin design of Adams-Oregon-RR
- 2005 – Arbor Terrace Subdivision
- 2005 – Identified in City TSP
- 2006 – City Council Work Session on May 2nd to present design
- 2007 – City Council Work Session on June 5th to present landscaping
- 2010 – City Council approves amendment to Langer Development Agreement
- 2010 – City Council approves \$4M MSTIP funds for construction

- 2010 – City Council approves right-of-way acquisition
- 2010 – Neighborhood Meeting held on August 25th

Project Description and Scope:

- Purpose
 - Improves connectivity, circulation and emergency response time
- Typical cross sections (3-lanes)
- Main Features
 - Signal & intersection improvements @ Oregon
 - Two-lane roundabout at Century (low maintenance landscaping features presented at a Work Session on June 5th, 2007)
 - Stop controlled @ T-S Road until north extension
 - 12' multi-use path

Construction funding:

- Funding (City job #'s 8009A, 8033 and 8043)
 - \$4.64M (8009A – Adams Avenue South) *\$4M from County MSTIP funds
 - \$2.35M (8033 – Oregon Street & RR Crossing)
 - \$700K (8043 – RR Crossing Work by PNWR)
 -

*Budget/funds to be re-evaluated after the bid opening on 12/14/10 prior to Council awarding a contract in early January.

Right of Way Negotiations:

- City Council Resolution 2010-035 declared a need to acquire property; authorized negotiations
- Staff/consultant team is currently negotiating right-of-way with affected property owner (10 owners)

Schedule and Next Steps:

- 11/4/10 – Project advertised for bid
- 11/18/10 – Mandatory Pre-Bid Meeting
- 12/14/10 – Bid Opening
- Early January – City Council Meeting to award contracts
- Mid January – Pre-Construction Meeting/Start Work
- May 2011 – Railroad crossing substantially complete
- December 2011 – Overall project substantially complete

Bob informed the Council general project information can be found at the following City website links: <http://www.sherwoodoregon.gov/adams-avenue-oregon-street-improvements>

Bidder information: <http://www.sherwoodoregon.gov/Oregon-Adams-Improvements-ITB> and

said the City's project contact is Jason Waters, P.E., watersj@ci.sherwood.or.us, phone 503-925-2304 or information can be obtained by visiting the project webpage: www.sherwoodoregon.gov under "City Projects".

Mayor Mays thanked staff for the update and addressed the next topic:

Transportation Growth Management (TMG): Julia Hajduk, Planning Manager came forward and presented a power point presentation, (see record, Exhibit C) and recapped the following areas of the presentation:

Purpose:

- Discuss the TGM grant program and potential projects we may apply for
- Get feedback from the Council on potential pre-application projects

Timeline:

- December 10, 2010: Pre-applications due, No commitments required
- March 11, 2011: Applications due, Local match (11%) commitment needed
- April-June 2011: Application review and project selection
- Summer 2011: Grants announced

Purpose of the TMG Grant

Provides local governments with funding for planning projects that lead to more livable, economically vital, transportation-efficient, sustainable and pedestrian-friendly communities.

TGM awards two types of grants:

Category 1: Transportation System Planning, including TSP updates, to give Oregonians a range of transportation choices and meet requirements of the Oregon Transportation Planning Rule

Category 2: Integrated Land Use & Transportation Planning, to promote compact, mixed-use development supported by improved pedestrian, bicycle, transit, and multi-modal street facilities

Possibilities for Grants, TSP Update:

- Seek funds to conduct an update to the TSP
- Metro updated the Regional Transportation Plan (RTP)
 - Must update our TSP to be consistent by 2013
- TSP last updated in 2005 prior to Area 59, Brookman Concept Plan and Tonquin Employment Area Concept Plan
- Would update transportation projections city wide, incorporate the recently adopted RTP, and reflect amendments made since 2005
- Could evaluate the Capacity Allocation Program

Possibility for Grants, Town Center Plan:

- The Town Center is considered the 6 corners area

- Old Town has been the focus of much of the community investment and re-investment
- Plan would also look at the Old Town area for possible inclusion as part of (or in place of) the Town Center
- No formal plan or strategy results in inefficiencies in development patterns
- A Town Center Plan would evaluate boundaries for the Town Center, evaluate opportunities and constraints and create a strategy for how the area might develop or re-develop more efficiently
- Metro is considering updates to the Functional Plan that would require a plan to be in place in order to be eligible for regional investment. Specific requirements include:
 - Boundary adopted
 - Assessment of Town Center must be completed focusing on mixed-use, pedestrian friendly and transit supportive uses
 - Identifying and removing barriers
 - Plan of action and investment to enhance the Town Center
- SW Corridor Planning work being conducted
 - Planning now could inform that process and their outcomes

Possibilities for Grants, Highway 99 Corridor Study:

- This would evaluate transportation and land uses along the 99W corridor to develop strategies for more efficient and effective development
- Could potentially be combined with Town Center Plan or TSP update

Next steps:

- Other ideas?
- Pre-applications submitted in December
- Staff will come back to Council to discuss project and seek resolution of support in January/February
- Projects, if selected, would not begin until late 2011/early 2012

Mayor Mays thanked Julia and addressed the next update.

Urban/Rural Reserves: Julia Hajduk, Planning Manager came forward and presented a power point presentation, (see record, Exhibit D) and recapped the following areas of the presentation:

Process review:

- Process is a shift from the old way of urban growth boundary expansions which required Metro to consider soil types to protect farm land and did not necessarily result in most efficient and effective development opportunities
- Intent is to provide greater predictability on where future growth may take place over the next 40 to 50 years and where farmland and natural areas will be protected from urbanization

- Urban Reserves are a designated supply of land expected to meet the 40-50 year land need. Metro would look to these areas when making choices on where to expand the Urban Growth Boundary
- Rural Reserves are areas of prime farmland and natural areas that are protected from consideration for urbanization for the same 40-50 year period
- The legislation establishing the process for Urban and Rural Reserves specified that once Rural Reserves are established that cannot be re-zoned or re-designated.
- Started in November 2007, shortly after the Oregon Legislature approved SB 1011 establishing the Urban and Rural Reserves process
- 2007-2009 – Meetings, analysis and public comment:
 - establishment of study areas, preliminary designations based on study, and refinements
 - eventually preliminary agreement on proposed urban and rural reserves
- Feb 2010 – Final agreement by the “Core 4”
- March-June 2010 – Each County and Metro held public hearings and formally adopted reserves

Julia referenced maps in the presentation, discussion followed.

Urban and Rural Reserves Decisions

- On Oct. 29, the Oregon Land Conservation and Development Commission voted to approve most of the urban and rural reserves
 - approved all of the urban and rural reserves designated in Clackamas and Multnomah counties
 - Rejected 624 acre area north of Cornelius
 - directed review and reconsideration of a 508-acre urban reserve north of Forest Grove
 - better explain their decision to designate the land urban reserve north of Council Creek
- LCDC remanded (sent back for review) all of the 151,536 acres of rural reserves designated in Washington County.
 - To make up for the acreage north of Cornelius, Washington County and Metro may add land as an urban reserve or as undesignated land elsewhere in the county.
 - Limited the total amount of urban reserves in Washington County to no more than what was initially designated (13,884 acres).
- It is uncertain at this time how Metro and Washington County will address the remand issues
 - Modification of rural reserves to undesignated or urban reserve may be possible but process would be long.
 - Additional analysis
 - Public input
 - Hearings

Urban Growth Boundary:

- Concurrent with the reserves process, Metro has been preparing an Urban Growth Report to determine the 20 year residential and job capacity need and how/where that need will be met

- Can capacity need be met within existing UGB or is expansion needed?
- If expansion is deemed necessary the adopted urban reserve areas would be where new land is brought into the UGB
 - 28,615 acres designated as Urban Reserve is expected to accommodate 50 years of urban land need
- Metro must determine **by December 2010** if there is a need to expand the Urban Growth Boundary
 - Metro has indicated they will wait until **Spring 2011** to determine where expansions would be to allow for the reserves decisions to be finalized
- Metro Chief Operating Officer (COO) recommended several urban reserve areas for further consideration in event UGB expansion was deemed necessary
 - Out of the 28,625 acres of urban reserve, Metro studied 8,298 in detail
 - Because of Brookman Concept Plan area and Tonquin Employment Area additions, Sherwood did not asked for any urban reserve areas to be considered for a 2010 UGB expansion
 - Area 5B – Sherwood West, was recommended for further consideration along with 5 other areas totaling 2,011 acres
 - It is not expected that all these area would be brought in during this UGB decision process

Julia referenced maps in the presentation, discussion followed.

Upcoming Actions:

- Continue to follow decisions and report as needed

Mayor Mays thanked staff for the updates and addressed the next agenda item.

6. NEW BUSINESS:

A. Resolution 2010-049 Declaring Council Seat No. 5 Vacant

City Recorder Sylvia Murphy explained the staff report and the requirements of the Council to declare the Council seat vacant, publish a notice soliciting application for appointment for the remainder of the unexpired term and holding an election at the next available election.

Council President Heironimus asked if Council was required to fill the vacancy. City Attorney Crean replied and stated the Charter states the Council *may* appoint to fill the unexpired term, it is not required, however if Council chose to do so, the code sets out a process with notice requirements.

Council President Heironimus said in a May election, an off year, non-presidential election, this is probably a fairly low turnout election. Mayor May replied it would be the same as a School Board election.

Council President Heironimus stated his fear is that...incumbency is a big advantage and to appoint someone in January or February for a May election to run as an incumbent, on a lower

than normal turnout election could give that incumbent more of an unfair advantage. Mr. Heironimus stated the Council has operated with six members over the last few months and he would opt to leave the position open until the May election.

Councilor Henderson referenced the language in the Charter and the Code and City Attorney Crean clarified the written process as noted in the language. Ms. Henderson asked in regards to steps and processes of appointing and Mr. Crean explained the Council could upon receiving the applications for candidacy, conduct interviews in a work session and if Council happened to receive several applications, Council could form a subcommittee from amongst themselves to bring forward only the most qualified applicants for interviews.

Ms. Henderson asked about noticing and the City Recorder confirmed the public notice could be published in the December Gazette and Archer and on the City website and public areas around town.

Ms. Henderson asked if by adopting the resolution, Council is not adopting a process of vetting people that apply. Mayor Mays and Mr. Crean replied, correct. Ms. Henderson asked when will that be done. Mayor Mays replied it can be done at the next Council meeting. Mr. Crean replied it can be done in January after Council sees how many applications are received. Ms. Henderson stated the importance of adopting the resolution today is to notify of the vacancy, Mr. Crean replied correct and to be able to meet the December Archer and Gazette publication deadlines.

Council President Heironimus stated or we can choose not to fill it.

Councilor Henderson asked the City Recorder what the filing deadline is for the May 2011 election. Ms. Murphy replied, March 8th is the current date listed on the County website but this is subject to change and if this date remains the City's deadline to receive candidate filings is March 1st.

Council President Heironimus commented in regards to the interview process and the timing of the Council meeting to conduct these interviews and possibly needing two Council meetings to conclude the process and the new Councilor possibly not being seated until February or March.

Mayor Mays replied it would depend on the number of applications and it could be as soon as January, if Council approves a process in December.

Councilor Henderson asked if Council passes the resolution are they required to appoint someone. City Attorney Crean, replied no it is not required and Council could after having the candidates in place, send them a letter stating the Council has decided to leave the seat vacant until the May election.

Councilor Henderson stated her concern was not having a process in place.

Mr. Crean stated he spoke with the City Recorder and discussed different scenarios and said Council could form a subcommittee to review applications depending on the number of applications received, and selected applicants would be called for interviews which could be

done during a work session, Council would then vote by ballot in selecting someone. Mr. Crean stated this process could occur in January.

With no other questions, Mayor Mays made the following motion:

MOTION: FROM MAYOR MAYS TO ADOPT RESOLUTION 2010-049, SECONDED BY COUNCILOR LEE WEISLOGEL.

Prior to taking the vote, Council President Heironimus stated he did not believe there was a pending need for Council to fill the position as it creates an incumbent that will run for election three months later and said he believes it would be best to have a level playing field and have them all run for election in May on their own merits.

With no other comments received, the following vote was called.

MOTION PASSED 4:2 (MAYS, WEISLOGEL, GRANT AND FOLSOM IN FAVOR; HEIRONIMUS AND HENDERSON OPPOSED).

Mayor Mays addressed the next agenda item.

B. Resolution 2010-050 Amending Resolution 2009-085 and adopting additional criteria to be used in the annual performance evaluation of the City Manager

Anna Lee Human Resource Manager came forward and explained the resolution.

Council President Heironimus confirmed the additional information was being provided by the consultant and asked if this information was expected to be received in December. Anna replied this is our hope.

Mr. Heironimus asked if there was any inclination from the City Manager's office that he would like to have the evaluation in December after the Council obtains the information, only because of the two outgoing Council members and two new incoming Council members and they not having the basis to perform the City Manager's performance evaluation the first day on the job.

Anna replied this would be up to the Council. Mr. Heironimus requested the City Manager be asked if he would be inclined to move up his annual evaluation to the end of December.

Councilor Folsom concurred with Council President Heironimus and said she believes the process is very important to our citizens.

With no other Council questions or comments, Mayor Mays asked for a motion.

MOTION: FROM COUNCILOR LEE WEISLOGEL TO ADOPT RESOLUTION 2010-050, SECONDED BY COUNCILOR ROBYN FOLSOM. ALL PRESENT COUNCIL MEMBERS VOTED IN FAVOR.

Mayor Mays thanked staff and addressed the next agenda item.

C. Resolution 2010-051 authorizing the City Manager to allocate funds to complete the design and the land use application process for the Sherwood Skate Park

Kristen Switzer Community Services Director came forward and explained the resolution and recapped the staff report. Kristen stated the resolution before Council is to authorize the City Manager to allocate an amount not to exceed \$38,000 to complete the design and land use application process for the Skate Park. Kristen stated this is an unbudgeted amount and the funding source would need to be determined. Kristen said Council could take the \$38,000 from the original \$100,000 that was earmarked for this budget year and informed Council this would require a supplemental budget.

Mayor Mays thanked Kristen and asked for Council questions.

Council President Heironimus asked Finance Director Craig Gibbons for Parks SDC information presented at the Budget Committee meeting held last night. Craig replied based on the amount of SDC's that have come in this year and assuming no other funds would be received, there is a balance of approximately \$45,000.

Councilor Folsom stated but our net was a negative \$3400 for the parks improvement fund, Mr. Gibbons replied this is true and this is all money in the Parks Replacement Reserve. The SDC's themselves net out to zero, but there is money in a Parks Replacement Reserve account and these are the only funds available.

Council President Heironimus asked if the Parks Replacement Reserve is a new fund, Mr. Gibbons replied no, it's always been in the Parks Capital Project area and is a catch all for funds that are not SDC's. Mr. Heironimus asked in regards to an assumed amount of Parks SDC's for a budget year being \$100,000 and Mr. Gibbons stated the City has generated about \$45,000 in Park Improvement SDC's since November 15, 2010, over a 5 month period.

Discussion continued regarding "buckets" of money, administrative fees and transferring of money to cover a deficit of the Snyder Park project. Mr. Gibbons stated all he could tell Council is the Parks Improvement SDC fund had a negative balance of \$332,000 at the beginning of this fiscal year. Discussion continued regarding other City projects that could have resulted in the negative amount.

Council President Heironimus asked about the timing of the Skate Park project and the start of a two year clock, Kristen replied once a service provider letter is received the two year clock begins on the construction. Mr. Heironimus replied anything that moves this project forward is a positive thing and stated he believes it's disingenuous to approve this if there is not the political courage or will to see the project through in the next year or two. Mr. Heironimus stated he supports Option 4, doing Phase 1 of the project, but would also support Option 3 to move forward.

Councilor Folsom stated she spoke with Renee Brouse, Executive Director at the Sherwood YMCA regarding a grant opportunity that Renee has filled out and said it is a significant amount of money, \$250,000. Councilor Folsom stated Renee was told it was a strong grant and the funds might be available to help with this project. Councilor Folsom stated she also spoke with Ms. Brouse regarding the City's support of the project and that support reenergizing the

momentum for the project fundraising. Ms. Folsom commented regarding the upcoming midyear budget review and having the opportunity to shed light on the current budget and reprioritize and said from her perspective as Council Liaison to the Parks Board she feels the \$38,000 is a commitment that in two years we will do all we can to make sure this gets built for the community, but we will also be fiscally responsible.

Mayor Mays stated he is still an advocate for the project and has personally pledged funds but prefers to wait until the Council receives a budget update before acting on the resolution.

Councilor Weislogel commented in regards to the Budget Committee meeting and he would also prefer to wait for a budget report. Councilor Weislogel urged the community to support the project and make pledges and not wait for sometime in the future.

Councilor Henderson asked about the funding options and if Phase 1 included the \$38,000, therefore making it \$141,000 to build Phase 1 after we go through the design process. Kristen replied this is correct and Councilor Henderson replied this is very close to the \$100,000 that we have committed. Council discussion followed.

Councilor Grant stated he would prefer to wait and see the budget report update before proceeding.

Councilor Henderson asked if after the review of the budget report in December and the budget did not look good would we not move forward with allocating the \$38,000 and if that is the case why is Council even considering it.

Councilor Folsom stated she believes the budget report isn't going to look that bad and asked the Finance Director to comment.

Craig Gibbons replied staff has been working on looking at various ways to save money and believes staff has development good savings plans and said staff is working within a very short timeframe to get this budget review done and although he is optimistic he will be very conservative in his projections.

Council President Heironimus suggested moving forward with Option 3.

Councilor Folsom asked Mayor Mays if his point in waiting on the \$38,000 considering Council has committed \$100,000, is this to see if possibly we could do more?

Mayor Mays replied, he did not know how good those numbers will be and he supports the project but does not know if it is doable in the 2011 calendar year or 2012 calendar year. Mayor Mays stated he supports finding other dollars and doesn't know when we will hear back from the YMCA on the grant and doesn't know if there will be a more cohesive group supporting the project and the first step for him is to see where we are financially.

Mayor Mays stated the City has pledged \$100,000 and the soil to build it and we have the community's pledges, but we have not spent anything other than the preliminary design stuff and he is not ready to spend the \$38,000 without know the financial position of the City as we would be spending reserve funds.

Mayor Mays stated, unless there's a motion, this resolution will be continued.

Council President Heironimus asked Craig Gibons if the project could be split into two different years or if it must be done in one fiscal year.

Kristen Switzer replied she wasn't sure as a contract would be needed and she was unsure of the CMGC process.

Tom Pessemier Community Development Director replied technically you may be able to but a contractor would not enter into a contract unless the City could guarantee the funds for the entire project.

Council President Heironimus commented in regards to the process of funding the tennis courts and funding this project in a similar manner. Craig Gibons replied the Parks Board recommendation was not to use SDC's that were not available. Councilor Folsom confirmed.

Mayor Mays asked for a motion or the resolution would be moved to a future date.

MOTION: COUNCIL PRESIDENT HEIRONIMUS MOVED TO ADOPT RESOLUTION 2010-051, SECONDED BY COUNCILOR HENDERSON.

Prior to receiving a vote, Councilor Folsom replied, we've committed the \$100,000 and she is willing to get us within \$2000 if we stop producing the Archer, and said there's \$36,000 in the next year, putting us within \$2000. Ms. Folsom stated she also liked the fact that this is encouraging the community and she feels the City could find the \$38,000 and supports moving forward.

Mayor Mays restated he wants to delay and get a budget update and said the City's pledge of \$100,000 and the land is quite a commitment.

MOTION FAILED: 3:3 (HENDERSON, HEIRONIMUS & FOLSOM IN FAVOR; MAYS, WEISLOGEL AND GRANT OPPOSED).

Mayor Mays addressed the next agenda item.

7. CITIZEN COMMENTS:

Bill Butterfield 23614 SW Heron Lake Drive, Sherwood came forward and stated as a former member of the Parks & Recreation Board he believes he has an insight on what's going on in the community. Mr. Butterfield pleaded with the Council to be fiscally responsible with our money and not be looking for buckets of money and said the community is looking for the Council to do the same.

Eugene Stewart PO Box 534 Sherwood came forward and commented regarding the Urban Renewal District (URD) and stated it appeared to him the Council spent more money than they were authorized to collect. Mr. Stewart recapped financial information in his documents, which

he submitted to the City Recorder (see record). Mr. Stewart commented regarding unfinished URD projects and the need to follow the Urban Renewal Plan.

With no other comments received the Mayor addressed the next agenda item.

8. CITY MANAGER REPORT:

Tom Pessemier Community Development Director reported in the absence of the City Manager and asked Police Chief Groth to provide the Council with an update on the Red Flex System.

Chief Groth informed Council through November 15th with 29 days into the system, the system has recorded 1843 violations of cars going through a solid red light, this would be either running straight through or a right or left turn on a red light. Chief Groth stated these are raw numbers and there are several things that affect the final line. Chief stated they have issued 689 notices of the 1843 violations, these are notices only as we are in the 30 day warning grace period. Chief stated there are many factors that come into play when considering a violation. Chief informed the Council the 30 day grace period might be extended a few days as the City has a few more signs that need to be installed before going live, these signs are required by statute before we can issue citations. Chief stated he anticipates the Police Department issuing citations by the end of this week or the following week.

Councilor Weislogel asked Chief Groth if the stats on citations can be included in the monthly police report submitted to Council. Chief replied he would look into it. Council discussion continued and Chief stated approximately 85-90% of the violations are from non-Sherwood residents.

Councilor Henderson asked in regards to the grace period and Chief Groth explained the timing and the required signage per statute. Councilor Henderson asked in regards to data and the volume of violators coming to pay a citation and expressed concern with the volume of citations and the City's budget to employ two full time employees. Discussion followed and Council was informed the employees have not been hired yet and staff has been transferred from one department to the Court department to train and support the volume for now until more data is received. Ms. Henderson asked if each violation is reviewed by a police officer before a citation is issued, Chief Groth confirmed and explained the process. Discussion continued and Chief Groth informed Council since the installation of the system, there have been two vehicle crashes due to someone running a red light.

Mayor Mays thanked Chief Groth for the report and addressed the next agenda item.

9. COUNCIL ANNOUNCEMENTS:

Council President Heironimus reported his 2nd grade daughter entered a drawing through the Oregon College Savings Plan and won and said one of the benefits of winning is \$500 going towards your local library. Mr. Heironimus stated his daughter requested the funds be used towards children's books if possible.

Councilor Weislogel stated he would like to thank everyone for their support and approving the Renewal Levy for the Library. Mayor Mays thanked Councilor Weislogel for his work and dedication on the measure.

Councilor Folsom reported this weekend the Sherwood High School Drama group will be presenting a play, Bone Chiller, Nov 18-20th at 7:30pm. Ms. Folsom reported the Give n' Gobble run is scheduled Thanksgiving day at 9am and also reported the Holiday Tree Lighting is December 4th. Councilor Folsom reported the Sherwood Chorale is scheduled to perform along with the Children's Chorus and new Middle School Chorus, Foot Notes and stated all funds raised will go to the Sherwood School District. Ms. Folsom informed Council of new School District personnel, Mr. Putnam and reported on his experience with performing arts. Ms. Folsom reported she attended a grant workshop last week coordinated by the Regional Arts Council. Councilor Folsom reported the Budget Committee recently passed a budget policy and thanked the committee members for their work on the policy.

Ms. Folsom stated she has spoken with staff regarding utility billing and concerns of billing issues expressed by members of the public and asked Craig Sheldon Public Works Director or Craig Gibons Finance Director to comment. Mr. Gibons explained the steps and processes the utility billing staff is taking to track data on customer complaints regarding billing and issues with the banking system. Public Works Director Craig Sheldon also commented on issues with the billing system and said a lot of issues were technical. Mr. Sheldon commented regarding timing of a shut-off, past due accounts and policies. Discussion continued on processes followed by other jurisdictions in comparison to Sherwood and reviewing best practices.

Ms. Folsom commented regarding the Sherwood Archer and asked to have future Council discussion on this topic.

Councilor Henderson reported tomorrow night at the YMCA there is an event, the Event Planners, 6-7pm, facilitated by the Chamber of Commerce with an opportunity for organizations in town to meet and develop an event calendar for 2011.

With no other announcements, Mayor Mays adjourned to a URA Board of Directors meeting.

10. ADJOURN: Mayor Mays adjourned at 9:15pm

Submitted by:

Approved:

Sylvia Murphy, CMC, City Recorder

Keith S. Mays, Mayor



SHERWOOD CITY COUNCIL MINUTES
22560 SW Pine St., Sherwood, Or
December 7, 2010

EXECUTIVE SESSION

1. **CALL TO ORDER:** Mayor Mays called the meeting to order at 6:35pm
2. **COUNCIL PRESENT:** Mayor Keith Mays, Council President Dave Heironimus, Councilors Dave Grant, Linda Henderson, Robyn Folsom and Lee Weislogel. Councilors Elect, Bill Butterfield & Matt Langer.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Recorder Sylvia Murphy and City Attorney Paul Elsner.
4. **MEDIA PRESENT:** Oregonian Reporter Eric Florip.
5. **TOPIC DISCUSSED:** Performance Evaluation, pursuant to ORS 192.660 (2)(i). Annual review of City Recorder.
6. **RECESSED:** Mayor Mays recessed to a regular Council meeting at 6:55pm.
7. **RECONVENE:** Mayor Mays reconvened at 9:04pm
8. **ADJOURNED:** Mayor Mays adjourned the Executive Session at 9:25pm and reconvened to the regular City Council meeting.

REGULAR COUNCIL MEETING

1. **CALL TO ORDER:** Mayor Mays called the meeting to order at 7:08pm.
2. **PLEDGE OF ALLEGIANCE AND ROLL CALL:**
3. **COUNCIL PRESENT:** Mayor Keith Mays, Council President Dave Heironimus, Councilors Dave Grant, Linda Henderson, Lee Weislogel and Robyn Folsom. Councilors Elect Bill Butterfield and Matt Langer.
4. **STAFF & LEGAL COUNSEL PRESENT:** City Manager Jim Patterson, Police Chief Jeff Groth, Finance Director Craig Gibons, Public Works Director Craig Sheldon, Economic Development

Manager Tom Nelson, City Engineer Bob Galati and City Recorder Sylvia Murphy. City Attorney Paul Elsner.

Mayor Mays addressed the Consent Agenda and asked for a motion.

5. CONSENT AGENDA:

A. Resolution 2010-052 canvassing returns of the November 2, 2010 Washington County General Election, proclaiming results and directing the City Recorder to enter the Election Results into the record

MOTION: FROM COUNCILOR LINDA HENDERSON TO ADOPT THE CONSENT AGENDA, SECONDED BY COUNCILOR LEE WEISLOGEL. ALL PRESENT COUNCIL MEMBERS VOTED IN FAVOR.

Prior to addressing the next agenda item, Mayor Mays proclaimed via proclamation, December 6-12, 2010 as Human Rights Week and December 10, 2010 as Human Rights Day.

Prior to addressing New Business, Mayor Mays asked for Citizen Comments.

6. CITIZEN COMMENTS:

Marie (no last name given) with Going off Skateboard shop, 22567 SW Washington, Sherwood came forward and stated she was here to support the skate park and thanked staff for a copy of the park design. Marie expressed frustration with funding and said there are a lot of community members willing to donate towards the park once they see Council passes a resolution approving some kind of funding by the City. Marie stated they have heard about the \$100,000 and pledges, but the non-approval of the \$38,000 does not make sense. Marie stated with Council indecision about the skate park, the citizens don't feel there's a lot of Council backing for the project. Marie stated the community members are frustrated. Marie stated Dreamland was expensive and said there are other vendors, she commented regarding receiving other in-kind donations, commented regarding the City using funds to put in place various barriers to keep kids from skating, commented regarding using a parking lot or other property to place rails and ramps and establish a place for kids to skate safely.

Mayor Mays thanked Marie and stated this issue will be before the Council again after they receive an update on the budget next month and said the City has pledged property and \$100,000 towards the project and this doesn't show a lack of commitment. Mayor Mays said just because the City doesn't spend \$38,000 towards design and engineering doesn't mean it's a lack of commitment, there is commitment and the City needs to find the remainder of the money for the project before they spend \$40,000 as this would be a waste of taxpayer money if we can't do the remainder of the project. Mayor Mays stated if we don't have enough money to do at least the first phase we will have to wait.

Mayor Mays asked for other citizen comments.

James Barnaby, on Leander Drive in Sherwood came forward and stated he has been a resident for 23 years and has raised three children here. Mr. Barnaby commented regarding the Newberg skate park and it being a Dreamland Park and stated Dreamland does very nice work and does a fantastic job. Mr. Barnaby referenced the skate park in Donald and this being a Dreamland park and referenced Holly Farms and stated they received all their funding from lottery dollars and asked if the City could get lottery funds or if money from skateboarding or bicycling without a helmet could be used or money from the Red light cameras. Mr. Barnaby stated this town has a lot of money and referenced all the ball fields and millions of dollars going towards those fields and said he was certain the City could find money for a skate park. Mr. Barnaby referenced a meeting held at the YMCA where he heard there was funding and said now it seems like it's being dropped and said the City can do so many other things but when it comes to the skate park, the City will spend money to keep kids from skating but will not help them get a place to skate.

Mayor Mays thanked Mr. Barnaby and asked for other citizen comments.

Neil Shannon 23997 SW Redfern Drive came forward and stated he doesn't understand the urgency of a skate park and getting it approved and funded. Mr. Shannon stated he would like to make corrections to comments heard at the last Council meeting; Community Services Director Switzer comments regarding Council "earmarking \$100,000 for the project", comments from Councilor Henderson and Councilor Folsom regarding the Council "allocated \$100,000 for the project". Mr. Shannon stated he understands the City has committed only \$15,000 to this project and no other funds have been identified, earmarked, allocated or budgeted for this project. Mr. Shannon stated there appears to be support for the skate park from Council and he as well supports the project but asked how will it be paid for. Mr. Shannon made reference to comments received from Council President Heironimus about why it was taking so long to build a skate park and Mr. Shannon stated it's due to the economy with declines in building and SDC revenues being a key factor. Mr. Shannon commented regarding Stella Olsen Park and using up SDC funds and the Parks Board not having any more resources for future parks. Mr. Shannon stated the Council is looking to spend over \$100,000 from strategic reserves from the general fund to fund this project and suggested there are more important things to spend this money on. Mr. Shannon commented regarding street maintenance and the lack of slurry sealing for the past seven years because the Council was unable to find money to pay for it. Mr. Shannon urged the Council to follow the process established by experience and the principles of good governance. Mr. Shannon stated if Council wanted to fund a skate park then take the project to the Parks Board and seek their support as part of their project list in the 2011-12 budget, then take it to the Budget Committee and show them funding for parks using current SDC revenue, get the project into the budget and you've met your fiduciary duties. Mr. Shannon commented regarding continuing to work on grants such as the YMCA and said with all these things put together he believes we can bring forth a skate park that all will be pleased with and still be fiscally responsible.

Mayor Mays thanked Mr. Shannon and Council President Heironimus stated one thing that is different about this budget year in comparison to other budget years is we now have red light cameras on Hwy 99 and that is revenue inflow that we have never experienced before and as far as finding funding, there's funding here. Mr. Heironimus stated when we applied for the

Oregon Parks & Recreation grant we pledged \$100,000, if we were to get a matching grant from the state and said he thinks there was the collective will of the Council, maybe not by resolution, but a commitment for the \$100,000 for the skate park if we were to get the grant. Mr. Heironimus stated we did not get the grant and Councilor Folsom had a great idea regarding the \$38,000 and discontinuing the Archer and going to an electronic version, this would give us \$30,000 a year and would pay for the next baby step in this project. Council President Heironimus stated yes he has been frustrated as he's heard about this for his ten year tenure serving the City, as long as he's heard about the Cultural Arts Center and said it drags on and doesn't believe the economy is the excuse, he stated its political will, the red light camera revenue is there.

Mr. Shannon asked to reply and said the grant applied for was \$100,000 and the matching pledge was \$40,000 and stated from the previous budget committee meetings he believes the City has already budgeted the camera funds and said he is interested in what the budget committee will come up with next week.

With no other citizen comments received, Mayor Mays addressed the next agenda item.

7. NEW BUSINESS

A. Resolution 2010-053 accepting the Annual Financial Report for the year ending June 30, 2010

Craig Gibbons Finance Director and Charles Swank the City's Auditor with Grove, Mueller & Swank, P.C. came forward. Craig explained this is a formal presentation of our annual financial statements and audit (see record, Exhibit A) and said there are two parts to this, one part is the set of financial statements and all the notes and the report to you of our financial standing as of the end of the fiscal year. The other part is the work of the auditor in evaluating the finance department's functions and all financial functions citywide and measuring them against auditing standards.

Mr. Swank stated the Council engaged their firm to audit the financial statements of the City as well as the Urban Renewal Agency. Mr. Swank stated the Council has been provided with copies of those reports and said these report has their independent auditors report in the front section of the documents and said in both cases these are unqualified opinions. Mr. Swank stated the Council also received this evening a document called a single audit report of the Federal Expenditure and said as a recipient of federal dollars in excess of \$500,000, the federal government gives you the privilege of auditing their dollars separately. Mr. Swank informed the Council the City expended about \$5.5 million last year on mostly clean drinking water funding loans (see record, Exhibit B). Mr. Swank stated the federal government requires them to report on internal controls over financial reporting compliance and internal controls over the administration of federal programs and this documents reports their firm had no finding in relation to internal controls and or compliance in relations to the expenditure of federal dollars. Mr. Swank offered to answer questions.

Mr. Swank explained what an “unqualified opinion” means and stated in the auditors opinion the financial statements meets the requirements of general accepted accounting principles and the requirements of the state of Oregon and the requirements of the federal government. In order for us to say that we have no qualification in our opinion, we have to go through the test procedures and measure you against those standards and this is what we did and that is why it’s an opinion without qualification.

Council President Heironimus asked when Grove, Mueller & Swank does audits for cities is this a typical audit or do other cities asked for more in-depth analysis. Mr. Swank replied, generally yes this is typical and said the state of Oregon and if you have federal dollars, the federal government mandates the audit and the state also sets out procedures in addition to general accepted auditing standards. Mr. Swank said they do audits for about 25 cities including Salem.

Council President Heironimus referenced a letter the City received from the state regarding issues they had with a prior audit and asked if this has been corrected and if things are in place to prevent future responses from the state. Mr. Swank replied in relations to the June 30, 2009 financial statements, when the state reviewed them they had some things they would have liked presented differently and some things added, they did not require that to be done and your finance director and I agreed to do that and made the corrections. Mr. Swank stated the numbers were not incorrect, it was issues with disclosure.

Councilor Henderson asked how did Grove, Mueller & Swank come to be hired by the City. Mr. Swank replied they have been the City’s auditor for some 8 years or so and doesn’t recall when they submitted the last proposal to the City.

Craig Gibons explained financial results for last year and referenced the charts on page 20 of the Council packet and said these are actual numbers, not budget numbers. Discussion followed.

Councilor Henderson referenced page 35 of the Council packet and asked for clarification on ending fund balance. Craig and Mr. Swank explained, Council discussion followed and Councilor Folsom commented regarding the information being confusing and the desire to understand what the Council is asked to adopt.

Mayor Mays asked if the resolution needed to be adopted this evening, Craig replied the audit is due in the Secretary of State office by December 31st and stated it has been prepared by him and reviewed by the auditor and explained to Council the resolution is their acceptance of the document, they are not vouching for any of the numbers in the audit. Craig informed Council in prior years the audit did not come to Council for adoption, staff just submitted it to the state.

Discussion followed with a further explanation of the audit report possibly being provided at the Budget Committee meeting. Discussion followed with prior audits not being adopted by the Council and with their adoption, they are owning it. Craig explained the City could request an extension from the state, he further explained that the state does not require Council adoption of the audit and Council has not required it in the past and stated it’s a courtesy and said he is bringing it to Council because he has brought it before past Council’s in other jurisdictions he

has worked with. Discussion followed with a request for extension requiring a reason by the state.

Council conceded to table the resolution. City Attorney Elsner informed Council the resolution required an action by the Council by a vote of the Council. Mr. Elsner explained the process of tabling legislation.

Finance Director Gibons reminded the Council the resolution stated the Council was giving him authorization to submit the audit. Mr. Elsner recommended amending the resolution by: Deleting Section 1 of Resolution 2010-053, moving the language in Section 2 to Section 1 and adding a new Section 2, stating "this resolution is and shall be affective by passage of the City Council".

Mayor Mays stated the following motion.

MOTION: FROM MAYOR MAYS TO AMEND RESOLUTION 2010-053 AS STATED BY THE CITY ATTORNEY, SECONDED BY COUNCILOR DAVE GRANT. MOTION FAILED 3:3 (MAYS, GRANT AND WEISLOGEL IN FAVOR; HEIRONIMUS, HENDERSON AND FOLSOM OPPOSED)

Mayor Mays asked for another motion.

MOTION: COUNCIL PRESIDENT HEIRONIMUS MOTIONED TO TABLE INDEFINITELY, NO SECOND WAS RECEIVED, MOTION DIED.

Councilor Grant commented regarding stepping outside of the scope of what Council is doing and said all Council is being asked to do is accept the audit.

Councilor Henderson asked Mr. Gibons if Council does not adopt the resolution will he still submit it. Mr. Gibons replied he will do what he is instructed to do. Ms. Henderson asked had Mr. Gibons not brought the resolution to the Council what would he have done. Mr. Gibons replied he would not have dreamed of not bringing it to the Council. Ms. Henderson commented regarding past audit reports not coming before the Council for adoption and not feeling they have had enough time to review it and they are under a time deadline. Ms. Henderson asked Mr. Gibons what has he done with other Councils in the past where he wasn't subject to a deadline and presented an audit in the form of a resolution. Mr. Gibons replied in every situation where he has presented the audit in a form of a resolution, it was passed on the day it was presented.

With no other Council comments, Mayor Mays asked for a motion on the proposed resolution.

MOTION: FROM COUNCILOR DAVE GRANT TO ADOPT RESOLUTION 2010-053 AS PRESENTED, SECONDED BY MAYOR MAYS. MOTION FAILED 3:3 (MAYS, GRANT AND WEISLOGEL IN FAVOR; HEIRONIMUS, HENDERSON AND FOLSOM OPPOSED).

The following motion was received.

MOTION: FROM COUNCILOR ROBYN FOLSOM TO TABLE RESOLUTION 2010-053 UNTIL JANUARY TO ALLOW COUNCIL TIME TO REVIEW IT AND FEEL MORE COMFORTABLE WITH IT AND INSTRUCT STAFF TO SUBMIT THE AUDIT AS WRITTEN BY DECEMBER 31ST WITHOUT ASKING FOR AN EXTENSION. SECONDED BY COUNCIL PRESIDENT HEIRONIMUS. MOTION PASSED 5:1 (MAYS, HEIRONIMUS, HENDERSON, WEISLOGEL AND FOLSOM IN FAVOR; GRANT OPPOSED).

Mayor Mays addressed the next agenda item.

B. Resolution 2010-054 Adopting a revised set of financial policies for the City of Sherwood

Finance Director Craig Gibons came forward and stated Council is familiar with this as they helped in creating it and said this is a culmination of the work of the Budget Committee over the last six months.

Mayor Mays thanked staff for their work on the policies and asked for Council questions.

Councilor Henderson referenced page 7 of the policies page 122 of the Council packet and asked Craig to refresh her memory on Stabilization. Craig replied we didn't really talk about this and said it's a standard policy and said a lot of the GASP 54 documentation provides for the issuance of stabilization and stabilization funds are funds where money is put for stabilization. Craig said if revenues fall, we pull out of the stabilization account to make up for the fallen revenues. Craig stated we don't have any stabilization accounts and this is a placeholder in case we decide to create them.

Councilor Henderson asked isn't an asset depreciation account a stabilization account? Craig replied no and said you as the Council have dedicated the asset depreciation account to that purpose.

Councilor Henderson asked would a stabilization account be a different account and read the language under stabilization in the policy and asked Craig to clarify. Craig stated it could go either way and said it's flexible for Council to do what they would like to do.

Council President Heironimus asked if contingency is another form of stabilization, Craig replied not this form of stabilization and said there are different types of contingencies and when talking about a fund contingency, Council could dedicate a portion of that contingency to stabilization and it would then fall under these rules.

Council President Heironimus referenced page 120 of the Council packet, page 5 of the policy, Policy III-Revenue, number 8 and asked Craig how does Council define "adequately". Craig replied that's a Council decision based on Councils understanding of the service delivery level.

Councilor Folsom asked in regards to prior Council discussion of a rainy-day fund and asked if the stabilization fund is a similar concept. Craig replied, yes and stated his understanding of stabilization funds is very limited, limited to his reading of GASP 54 and said if Council chooses to have stabilization funds in the future he will research them further.

Councilor Grant stated what he likes best about this document is on page 123 of the Council packet, page 8 of the policies the last item, which speaks of the Council making a pledge to the citizens that we are going to set aside money and have a strong reserve of unrestricted fund balance. Councilor Grant referenced page 120 of the Council packet, and said item 4 and item 8 go together well. Mr. Grant quoted the language in item 8 and said the Council should repeat their belief in contributions to reserve and asked for Council's opinion on having the language amended to state: *such revenue may be used as contributions to reserve and or to fund new expanded programs*. Mr. Grant stated this is Council telling the community how we feel about our money. Council discussion followed regarding having 20% in reserves, examples of new and expanded programs and new revenue streams and the revenue from Photo Red Light as an example.

Councilor Grant made the following motion.

MOTION: TO AMEND RESOLUTION 2010-054, POLICY III-REVENUE, ITEM 8, THE LAST PHRASE AFTER THE COMMA, TO SAY; SUCH REVENUE MAY BE USED AS CONTRIBUTIONS TO RESERVES AND OR TO FUND NEW OR EXPANDED PROGRAMS. SECONDED BY MAYOR MAYS.

Prior to taking a vote, Council discussion occurred.

VOTE: MOTION PASSED 5:1 (MAYS, GRANT, HENDERSON, WEISLOGEL AND FOLSOM IN FAVOR, HEIRONIMUS OPPOSED).

Mayor Mays asked for a motion on the amended resolution.

MOTION: FROM COUNCILOR HENDERSON TO ADOPT AMENDED RESOLUTION 2010-054, SECONDED BY COUNCILOR WEISLOGEL. MOTION PASSED 5:1 (MAYS, GRANT, HENDERSON, WEISLOGEL AND FOLSOM IN FAVOR, HEIRONIMUS OPPOSED).

Mayor Mays addressed the next agenda item.

C. Resolution 2010-055 a Resolution authorizing the City Manager to enter into a contract with Western Financial Group for Financial Advisory Services

Finance Director Craig Gibons came forward and informed Council in spring of this year the City will have to refinance a \$10 million water loan and staff is seeking the services of Western Financial Group as this is a complex undertaking. Mr. Gibons explained the contract is a three year contract for \$50,000 and informed the Council staff assumes there will be two financings during this three year period plus some intermittent consulting work on financial issues. Craig explained the work done by the consultant will be included as part of the financing, therefore it will not come directly out of the City's general fund.

Councilor Henderson asked if this is a budgeted item. Craig replied the payment for services will come out of the financing proceeds, therefore there is no line item for the services they will be providing. Craig stated there may be other financial services they provide and this will come out of budgeted professional services.

Councilor Henderson asked why does the City need to refinance. Craig replied because it's only construction financing and is a line of credit and we've used it up and we need to get permanent financing.

Mayor Mays asked for other Council questions, with none heard he asked for a motion.

MOTION: FROM COUNCILOR WEISLOGEL TO ADOPT RESOLUTION 2010-055, SECONDED BY COUNCIL PRESIDENT HEIRONIMUS, ALL COUNCIL MEMBERS VOTED IN FAVOR.

Mayor Mays addressed the next agenda item.

D. Resolution 2010-056 authorizing the City Manager to purchase a truck mounted sewer and catch basin cleaner

Craig Sheldon Public Works Director came forward and explained the resolution and informed the Council the current truck is 16 years old and has problems.

Councilor Weislogel asked what will be done with the old truck. Craig replied the City will put a little bit of money into it and use it as a backup for now. Craig informed the Council staff has been budgeting for this truck since 2007 through asset depreciation. Craig referenced an email received by the Council from one of the bidders who expressed concern with an unfair process and Craig stated the process was fair and the City strictly went off the lowest bidder and the complainant was not the lowest bidder.

Councilor Folsom asked what did the current truck cost, Craig replied he did not recall and said it was purchased used back in 1997 or 1998.

With no other Council questions, Mayor Mays asked for a motion.

MOTION: FROM COUNCILOR HENDERSON TO ADOPT RESOLUTION 2010-056, SECONDED BY COUNCILOR WEISLOGEL, ALL COUNCIL MEMBERS VOTED IN FAVOR.

Mayor Mays thanked staff and addressed the next agenda item.

8. CITY MANAGER REPORT:

City Manager Jim Patterson reported on life safety and parking issues on Woodhaven and the intersection of Woodhaven and Saunders. Mr. Patterson stated the City received several complaints regarding high school parking in this neighborhood and issues with school buses and emergency services not having clear access and there being an issue with life safety with students parking on both sides of the street. Mr. Patterson stated the City's engineering department looked at the area and recommended a stop sign and no parking signs and the residents in the area have been notified. Mr. Patterson stated the City received another concern from a resident regarding the data that was collected and the City in response to this hired AKS Engineering to assess the area and in conclusion the City will be installing a stop

sign and no parking signs. Mr. Patterson informed the Council staff will be bringing future legislation before the Council for consideration of additional no parking signs near Villa.

Mayor Mays addressed the next agenda item.

9. COUNCIL ANNOUNCEMENTS:

Mayor Mays congratulated the High School Volleyball team and High School Football team for placing first in state. Mayor Mays thanked the Robin Hood Festival Association for the coordination of the Holiday Parade and Tree Lighting Ceremony.

Councilor Weislogel reported and congratulated Mayor Mays as he has been elected to be president of the Oregon Mayor's Association. Councilor Weislogel commented regarding the reference to the utility bill as a water bill and said it should be referenced as a utility bill as the billed services are not strictly for water, but for utility services as well as services for Clean Water Services.

Council President Heironimus stated he does not believe it's a bad thing when Council members ask questions of staff in open session as this allows the members of the public to know what's going on. Mr. Heironimus encouraged the new incoming Councilor's to ask lots of questions of staff and said this is part of a Councilor's responsibilities.

Councilor Folsom reported the Sherwood Chorale, Sherwood Children's Choir and Footnote Choir are holding their annual Holiday Concert this Saturday at 2:30pm and 7:30pm at the High School Performing Arts Center.

With no other Council announcements, Mayor Mays recessed the City Council meeting to a URA Board of Directors meeting at 8:30pm (see URA Board records).

Upon conclusion of the URA Board meeting, the City Council reconvened at 9:04pm to a City Council Executive Session per ORS 192.660 (2)(i) to continue with the annual performance evaluation of the City Recorder, (see Executive Session minutes).

10. RECONVENE:

Upon conclusion of the City Recorders performance evaluation in Executive Session, the City Council reconvened to the Council open session to discuss compensation and conclude the performance evaluation.

11. ADJOURNED:

Mayor Mays adjourned at 9:31pm.

Sylvia Murphy, CMC, City Recorder

Keith S. Mays, Mayor



**SHERWOOD CITY COUNCIL MINUTES
22560 SW Pine St., Sherwood, Or
December 16, 2010-SWOT Meeting**

SWOT MEETING

1. **COUNCIL PRESENT:** Mayor Keith Mays, Councilors Dave Grant, Linda Henderson, Lee Weislogel and Robyn Folsom. Council President Dave Heironimus was absent.
2. **MEMBERS OF CITY BOARDS AND COMMISSIONS:** See record sign in sheet.
3. **STAFF PRESENT:** City Manager Jim Patterson, Finance Director Craig Gibons, Community Services Director Kristen Switzer, Economic Development Manager Tom Nelson, Library Manager Pam North, Planning Manager Julia Hajduk, Human Resource Manager Anna Lee and City Recorder Sylvia Murphy.
4. **BUSINESS:** No business was conducted, the City hosted an appreciation dinner for members of all City Boards and Commissions beginning at 6pm. SWOT Reports were made available at the meeting for informal discussion (see record, Exhibit A).
5. **ADJOURNED:**

No formal adjourn time, dinner concluded at approximately 8:00pm.

Sylvia Murphy, CMC, City Recorder

Keith S. Mays, Mayor



RESOLUTION 2011-001

A RESOLUTION REAPPOINTING JAMES BOSCOLE TO THE CULTURAL ARTS COMMISSION

WHEREAS, James Boscole was appointed to the Cultural Arts Commission by Resolution 2009-078 and served the remainder of a two year term; and

WHEREAS, the Cultural Arts Commission currently has vacancies and James Boscole has requested reappointment; and

WHEREAS, Council Liaison Linda Henderson and the Chair of the Cultural Arts Commission Doug Pedersen, with assistance of staff, are recommending James Boscole for reappointment; and

WHEREAS, according to Chapter 2.08.010 of the Sherwood Municipal Code, members of the Cultural Arts Commission shall be appointed by the Mayor with consent of the City Council for a two year term.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. The Mayor is authorized to reappoint James Boscole to a two year term, expiring January 2013.

Section 2: This Resolution is effective upon its approval and adoption.

Duly passed by the City Council this 4th day of January 2011.

Keith S. Mays, Mayor

Attest:

Sylvia Murphy, CMC, City Recorder



RESOLUTION 2011-002

A RESOLUTION APPOINTING CYDNEY CORL HILL TO THE CULTURAL ARTS COMMISSION

WHEREAS, the Cultural Arts Commission has vacancies; and

WHEREAS, Council Liaison Linda Henderson and the Chair of the Cultural Arts Commission Doug Pedersen, with assistance of staff, are recommending Cydney Corl Hill for appointment; and

WHEREAS, according to Chapter 2.08.010 of the Sherwood Municipal Code, members of the Cultural Arts Commission shall be appointed by the Mayor with consent of the City Council for a two year term.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. The Mayor is authorized to appoint Cydney Corl Hill to a two year term, expiring January 2013.

Section 2. This Resolution is effective upon its approval and adoption.

Duly passed by the City Council this 4th day of January 2011.

Keith S. Mays, Mayor

Attest:

Sylvia Murphy, CMC, City Recorder



RESOLUTION 2011-003

**A RESOLUTION APPOINTING JIM HAYNES TO THE
CULTURAL ARTS COMMISSION**

WHEREAS, the Cultural Arts Commission has vacancies; and

WHEREAS, Council Liaison Linda Henderson and the Chair of the Cultural Arts Commission Doug Pedersen, with assistance from staff, are recommending Jim Haynes for appointment; and

WHEREAS, according to Chapter 2.08.010 of the Sherwood Municipal Code, members of the Cultural Arts Commission shall be appointed by the Mayor with consent of the City Council for a two year term.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. The Mayor is authorized to appoint Jim Haynes to a two year term, expiring January 2013.

Section 2. This Resolution is effective upon its approval and adoption.

Duly passed by the City Council this 4th day of January 2011.

Keith S. Mays, Mayor

Attest:

Sylvia Murphy, CMC, City Recorder

Council Meeting Date: January 4, 2011

Agenda Item: Consent Agenda

TO: Sherwood City Council

FROM: Craig Sheldon, Public Works Director

SUBJECT: AUTHORIZING CITY MANAGER TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF WILSONVILLE REGARDING CONSTRUCTION, OWNERSHIP, AND OPERATION OF METER VAULT SERVICE CONNECTION OF THE BOECKMAN ROAD TO GRAHAMS FERRY ROAD WATER TRANSMISSION LINE (SEGMENT 5A) WITH SHERWOOD TRANSMISSION LINE SEGMENT 6 AND A TRANSMISSION PIPELINE CONNECTION (SEGMENT 5B) FROM THE METER VAULT TO WATER TRANSMISSION SEGMENT 5A.

ISSUE: Should the City approve Resolution 2011-004 authorizing City Manager to enter into an intergovernmental agreement with the City of Wilsonville regarding construction, ownership, and operation of meter vault service connection of the Boeckman Road to Grahams Ferry Road water transmission line (SEGMENT 5A) with Sherwood transmission line Segment 6 and a transmission pipeline connection (SEGMENT 5B) from the meter vault to water transmission SEGMENT 5A.

BACKGROUND: In 2005, the City adopted a Water Master Plan which details anticipated water need for the City of Sherwood. Identified within the Master Plan were options for long-term water source needs. After Council reviewed the options, they directed staff to present a ballot to the voters to consider the Willamette River as a source for the City.

Resolution 2005-055 authorized the City Recorder to publish the ballot that allows Sherwood to use Willamette River as drinking water source. This ballot was approved by voters in November 2005.

In January 2006, the City of Sherwood began working on a feasibility study of the pipeline route. This allowed the City to determine the best pipe route option and helped to decide by August 2006 that it was cost-effective to proceed. The study indicated that we needed to partner with the City of Wilsonville on Segments 2, 3, 4 and 5 to reduce costs to our citizens since these segments had already been constructed or were in the process of being constructed.

Resolution 2006-064 authorized the City Manager to enter into an Intergovernmental Agreement (IGA) with Tualatin Valley Water District (TVWD) to acquire an undivided ownership interest in a portion of TVWD's ownership interest in the Water Treatment Plant (WTP) facilities in Wilsonville Oregon. We purchased 5.0 million gallons per day (mgd) capacity of undivided interest. The cost was \$6,962,630.00.

Resolution 2007-045 authorized the City Manager to enter into an IGA with the City of Wilsonville for Segment 2 water line costs in the amount of \$598,769.00.

Resolution 2007-054 authorized the City Manager to enter into a contract with Murray, Smith and Associates (MSA) for design and construction management of the water supply improvement project.

Resolution 2008-022 authorized the City Manager to enter into an IGA with the City of Wilsonville for Segment 4 water line costs in the amount of \$3,224,313.34.

Resolution 2008-023 authorized the City Manager to enter into an IGA with the City of Wilsonville for Segment 5 water line costs in the amount of \$997,058.17.

Resolution 2008-032 authorized the City Manager to enter into a contract with Emery and Sons to construct the 4.0 Million Gallon Reservoir, with Tennis Courts, Half Street Improvement on Division Street, Pump Station and 1,300 ft of 48" water transmission pipeline in the amount of \$1,208,737.00.

Resolution 2008-052 authorized the City Manager to sign on behalf of the City an intergovernmental cooperative agreement that creates the Willamette River Water Coalition (WRWC). This IGA increased the City's share of the WRWC Willamette River Permit from 5.0 mgd to 20.0 mgd.

Resolution 2009-067 authorized the City Manager to award a contract to construct Segments 6, 7, 8 and 9 of 48" water transmission pipeline from Sherwood to Wilsonville.

FINDINGS: The City of Sherwood has completed ahead of schedule Segments 6, 7 and 8 of the 48" water transmission pipeline and is currently waiting for construction of the meter vault and Segment 5B of the pipeline (which ties 5A to Segment 6) and the meter vault will be used to register the amount of water used by Sherwood.

This Meter Vault is in partnership with the City of Wilsonville. Sherwood needs an IGA to break out costs allocated to each City for ownership and operations of the meter vault service connections and Wilsonville has a need for equipment within this vault for future reservoir.

Attached to the resolution is the IGA with Wilsonville and two exhibits. Exhibit A is the legal description of the Tooze Road Revenue Vault Right of Way (Meter Vault) and Exhibit B is the estimated costs for construction of the meter vault. Bids will be open on January 11, 2011 and at that time Sherwood will pay from the actual bid tabulation using same percentage breakdown shown and this money is currently in our 2010-11 budget.

RECOMMENDATION: STAFF RECOMMENDS COUNCIL AUTHORIZE THE CITY MANAGER TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF WILSONVILLE REGARDING CONSTRUCTION, OWNERSHIP, AND OPERATION OF METER VAULT SERVICE CONNECTION OF THE BOECKMAN ROAD TO GRAHAMS FERRY ROAD WATER TRANSMISSION LINE (SEGMENT 5A) WITH SHERWOOD TRANSMISSION LINE SEGMENT 6 AND A TRANSMISSION PIPELINE CONNECTION (SEGMENT 5B) FROM THE METER VAULT TO WATER TRANSMISSION SEGMENT 5A.



RESOLUTION 2011-004

AUTHORIZING CITY MANAGER TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF WILSONVILLE REGARDING CONSTRUCTION, OWNERSHIP, AND OPERATION OF METER VAULT SERVICE CONNECTION OF THE BOECKMAN ROAD TO GRAHAMS FERRY ROAD WATER TRANSMISSION LINE (SEGMENT 5A) WITH SHERWOOD TRANSMISSION LINE SEGMENT 6 AND A TRANSMISSION PIPELINE CONNECTION (SEGMENT 5B) FROM THE METER VAULT TO WATER TRANSMISSION SEGMENT 5A

WHEREAS, Tualatin Valley Water District (TVWD), Sherwood and Wilsonville each own undivided ownership shares in the Willamette River Water Treatment Plant (“WRWTP”) and appurtenances thereto from raw water intake through Segment 1 of finished water transmission; and

WHEREAS, Sherwood and Wilsonville have collectively constructed Segments 2, 4, and 5A of 48 inch diameter water transmission lines within Wilsonville; and

WHEREAS, Sherwood has constructed and owns 18,000 lf of 48 inch diameter transmission (Segments 6-9) from a point near the terminus of Transmission Segment 5A and continuing to a newly constructed Sherwood Reservoir (Snyder Park- 4 mgd capacity); and

WHEREAS, the Parties have also negotiated successfully, in principal, the design and proposed construction of a Meter Vault facility and appurtenant small segment of 48 inch diameter transmission line (segment 5B), collectively referred to as the Meter Vault Project; and

WHEREAS, it is recognized by the Parties that it is necessary to enter into this intergovernmental cooperative agreement through ORS Chapter 190 to provide for the property acquisition, surveying, modeling geotechnical/environmental studies, permitting, telemetry design, and construction, including inspection/Project management, ownership and maintenance of the Meter Vault Project.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. The City Manager is authorized to enter into an Intergovernmental Agreement with the City of Wilsonville, attached as Exhibit A, regarding construction, ownership, and operation of meter vault service connection of the Boeckman Road to Grahams Ferry Road water transmission line (Segment 5A) with Sherwood transmission line Segment 6 and a transmission pipeline connection (Segment 5B) from the meter vault to water transmission Segment 5A.

Section 2. This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 4th day of January 2011.

Keith S. Mays, Mayor

Attest:

Sylvia Murphy, CMC, City Recorder

**AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITIES OF
SHERWOOD AND WILSONVILLE REGARDING CONSTRUCTION,
OWNERSHIP, AND OPERATION OF A METER VAULT SERVICE
CONNECTION OF THE BOECKMAN ROAD TO GRAHAMS FERRY
ROAD WATER TRANSMISSION LINE (SEGMENT 5A) WITH
SHERWOOD TRANSMISSION LINE SEGMENT 6 AND A
TRANSMISSION PIPELINE CONNECTION (SEGMENT 5B) FROM THE
METER VAULT TO WATER TRANSMISSION SEGMENT 5A**

This Agreement (“Agreement”) is made and entered into this ___ day of _____, 2011, by and between the City of Sherwood, an Oregon Municipal Corporation (“Sherwood”), and the City of Wilsonville, an Oregon Municipal Corporation (“Wilsonville”), referred to collectively as (“the Parties”).

Recitals

The Parties agree upon the following Recitals:

A. WHEREAS Tualatin Valley Water District (TVWD), Sherwood and Wilsonville each own undivided ownership shares in the Willamette River Water Treatment Plant (“WRWTP”) and appurtenances thereto from raw water intake through Segment 1 of finished water transmission. The WRWTP has a current designed capacity of 15 mgd. Sherwood, through a capacity purchase from Tualatin Valley Water District (“TVWD”), owns 1/3 or 5 mgd of that capacity, while Wilsonville owns 2/3 or 10 mgd of WRWTP capacity in addition to larger capacity interests in other appurtenant facilities.

B. WHEREAS Sherwood and Wilsonville have collectively constructed Segments 2, 4, and 5A of 48 inch diameter water transmission lines within Wilsonville, which in conjunction with the WRWTP and other facilities will jointly serve both cities with a permanent potable water supply. Together these already constructed transmission facilities are 8,183 lf in length and represent a present joint investment of \$8,183,000. Sherwood and Wilsonville each own 1/2 of the capacity of Segment 2. Sherwood owns 2/3 of the capacity of Segments 4 and 5A, while Wilsonville owns the remaining 1/3 capacity of each.

C. WHEREAS Sherwood has constructed and owns 18,000 lf of 48 inch diameter transmission (Segments 6-9) from a point near the terminus of Transmission Segment 5A and

continuing to a newly constructed Sherwood Reservoir (Snyder Park- 4 mgd capacity). The cost of the construction of these Sherwood transmission facilities is estimated to be in excess of \$11,630,000. Construction of these transmission facilities has just been completed in December 2010 by Emery and Sons (“Emery”), Sherwood’s General Contractor. Emery was also the General Contractor for Sherwood for the Snyder Park Reservoir. Completion of construction of these transmission segments had been estimated to occur in the spring of 2011. In order for Sherwood to accept these facilities from Emery they need to be pressure tested and flushed, and then maintained and refreshed with a required maximum amount of potable water (400 gpm). The source of this water is from the WRWTP and the Water Distribution System of the City of Wilsonville. A Temporary Water Supply Agreement is being contemporaneously negotiated between the parties for the 400 gpm water for pressure testing and flushing.

D. WHEREAS it has been long recognized and agreed to by the Parties that the collectively owned transmission linkage between the WRWTP and the City of Sherwood will not occur until the 2500 lf of Segment 3 48 inch diameter transmission is constructed by Wilsonville. This transmission project is a part of a significantly larger project involving the extension of Kinsman Road from Barber Road to Boeckman Road, and the allied construction of sanitary and storm lines. This Project also requires substantial Environmental Permitting because it traverses wetlands, a FEMA established Floodway/Flood Plain, and Bonneville Power Administration (BPA) transmission line. Presently completion is estimated by Wilsonville to occur in 2013 or 2014. This Project is now proceeding through Preliminary Design and Engineering. The Parties will separately negotiate terms of an Agreement wherein Sherwood would front the costs relating to the water transmission portion of this Project subject to Wilsonville reimbursement of its share of water transmission project costs. The Parties are also presently negotiating an Interim Water Supply Agreement, which will involve temporary wheeling of surplus water to Sherwood of up to 2.5 mgd of WRWTP potable water through Wilsonville distribution lines until such time as Segment 3 is completed and on line. The Parties have commissioned Montgomery Watson Harza, Inc. (“MWH”) to perform a hydraulic capacity analysis of current facility capacity to ensure the 2.5 mgd is in fact surplus to Wilsonville’s ongoing and projected needs. These Projects will be the subject of subsequent Agreements between the Parties.

E. WHEREAS the Parties have also negotiated successfully, in principal, the design and proposed construction of a Meter Vault facility and appurtenant small segment of 48 inch diameter transmission line (segment 5B), collectively referred to as the Meter Vault Project. The Meter Vault Project will link Transmission Segments 5A and 6, provide required metering facilities for surplus water flowing to Sherwood, and house pressure reducing valves and transmission lines to serve Wilsonville's distribution and reservoir systems. Wilsonville will issue bid notices for this project on or before January 15, 2011. The Parties will consider adoption of this Project in an Agreement which will be available for consideration and adoption by the Parties in January 2011. Completion of that Project is anticipated in June 2011. Sherwood has tentatively agreed, subject to successful negotiation of contract terms, to advance funding of its proportionate share of the Project as well as advance funding and construction of the extension of a Wilsonville 24 inch diameter transmission line which will be a wholly owned Wilsonville component of this Project. The terms of this Project are the subject of this Agreement and the aforementioned Temporary Water Supply Agreement between the Parties.

F. WHEREAS the unanticipated early completion of Segments 6-9 of 48 inch diameter transmission by Sherwood in December 2010 and the estimated completion of the Meter Vault in June 2011 leaves a short but very important period when temporary water supply to Sherwood in an amount not to exceed 400 gpm will be required as explained in Recital C above. The Parties have developed a way to provide temporary water supply during this period by the advance construction by Sherwood of a 24 inch diameter transmission line extension. This transmission line extension previously was a part of the Meter Vault Project, referenced in Recital E above, to serve Wilsonville permanently with potable water through the meter vault. All required real property has been acquired by Wilsonville for the construction of this line extension and its connection to Sherwood's Segment 6 transmission line. Sherwood has proposed to pay for the redesign associated with advancing the 24 inch line extension and to front costs for this Project subject to reimbursement of Wilsonville's share through credits against future temporary and interim water sales to Sherwood.

G. WHEREAS Sherwood and Wilsonville agree to the design and construction of the facilities of the Meter Vault Project under the terms and conditions of this Agreement.

H. WHEREAS it is recognized by the Parties that it is necessary to enter into this intergovernmental cooperative agreement through ORS Chapter 190 to provide for the property acquisition, surveying, modeling geotechnical/environmental studies, permitting, telemetry design, and construction, including inspection/Project management, ownership and maintenance of the Meter Vault Project.

I. WHEREAS the Parties have the authority to enter into this Agreement pursuant to their applicable charter, principal acts, and ORS 190.003 – 190.030.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Recitals.** The recitals set forth above are incorporated by reference and made a part of this Agreement.

2. **Consideration.** In consideration of the terms and conditions set forth below, the Parties enter into this Agreement to design and construct the facilities of the Meter Vault Project which will link transmission segments 5A and 6, provide required metering facilities and transmission for water flowing to Sherwood, and house pressure reducing valves and transmission to serve Wilsonville's distribution and reservoir systems. The facilities of the Meter Vault Project are more particularly described in the project bid plans and specifications, a copy of which have been provided to each party and which are incorporated by reference.

3. **Term.** The term of this Agreement shall be perpetual unless otherwise agreed to by the Parties.

4. **Reimbursement of Certain Wilsonville Expenses Previously Incurred.** Wilsonville has identified \$99,902.88 of expenses previously incurred for design, right-of-way acquisition, and staff time relating to the Meter Vault Project, which the Parties agree should be reimbursed by Sherwood. Sherwood agrees, within five (5) business days of the Parties' execution of the Temporary Water Supply Agreement between the Parties, to remit this sum to Wilsonville. Receipt of this remittance by Wilsonville will fully satisfy these previously incurred obligations.

5. **Meter Vault Property and Ownership.** The real properties upon which the Meter Vault Project are located is described in Exhibit A and incorporated by reference herein.

Wilsonville has advanced the costs of the acquisition, Level I appraisal and environmental report, purchase price, and closing and escrow costs and staff and consultant time in the amount of \$34,898.00. Wilsonville obtained its fee interest by warranty deed. Upon payment by Sherwood of the sum of \$99,902.88 as more particularly described in section 4 above, Wilsonville agrees to grant to Sherwood a fifty percent (50%) undivided interest as tenants in common by sufficient warranty deed consistent with the terms of the warranty deed it received.

6. Contract Estimated Costs and Award. The estimated cost for the construction of the Meter Vault Project including surveying, inspection and construction management is \$962,545 net of 24 inch temporary water line extension addressed in Temporary Water Supply Agreement between the parties. Those estimated costs are more particularly described in Exhibit B attached hereto and incorporated herein by reference. The Parties anticipate that Wilsonville will issue bid notices for this Project on or before January 15, 2011.

7. Contract Obligations and Payment. The estimated contract costs contained in Exhibit B are broken down for each project element into percentage responsibility of benefit and payment obligations and joint ownership of the Parties. Project elements 1-29 constitute the jointly-owned and jointly-benefitted project elements as well as a 24 inch diameter transmission line with a 12 inch diameter by-pass (project element 28), which latter element is of exclusive benefit to Sherwood and which will be exclusively owned by Sherwood upon the end of construction. Project elements 30-42 and their respective costs are set out in a separate table in Exhibit B. These project elements have permanent sole benefit to Wilsonville and ownership of these project elements upon completion of construction will be that of Wilsonville. By separate agreement (Temporary Water Supply Agreement) the Parties have agreed that Sherwood by contract-change order will pay for the redesign and construct project elements ___ to ___. Wilsonville will reimburse Sherwood for the costs of construction of those identified facilities as provided in the Temporary Water Supply Agreement between the parties to be executed contemporaneously herewith. Sherwood, within two (2) weeks of Wilsonville's award of a contract for the construction of the Meter Vault Project, not including the Meter Vault Project facilities constructed by Sherwood as above described, shall deposit with Wilsonville an amount equivalent to its proportionate monetary interest of the Meter Vault Project so bid and contracted

for by Wilsonville. Wilsonville shall be responsible for the remainder of Project costs so contracted, subject to a true-up by the Parties at Project completion.

8. Change Orders. Sherwood shall be promptly notified in writing within seventy-two (72) hours of any proposed contract change order that exceeds \$10,000 or when the aggregate of any change orders reach \$50,000. Wilsonville shall not authorize any change order that exceeds \$10,000 or any change order or orders that in the aggregate would exceed \$50,000 if Sherwood has notified Wilsonville within seven (7) days of receipt of written notice that Sherwood objects to the same. If the objection is not resolved within a reasonable period of time, work may proceed subject to Sherwood's protest in dispute resolution rights set forth below in section 16.

9. Capacity and Ownership of the Meter Vault and Appurtenant Facilities. The Meter Vault Project facilities are intended to have an actual final peak design capacity of 30 mgd. Sherwood shall be entitled to a 67 percent (67%) capacity share thereof, and Wilsonville the remaining 33 percent (33%) share thereof. Ownership means the right of each party to use for its own benefit its portion of meter vault capacity. In the event that actual operating design capacity exceeds 30 mgd, the supplemental capacity shall be owned by the Parties in proportion to the above-referenced capacity shares. The respective capacity use of the Parties will be metered by appropriate metering facilities. The aforementioned 24 inch transmission extension line to be constructed in advance to serve the temporary water use for hydraulic and biological testing and flushing, and then maintained and refreshed, is intended to be 100% owned by Wilsonville as provided for in the Temporary Water Supply Agreement.

10. Operation and Maintenance Responsibilities. Unless otherwise agreed to by the Parties in writing, Wilsonville shall have the responsibility for operation and maintenance of the Meter Vault Project facilities. The actual, direct, out-of-pocket expenses of post-construction operation and maintenance of the Project (together with any allowance as the Parties may agree upon for general or administrative expenses) shall be billed to the Parties monthly in proportion to their respective ownership interests as set out in Exhibit B. Each Party shall be solely responsible for operation and maintenance for project elements for which they have 100 percent (100%) ownership. The cost of operation and maintenance of jointly-owned project elements shall be shared by the Parties based upon their respective ownership interests therein.

Wilsonville shall exercise due diligence in effecting its operation and maintenance responsibilities under this Agreement. Any non-emergency maintenance project or event in excess of \$10,000 in total costs will require the coordination and consent of Sherwood.

Wilsonville shall ensure that all flow meters are maintained properly and calibrated annually. Wilsonville shall be responsible for the reading of meters.

Subject to shut-down for emergencies, announced scheduled repairs, or precautionary shut-down to allow upstream spills in the Willamette River to flow past the intake of the WRWTP, Wilsonville shall operate the meter vault facility and appurtenances in a manner to not harm Sherwood and to provide Sherwood's ownership capacity share at an adequate hydraulic grade at the point of delivery to Sherwood. The point of delivery is defined as the revenue meter located approximately 400 feet west of the intersection of southwest Grahams Ferry Road and Tooze Road. Unless otherwise agreed to by the Parties, an adequate hydraulic grade at the point of delivery to Sherwood shall be at a level sufficient to completely fill Sherwood's terminal sunset reservoirs which have an overflow elevation of approximately 380 feet.

Should temporary conditions exist beyond the operational control of Wilsonville of the WRWTP which materially impact the ability of the WRWTP to produce sufficient water to meet the demand of both cities, the available supply capacity of the WRWTP shall be split in accordance with the respective ownership rights in capacity at the WRWTP. The aforementioned is not intended to alter the respective ownership of capacity of Parties in the meter vault facility and appurtenances. Neither city shall be responsible to meet the water demands of the other.

Wilsonville shall be responsible for the control and supervision of all activities of the Meter Vault Project and shall prepare and submit to Sherwood financial activity reports of the Project not less than annually and prepare such other reports and information as the Parties may require and mutually agree upon.

11. Transmission of Water to Third Parties. Unless both parties otherwise previously agree in writing, neither Party shall permit use of the Meter Vault Project for the purpose of transmitting water to any person other than Wilsonville or Sherwood customers, save and except a transfer by Sherwood of its ownership interest in the Meter Vault Project to the

Willamette River Water Coalition (WRWC). In the event of such a transfer to the WRWC by Sherwood, the Project shall be jointly owned by Wilsonville and the WRWC. No other party shall have any interest therein unless mutually agreed by the Parties. Subject to sections 14 and 15 below or as otherwise agreed to by the Parties in writing, transmission of water by a Party shall not exceed that Party's ownership share in the WRWTP.

12. Budget. Annually, and 150 days prior to the commencement of each Party's fiscal year, Wilsonville shall prepare and distribute to each Party a forecast of anticipated costs for the meter vault facility and appurtenances for that ensuing fiscal year and each Party shall contribute its share of this amount in proportion to its ownership interests in the Project.

13. Non-Emergency Repair or Replacement. Wilsonville shall monitor the overall condition of the meter vault facility and appurtenances and shall schedule any non-emergency major repair or replacement two (2) years in advance of such major repair or replacement. At the same time, Wilsonville shall prepare an estimated annual expenditure for the cost of the scheduled repair or replacement. Upon preparation of the schedule and annual costs, Wilsonville shall provide Sherwood a copy of the same.

14. Leasing of Supply Capacity. Each Party shall have the right to lease from the other Party any unused capacity of that Party's capacity share of the meter vault facility and appurtenances as the Party with the unused capacity may determine in its sole discretion to be reasonably available and prudent to be leased to the other Party. The compensation to the leasing Party shall be fairly and equitably agreed upon by the Parties.

15. Overuse of Project Facilities. Wilsonville and Sherwood shall each use the meter vault facilities and appurtenances in a manner consistent with prudent water utility practices and to minimize insofar as is practicable interference with each others use of its respective share of capacity to meets its demand. Unless caused by system operation conditions not caused by the overusing Party, any overuse of 10 percent (10%) or greater of either Wilsonville or Sherwood for two (2) consecutive years or for three (3) out of five (5) consecutive years shall result in the overusing Party compensating the other Party at a lease rate that will be fairly and equitably agreed upon by the Parties.

16. Dispute/Attorneys Fees. If a dispute arises between the Parties regarding breach of this Agreement or interpretation of any term of this Agreement, the Parties shall first attempt to resolve the dispute by negotiation, followed by mediation and arbitration.

Step One: The respective City Managers of the Parties or their designees are designated to negotiate on behalf of the Party each represents. If the dispute is resolved at this Step One, there shall be a written determination of such resolution, signed by each Party's Manager and ratified by each governing body, if required by the governing body, which shall be binding upon the Parties. Step One will be deemed complete when a Party delivers notice in writing to the other Parties that the Party desires to proceed to Step Two.

Step Two: If the dispute cannot be resolved within ten (10) days at Step One, or earlier after written notice given by a party, the Parties shall submit the matter to non-binding mediation by a professional engineer with demonstrated substantial experience in the design, construction and operation of complex municipal treatment, transmission, distribution, and storage systems. The Parties shall attempt to agree on a mediator. If they cannot agree, the Parties shall request a list of five (5) mediators from an entity or firm experienced in providing engineering mediation services who do not have an existing professional relationship with either Party. The Parties will mutually agree upon a mediator from the list provided. Any common costs of mediation shall be borne equally by the Parties who shall each bear their own costs and fees. If the issue(s) is resolved at this Step Two, a written determination of such resolution shall be signed by each Manager and approved by their respective governing bodies, if necessary.

Step Three: If mediation does not resolve the issue within forty-five (45) days of submission of the issue to mediation, the matter will be referred to binding arbitration by a panel of three arbitrators who are professional engineers with demonstrated substantial experience in the design, construction and operation of complex municipal treatment, transmission, distribution, and storage systems. One arbitrator will be chosen by each Party and those two arbitrators chosen will choose a third arbitrator. No panel member may have an on-going professional relationship to either Party. The arbitration panel will reasonably endeavor to reach a decision on the dispute within sixty (60) days of its submission to the panel. The decision shall be binding on both Parties and there shall be no right of further appeal. The prevailing Party shall be entitled to its reasonable attorneys fees as shall be awarded by the arbitration panel.

17. Breach. If a Party defaults under the terms of this Agreement, then upon twenty (20) days written notice, the defaulting Party shall undertake steps to commence cure of the breach within a reasonable time, depending on the circumstances. In the event there is a dispute over the amount to be paid, the undisputed amount shall be paid immediately and the Agreement shall not be in default while the solution to the disputed payment portion is resolved under Section 9. The Parties understand and agree that water service is critical to each Party's customers and that monetary damages may be an insufficient remedy considering the infrastructure involved. Therefore, the Parties expressly agree that equitable remedies such as injunction or specific performance are specifically contemplated and allowed by this Agreement.

18. Notices. Notices regarding operation, maintenance, repair, replacement, breach, termination, renewal or other issues shall be deemed sufficient if deposited in the United States Mail, First Class, postage prepaid, addressed to the Parties as follows:

City Manager
City of Sherwood
22560 SW Pine Street
Sherwood, OR 97140

City Manager
City of Wilsonville
29799 SW Town Center Loop E
Wilsonville, OR 97070

19. Insurance and Indemnity. To the full extent permitted by law, each Party agrees to indemnify and hold harmless the other, its counsel, officers, employees, and agents from any and all claims, demands, damages, actions, or other harm caused by the sole negligence of that Party, including any attorneys fees or other costs of defense. Further, independent of the indemnity obligation, each Party agrees to maintain general liability insurance in an amount not less than Oregon Tort Claim limits applicable to public agencies as set forth in ORS 30.260 – 30.300.

20. Succession. This Agreement shall be binding upon any successors to the respective Parties, which through merger, consolidation or other means, including a lawful transfer by Sherwood to the Willamette River Water Coalition (WRWC), succeeds to the water supply treatment and distribution and transmission functions of that Party.

21. Amendment. The terms of this Agreement may be amended or supplemented by mutual agreement of the Parties. Any amendment or supplement shall be in writing and shall refer specifically to this Agreement, and which shall be executed by the Parties.

22. Good Faith and Cooperation. The Parties agree and represent to each other good faith, complete cooperation, and due diligence in the performance in all obligations of the Parties pursuant to this Agreement.

23. Governing Law. This Agreement is governed by the laws of the State of Oregon.

24. Counterparts. This Agreement may be signed in two (2) counterparts, each of which shall be deemed as an original and, when taken together, shall constitute one (1) and the same agreement.

25. Mutual Indemnification. Wilsonville shall indemnify Sherwood as may be allowed for any and all claims by third parties against Sherwood arising out of the negligence or intentional acts of Wilsonville, its officials, employees, agents, contractors, or assigns. Sherwood shall indemnify Wilsonville as may be allowed for any and all claims by third parties against Sherwood arising out of the negligence or intentional acts of Wilsonville, its officials, employees, agents, contractors, or assigns.

26. Instruments of Further Assurance. From time to time, at the request of either Party, each Party shall, without further consideration, execute and deliver such further instruments and shall take such further action as may be reasonably required to fully effectuate the purposes of this Agreement.

27. Severability. In case any one or more of the provisions contained in this Agreement shall be judicially deemed invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the Parties have, pursuant to official action of their respective governing bodies duly authorizing the same, caused their respective officers to execute this Agreement on their behalf.

CITY OF SHERWOOD
An Oregon municipal corporation

CITY OF WILSONVILLE
An Oregon municipal corporation

City Manager

City Manager

City Recorder

City Recorder

APPROVED AS TO FORM

APPROVED AS TO FORM

City Attorney

City Attorney



MacKay & Sposito, Inc. www.mackaysposito.com

MacKay & Sposito, Inc.
1325 SE Tech Center Drive, Suite 140
Vancouver, WA 98683
Phone: 360-695-3411
Fax: 360-695-0833

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05-05-09
mjf

LEGAL DESCRIPTION
TOOZE ROAD REVENUE VAULT
FEE RIGHT OF WAY

A parcel of land lying in the Southwest quarter of Section 10, Township 3 South, Range 1 West, W.M., Clackamas County, Oregon being a portion of Tax Lot 2800, Assessor's Plat 3 1W 10C, being further described as follows:

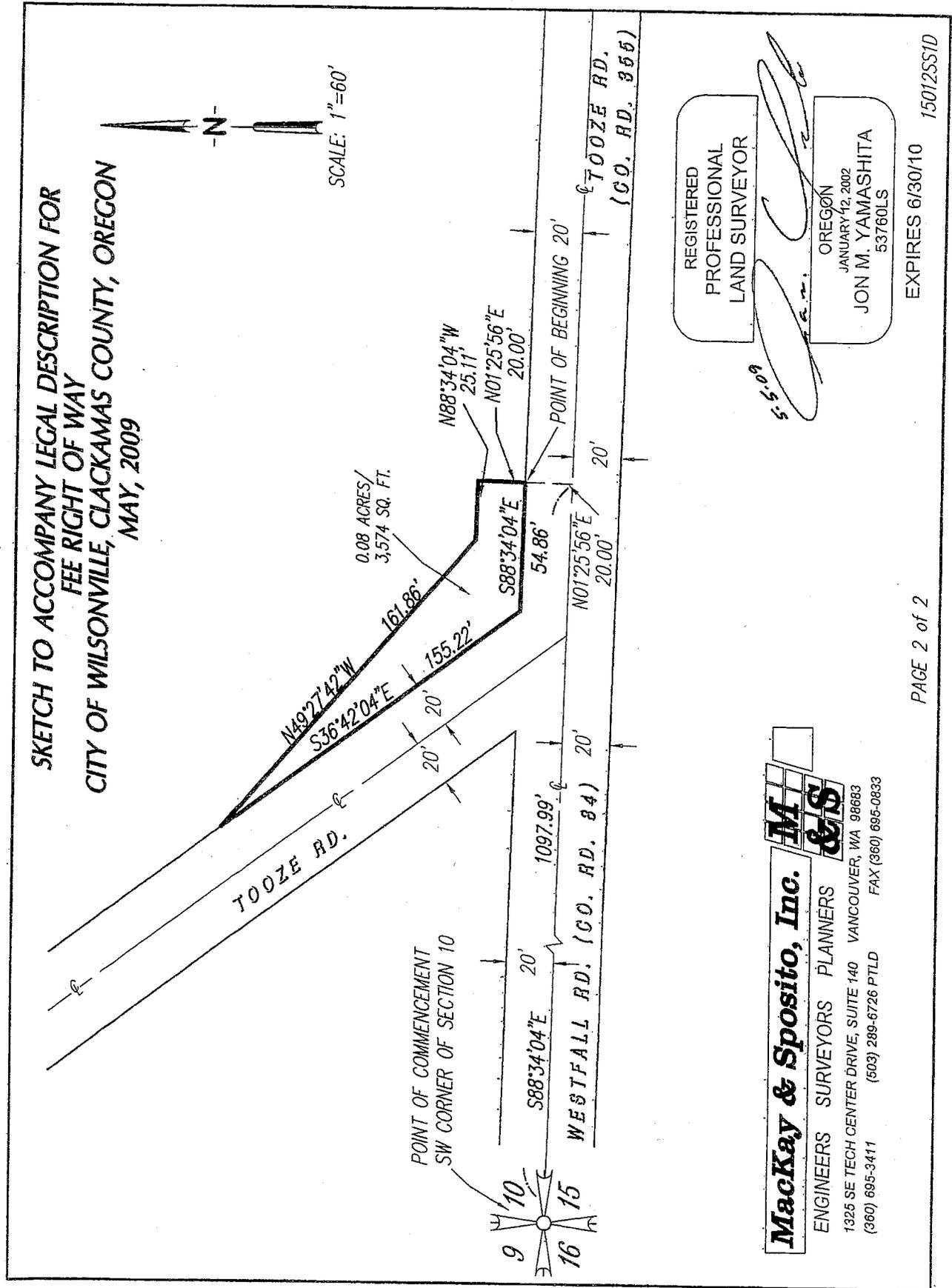
Commencing at the Southwest corner of said Section 10; thence South 88°34'04" East along the South line of said Section 10, also being the centerline of Westfall Road (County Road No. 84) and Tooze Road (County Road No. 355), a distance of 1097.99 feet to a point on said South line; thence North 01°25'56" East a distance of 20.00 feet to a point on the Northerly right of way line of said Tooze Road and marking the **True Point of Beginning**; thence continuing North 01°25'56" East a distance of 20.00 feet; thence North 88°34'04" West, parallel with said centerline, a distance of 25.11 feet; thence North 49°27'42" West a distance of 161.86 feet to a point on the Easterly right of way line of said Tooze Road, said point being 20.00 feet Easterly of, when measured at right angles to, the centerline of said Tooze Road; thence South 36°42'04" East, parallel with said centerline, a distance of 155.22 feet to a point on said Northerly right of way; thence South 88°34'04" East along said Northerly right of way line a distance of 54.86 feet to the **True Point of Beginning**.

Containing 0.08 acres or 3,574 sq. ft., more or less.

Subject to easements and restrictions of record.



4



(5)

13-Apr-10 Tooze Road 24" & 48" Water System and Revenue Vault - City of Wilsonville/Sherwood Shared Estimated Costs												
Item #	Bid Schedule Pipe Installation and Appurtenances	Unit	Unit Price	Qty	Budgeted Cost	Actual Qty	Paid to Date	City of Wilsonville		City of Sherwood		
								%	Cost (\$)	%	Cost (\$)	
1	Mobilization (10%)	LS	\$ 78,028.00	1	\$ 78,028.00	-	\$ -	33%	\$ 25,749.24	67%	\$ 52,278.76	
2	Clearing and Grubbing	LS	\$ 5,000.00	1	\$ 5,000.00	-	\$ -	75%	\$ 3,750.00	25%	\$ 1,250.00	
3	Grading and Erosion Control Measures	LS	\$ 2,500.00	1	\$ 2,500.00	-	\$ -	75%	\$ 1,875.00	25%	\$ 625.00	
4	Temp. Protection & Direction of Traffic	LS	\$ 6,000.00	1	\$ 6,000.00	-	\$ -	75%	\$ 4,500.00	25%	\$ 1,500.00	
5	Traffic control - flagging	HR	\$ 50.00	320	\$ 16,000.00	-	\$ -	75%	\$ 12,000.00	25%	\$ 4,000.00	
6	Tree Protection (to Dripline)	LF	\$ 5.00	130	\$ 650.00	-	\$ -	75%	\$ 487.50	25%	\$ 162.50	
7	Connect to existing 48"	EA	\$ 7,500.00	1	\$ 7,500.00	-	\$ -	33%	\$ 2,475.00	67%	\$ 5,025.00	
8	Install 48" Butterfly valve, class F	EA	\$ 30,000.00	1	\$ 30,000.00	-	\$ -	33%	\$ 9,900.00	67%	\$ 20,100.00	
9	Install 48" Steel Waterline	LF	\$ 795.00	233	\$ 185,235.00	-	\$ -	33%	\$ 61,127.55	67%	\$ 124,107.45	
10	Install 6" blowoff on 48"	EA	\$ 4,200.00	1	\$ 4,200.00	-	\$ -	33%	\$ 1,386.00	67%	\$ 2,814.00	
11	Relocate 48" testhead	EA	\$ 4,500.00	1	\$ 4,500.00	-	\$ -	33%	\$ 1,485.00	67%	\$ 3,015.00	
12	Cathodic Protection system	LS	\$ 5,000.00	1	\$ 5,000.00	-	\$ -	33%	\$ 1,650.00	67%	\$ 3,350.00	
13	Test 48" waterline	LS	\$ 2,500.00	1	\$ 2,500.00	-	\$ -	33%	\$ 825.00	67%	\$ 1,675.00	
14	Trench Foundation for Water (If Necessary)	CY	\$ 40.00	50	\$ 2,000.00	-	\$ -	33%	\$ 660.00	67%	\$ 1,340.00	
15	Trench Protection for Water Main	LF	\$ 1.00	565	\$ 565.00	-	\$ -	33%	\$ 186.45	67%	\$ 378.55	
16	Unclassified Excavation for Vault	CY	\$ 20.00	250	\$ 5,000.00	-	\$ -	75%	\$ 3,750.00	25%	\$ 1,250.00	
17	1/2" Dense Graded Level 3 AC Pavement	Ton	\$ 160.00	35	\$ 5,600.00	-	\$ -	33%	\$ 1,848.00	67%	\$ 3,752.00	
18	3/4" Temporary AC Pavement	Ton	\$ 70.00	35	\$ 2,450.00	-	\$ -	33%	\$ 808.50	67%	\$ 1,641.50	
19	Sawcut Asphalt	LF	\$ 2.20	820	\$ 1,804.00	-	\$ -	33%	\$ 595.32	67%	\$ 1,208.68	
20	8" PVC Gravity Drain (3/4"-0 Crushed Rock)	LF	\$ 70.00	200	\$ 14,000.00	-	\$ -	50%	\$ 7,000.00	50%	\$ 7,000.00	
21	6" Commerical Driveway Complete (15'x30')	LS	\$ 6,000.00	1	\$ 6,000.00	-	\$ -	33%	\$ 1,980.00	67%	\$ 4,020.00	
22	Area lighting complete	LS	\$ 2,000.00	1	\$ 2,000.00	-	\$ -	33%	\$ 660.00	67%	\$ 1,340.00	
Pipe and Appurtances (outside the vault)												
				SUBTOTAL	\$ 386,532.00							
23	Install manway vault	EA	\$ 17,000.00	1	\$ 17,000.00	-	\$ -	33%	\$ 5,610.00	67%	\$ 11,390.00	
24	Install 30" Blind Flg w/4" dia. Outlet (complete)	EA	\$ 5,000.00	1	\$ 5,000.00	-	\$ -	33%	\$ 1,650.00	67%	\$ 3,350.00	
Inside Vault												
				SUBTOTAL	\$ 22,000.00							
25	Prefabricated Reinforced Vault (22'x25'x11.3')	LS	\$ 60,000.00	1	\$ 60,000.00	-	\$ -	75%	\$ 45,000.00	25%	\$ 15,000.00	
26	HS20 double door access hatch 60x60	EA	\$ 5,000.00	2	\$ 10,000.00	-	\$ -	33%	\$ 3,300.00	67%	\$ 6,700.00	
27	HS20 double door access hatch 72x120	EA	\$ 8,000.00	2	\$ 16,000.00	-	\$ -	33%	\$ 5,280.00	67%	\$ 10,720.00	
28	Install 24" with 12" bypass with Metering Assembly (complete)	LS	\$ 80,000.00	1	\$ 80,000.00	-	\$ -	0%	\$ -	100%	\$ 80,000.00	
29	Telemetry Complete	LS	\$ 50,000.00	1	\$ 50,000.00	-	\$ -	75%	\$ 37,500.00	25%	\$ 12,500.00	
				SUBTOTAL	\$ 216,000.00							
CONSTRUCTION TOTAL					\$ 624,532.00			\$ 243,038.56		\$381,493.44		

Design, Survey and Construction Management	\$ 50,000.00	50%	\$ 25,000.00	50%	\$ 25,000.00
Design and Construction Contingency (20%)	\$ 134,907.00	57%	\$ 76,896.99	43%	\$ 58,010.01
Right-of Way and Easement Acquisition (Actual)	\$ 34,898.00	50%	\$ 17,449.00	50%	\$ 17,449.00
Wilsonville Inspection and Overhead (14%)	\$ 118,208.00	14%	\$ 50,734.00	14%	\$ 67,474.00
Grand Total	\$ 962,545.00				
Sherwood Share	\$ 549,426.45				\$549,426.45
Wilsonville Share	\$ 413,118.55		\$413,118.55		

City of Wilsonville Only Cost												
Item #	Bid Schedule Pipe Installation and Appurtenances	Unit	Unit Price	Budget Qty	Budgeted Cost	Actual Qty	Paid to Date	City of Wilsonville		City of Sherwood		
								%	Cost (\$)	%	Cost (\$)	
30	Install 18" with 8" bypass PRV (Complete)	EA	\$ 60,000.00	1	\$ 60,000.00	-	\$ -	100%	\$ 60,000.00	0%	\$ -	
31	Connect to existing 24"	EA	\$ 3,700.00	1	\$ 3,700.00	-	\$ -	100%	\$ 3,700.00	0%	\$ -	
32	Install 24" Butterfly Valve	EA	\$ 4,000.00	4	\$ 16,000.00	-	\$ -	100%	\$ 16,000.00	0%	\$ -	
33	Install 24" DIP waterline	LF	\$ 323.00	325	\$ 104,975.00	-	\$ -	100%	\$ 104,975.00	0%	\$ -	
34	Install 24" Flg Tee	EA	\$ 5,000.00	1	\$ 5,000.00	-	\$ -	100%	\$ 5,000.00	0%	\$ -	
35	Install 24" Flg x MJ Adapter	EA	\$ 2,000.00	4	\$ 8,000.00	-	\$ -	100%	\$ 8,000.00	0%	\$ -	
36	Install 24" MJ 45 Degree Horz. Bend w/TB	EA	\$ 3,000.00	3	\$ 9,000.00	-	\$ -	100%	\$ 9,000.00	0%	\$ -	
37	Install 24" MJ 90 Degree Horz. Bend w/TB	EA	\$ 3,000.00	2	\$ 6,000.00	-	\$ -	100%	\$ 6,000.00	0%	\$ -	
38	Install 24"x18" Flg. Reducer	EA	\$ 3,700.00	2	\$ 7,400.00	-	\$ -	100%	\$ 7,400.00	0%	\$ -	
39	Install 6" blowoff on 24"	EA	\$ 4,000.00	1	\$ 4,000.00	-	\$ -	100%	\$ 4,000.00	0%	\$ -	
40	Test 24" DIP waterline	LS	\$ 4,000.00	1	\$ 4,000.00	-	\$ -	100%	\$ 4,000.00	0%	\$ -	
41	Install 2" Combination ARV	EA	\$ 3,700.00	1	\$ 3,700.00	-	\$ -	100%	\$ 3,700.00	0%	\$ -	
42	Install 24"/48" connection	EA	\$ 2,000.00	1	\$ 2,000.00	-	\$ -	100%	\$ 2,000.00	0%	\$ -	
				SUBTOTAL	\$ 233,775.00				\$ 233,775.00			

Design, Survey and Construction Management	\$ 10,000.00	100%	\$ 10,000.00	0%	\$ -
Design and Construction Contingency (20%)	\$ 48,755.00	100%	\$ 48,755.00	0%	\$ -
Right-of Way and Easement Acquisition	\$ -	100%	\$ -	0%	\$ -
Wilsonville Inspection and Overhead (14%)	\$ 40,955.00	14%	\$ 40,955.00	0%	\$ -
Subtotal	\$ 99,710.00		\$ 99,710.00		
Grand Total	\$ 1,296,030.00		\$ 746,603.55		
Sherwood Share	\$ 549,426.45				\$549,426.45
Wilsonville Share	\$ 746,603.55		\$746,603.55		

TO: Sherwood City Council

FROM: Craig Sheldon, Public Works Director

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A TEMPORARY WATER SUPPLY AGREEMENT BETWEEN THE CITY OF WILSONVILLE AND THE CITY OF SHERWOOD FOR PRESSURE TESTING, FLUSHING AND PROVISIONS FOR REFRESH WATER FOR A NEWLY CONSTRUCTED SHERWOOD 48 INCH DIAMETER TRANSMISSION LINE (SEGMENT 6-9 - 18,000 LF)

ISSUE: Should the City approve Resolution 2011-005 authorizing City Manager to enter into a temporary water supply agreement between the City of Wilsonville and the City of Sherwood for pressure testing, flushing and provisions for refresh water for a newly constructed Sherwood 48 inch diameter transmission line (Segment 6-9 – 18,000 lf).

BACKGROUND: Please note that this is a temporary agreement until the meter vault is completed and then an interim water agreement will be brought before Council for approval.

The City of Sherwood has completed ahead of schedule Segments 6, 7 and 8 of the 48” water transmission pipeline and is currently waiting for construction of the meter vault and Segment 5B of the pipeline (which ties 5A to Segment 6) and the meter vault will be used to register the amount of water used by Sherwood.

This leaves a short but very important period when temporary water supply to Sherwood in an amount not to exceed 400 gpm is needed. The City of Wilsonville has agreed to extend their 24 inch distribution line to connect to our 48 inch water transmission pipeline to allow us to begin receiving temporary water.

This is a short section of pipe and will be handled as a change order through our existing contract with Emery & Sons (currently getting cost estimate and we expect to have at council meeting).

Sherwood will be responsible for the extension of the Wilsonville 24 inch diameter transmission to the point of connection with Sherwood’s Segment 6 Transmission Line and payment to Sherwood from Wilsonville will be by means of credits against future temporary and interim water sales from Wilsonville to Sherwood. If for some reason there is a remaining balance, it is Wilsonville’s responsibility to remit that balance within 30 days of end of temporary and interim water sales from Wilsonville to Sherwood.

FINDINGS: Sherwood agrees to purchase temporary water from Wilsonville for the negotiated sum of \$1.45 per CCF, plus a wheeling charge of \$0.15 per CCF for using Wilsonville’s water distribution system and water. We anticipated having these numbers available at the Council meeting since we are currently negotiating these rates when the packet was being compiled and printed.

RECOMMENDATION: STAFF RECOMMENDS COUNCIL AUTHORIZE THE CITY MANAGER TO ENTER INTO A TEMPORARY WATER SUPPLY AGREEMENT BETWEEN THE CITY OF WILSONVILLE AND THE CITY OF SHERWOOD FOR PRESSURE TESTING, FLUSHING AND PROVISIONS FOR REFRESH WATER FOR A NEWLY CONSTRUCTED SHERWOOD 48 INCH DIAMETER TRANSMISSION LINE (SEGMENT 6-9 - 18,000 LF).



RESOLUTION 2011-005

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A TEMPORARY WATER SUPPLY AGREEMENT BETWEEN THE CITY OF WILSONVILLE AND THE CITY OF SHERWOOD FOR PRESSURE TESTING, FLUSHING AND PROVISIONS FOR REFRESH WATER FOR A NEWLY CONSTRUCTED SHERWOOD 48 INCH DIAMETER TRANSMISSION LINE (SEGMENT 6-9 - 18,000 LF)

WHEREAS, Tualatin Valley Water District (TVWD), Sherwood and Wilsonville each own undivided ownership shares in the Willamette River Water Treatment Plant (“WRWTP”) and appurtenances thereto from raw water intake through Segment 1 of finished water transmission; and

WHEREAS, Sherwood and Wilsonville have collectively constructed Segments 2, 4, and 5A of 48 inch diameter water transmission lines within Wilsonville; and

WHEREAS, Sherwood has constructed and owns 18,000 lf of 48 inch diameter transmission (Segments 6-9) from a point near the terminus of Transmission Segment 5A and continuing to a newly constructed Sherwood Reservoir (Snyder Park- 4 mgd capacity); and

WHEREAS, the unanticipated early completion of Segments 6-9 of 48 inch diameter transmission by Sherwood in December 2010 and the estimated completion of the Meter Vault in June 2011, leaves a short but very important period when temporary water supply to Sherwood in an amount not to exceed 400 gpm is needed; and

WHEREAS, Sherwood agrees to purchase temporary water from Wilsonville under the terms and conditions of this Agreement.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. The City Manager is authorized to enter into a temporary water supply agreement, attached as Exhibit A, between the City of Wilsonville and the City of Sherwood for pressure testing, flushing and provisions for refresh water for a newly constructed Sherwood 48 inch diameter transmission line (Segment 6-9 – 18,000 lf).

Section 2. This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 4th day of January 2011.

Keith S. Mays, Mayor

Attest:

Sylvia Murphy, CMC, City Recorder

**TEMPORARY WATER SUPPLY AGREEMENT BETWEEN THE CITY
OF WILSONVILLE AND THE CITY OF SHERWOOD FOR PRESSURE
TESTING, FLUSHING AND PROVISION FOR REFRESH WATER FOR A
NEWLY CONSTRUCTED SHERWOOD 48 INCH DIAMETER
TRANSMISSION LINE (SEGMENTS 6-9- 18,000 LF)**

This Temporary Water Supply Agreement (“Agreement”) is effective this ___ day of _____, 2011, by and between the City of Sherwood, an Oregon Municipal Corporation (“Sherwood”), and the City of Wilsonville, an Oregon Municipal Corporation (“Wilsonville”), referred to collectively as (“the Parties”).

Recitals

A. WHEREAS Tualatin Valley Water District (TVWD), Sherwood and Wilsonville each own undivided ownership shares in the Willamette River Water Treatment Plant (“WRWTP”) and appurtenances thereto from raw water intake through Segment 1 of finished water transmission. The WRWTP has a current designed capacity of 15 mgd. Sherwood, through a capacity purchase from TVWD, owns 1/3 or 5 mgd of that capacity, while Wilsonville owns 2/3 or 10 mgd of WRWTP capacity in addition to larger capacity interests in other appurtenant facilities.

B. WHEREAS Sherwood and Wilsonville have heretofore entered into joint ownership of supply capacity in constructed Segments 2, 4, and 5A of 48 inch diameter water transmission lines within Wilsonville, which in conjunction with the WRWTP and other facilities will jointly serve both cities with a permanent potable water supply. Together these already constructed transmission facilities are approximately 8,183 lf in length and represent a present joint investment of \$8,183,000. Sherwood and Wilsonville each own 1/2 of the capacity of Segment 2. Sherwood owns 2/3 of the capacity of Segments 4 and 5A, while Wilsonville owns the remaining 1/3 capacity of each.

C. WHEREAS Sherwood has constructed and owns approximately 18,000 lf of 48 inch diameter transmission (Segments 6-9) from a point near the terminus of Transmission Segment 5A and continuing to a newly constructed Sherwood Reservoir (Snyder Park- 4 mgd capacity). The cost of the construction of these Sherwood transmission facilities is estimated to

be in excess of \$11,630,000. Construction of these transmission facilities has just been completed in December 2010 by Emery and Sons (“Emery”), Sherwood’s General Contractor. Emery was also the General Contractor for Sherwood for the Snyder Park Reservoir. Completion of construction of these transmission segments had been estimated to occur in the spring of 2011. In order for Sherwood to accept these facilities from Emery they need to be hydrologically and biologically tested and flushed, and then maintained and refreshed with an estimated maximum amount of potable water (400 gpm). The source of this water is from the WRWTP and through the Water Distribution System of the City of Wilsonville.

D. WHEREAS it has been long recognized and agreed to by the Parties that the collectively owned transmission linkage between the WRWTP and the City of Sherwood will not occur until the approximately 2500 lf of Segment 3 48 inch diameter transmission is constructed by Wilsonville. This transmission project is a part of a significantly larger project involving the extension of Kinsman Road from Barber Road to Boeckman Road, and the allied construction of sanitary and storm lines. This Project requires substantial Environmental Permitting because it traverses wetlands, a FEMA established Floodway/Flood Plain, and Bonneville Power Administration (BPA) transmission lines. Presently completion is estimated in 2013 or 2014. This Project is now proceeding through Preliminary Design and Engineering. The Parties are presently negotiating terms of an Agreement wherein Sherwood would front the costs relating to the water transmission portion, Segment 3, of this Project subject to Wilsonville reimbursement of its share of water transmission project costs. The Parties are also presently negotiating an Interim Water Supply Agreement, which will involve temporary wheeling of surplus water to Sherwood of up to 2.5 mgd of WRWTP potable water through Wilsonville distribution lines until such time as Segment 3 is completed and on line. The Parties have commissioned Montgomery Watson Harza, Inc. (“MWH”) to perform a hydraulic capacity analysis of current facility capacity to ensure the 2.5 mgd is in fact surplus to Wilsonville’s ongoing and projected needs. These Projects will be the subject of subsequent Agreements between the Parties.

E. WHEREAS the Parties have also negotiated successfully, in principal, the design and proposed construction of a Meter Vault facility which will link Transmission Segments 5A and 6, provide required metering facilities for surplus water flowing to Sherwood, and house

pressure reducing valves and transmission lines to serve Wilsonville's distribution and reservoir systems. Wilsonville will issue bid notices for this project on or before January 15, 2011. The Parties will consider adoption of this Project in an Agreement which will be available for consideration by the Parties in January 2011. Completion of that Project is anticipated in June 2011. Sherwood has tentatively agreed, subject to successful negotiation of contract terms, to advance funding of that Project for Sherwood's proportionate share of the Project costs, subject to true-up of costs at project completion.

F. WHEREAS the unanticipated early completion of Segments 6-9 of 48 inch diameter transmission by Sherwood in December 2010 and the estimated completion of the Meter Vault in June 2011, leaves a short but very important period when temporary water supply to Sherwood in an amount not to exceed 400 gpm will be required as explained in Recital C above. The Parties have developed a way to provide temporary water supply during this period by the advance construction by Sherwood of a 24 inch diameter transmission line extension. This transmission line extension previously was a part of the Meter Vault Project referenced in Recital E above, to serve Wilsonville permanently with potable water through the meter vault. All required real property has been acquired by Wilsonville for the construction of this line extension and its connection to Sherwood's Segment 6 transmission line. Sherwood has proposed to pay for the redesign and to front costs for this Project subject to reimbursement by Wilsonville of Wilsonville's share through credits against future temporary and interim water sales to Sherwood. The terms of this Project are the subject of this Agreement.

G. WHEREAS Wilsonville agrees to provide up to 400 gpm capacity in its distribution system to serve Sherwood with temporary water supply under the terms and conditions of this agreement.

H. WHEREAS Sherwood agrees to purchase temporary water from Wilsonville under the terms and conditions of this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Recitals. The recitals set forth above are incorporated by reference and made a part of this Agreement. Wilsonville will supply to Sherwood up to 400 gpm of potable water

supply for purposes of hydraulic and biological testing, flushing, and refresh of the approximately 18,000 lf of Sherwood Transmission Segments 6-9. This temporary water supply will be made available under the terms and conditions of this Agreement through Wilsonville's distribution system to the point of connection to Sherwood's 48 inch diameter Segment 6 Transmission line as more particularly described herein.

2. Consideration. In consideration of the terms and conditions set forth below, the Parties enter into this Agreement to provide temporary water supply to Sherwood.

3. Term. The term of this Agreement shall be for the period beginning with the execution of this Agreement by the Parties and continuing to the time when Wilsonville provides Interim Water to Sherwood sufficient to satisfy an estimated peak water demand of 2.5 mgd, subject to the aforementioned MWH capacity modeling.

4. Wheeling Assets. Wilsonville facilities required to wheel and supply this temporary water supply are deemed to be:

a. Approximately 8600 lf of 18 inch diameter waterline extending from Segment 2 in Kinsman Road to the west through the Villebois development and then running north along Grahams Ferry Road to the intersection of Grahams Ferry and Tooze Road.

b. Approximately 400 lf of 24 inch diameter waterline extending from the intersection of Grahams Ferry Road and Tooze Road to about 150 feet east of the location of the proposed meter vault.

5. Covenants of Wilsonville. The Parties agree that existing facilities and capacity of Wilsonville are adequate to provide Sherwood with the quantity of water purchased hereunder.

6. Connection. Sherwood's connection to the Wilsonville System shall be metered at the connection of Wilsonville's 24 inch diameter transmission line and Sherwood's 48 inch diameter Segment 6 transmission line, or at another location mutually agreed to by the Parties. Costs of meter repairs resulting from this Agreement shall be those of Sherwood. The meter

shall be used to determine Sherwood's daily flow information. The Parties at all times shall have access to the meter and may review and inspect water usage records upon reasonable notice.

7. Rates and Billings. Sherwood agrees to purchase temporary water from Wilsonville as herein provided for the negotiated sum of \$_____ per CCF, plus a wheeling charge of \$ ___ per CCF for using Wilsonville's 18 inch water distribution system. The Parties agree because of the short term of this Agreement and the small amount of the water to be provided, that more complex rate methodologies are not necessary or appropriate. Sherwood water payments to Wilsonville shall be credited against costs incurred by Sherwood as described in Section 8 below.

8. Sherwood Extension of Wilsonville 24 Inch Diameter Transmission Line and Crediting of Costs Incurred. The Parties agree that Sherwood shall be responsible for the extension of the Wilsonville 24 inch diameter transmission line from the existing 2 inch diameter temporary blow off device on SW Tooze Road to the point of connection with Sherwood's Segment 6 Transmission Line as more particularly described in the Engineering Design Plans, a set of which have been provided to each party and incorporated herein by reference. Sherwood, by change order with Emery, its general contractor, shall contract for the construction of these facilities. Sherwood shall coordinate the contract change order with Wilsonville prior to its execution. The Parties will cooperate to the greatest extent reasonably possible to construct and place these facilities in operational status as soon as possible. The Parties acknowledge that time is of the essence. Title in the extended 24 inch diameter line will be that of Wilsonville. Except for the redesign to provide for the temporary supply and to the extent some of the costs are for tying into Sherwood's Segment 6 transmission line rather than connecting to the meter vault, all costs incurred by Sherwood in extending the 24 inch diameter transmission line to the point of connection with Sherwood's Segment 6 Transmission Line shall be the responsibility of Wilsonville, but payment to Sherwood shall be by means of credits against future temporary and interim water sales from Wilsonville to Sherwood, unless those sales are not sufficient to pay off those incurred Sherwood costs. In the event there is any remaining balance, it shall be the responsibility of Wilsonville and that balance shall be remitted within 30 days of cessation of temporary and interim water sales from Wilsonville to Sherwood.

9. Dispute/Attorneys Fees. If a dispute arises between the Parties regarding breach of this Agreement or interpretation of any term of this Agreement, the Parties shall first attempt to resolve the dispute by negotiation, followed by mediation and arbitration.

Step One: The respective City Managers of the Parties or their designees are designated to negotiate on behalf of the Party each represents. If the dispute is resolved at this Step One, there shall be a written determination of such resolution, signed by each Party's Manager and ratified by each governing body, if required by the governing body, which shall be binding upon the Parties. Step One will be deemed complete when a Party delivers notice in writing to the other Parties that the Party desires to proceed to Step Two.

Step Two: If the dispute cannot be resolved within 10 days at Step One, or earlier after written notice given by a party, the Parties shall submit the matter to non-binding mediation by a professional engineer with demonstrated substantial experience in the design, construction and operation of complex municipal treatment, transmission, distribution, and storage systems. The Parties shall attempt to agree on a mediator. If they cannot agree, the Parties shall request a list of five mediators from an entity or firm experienced in providing engineering mediation services who do not have an existing professional relationship with either Party. The Parties will mutually agree upon a mediator from the list provided. Any common costs of mediation shall be borne equally by the Parties who shall each bear their own costs and fees. If the issue(s) is resolved at this Step Two, a written determination of such resolution shall be signed by each Manager and approved by their respective governing bodies, if necessary.

Step Three: If mediation does not resolve the issue within 45 days of submission of the issue to mediation, the matter will be referred to binding arbitration by a panel of three arbitrators who are professional engineers with demonstrated substantial experience in the design, construction and operation of complex municipal treatment, transmission, distribution, and storage systems. One arbitrator will be chosen by each Party and those two arbitrators chosen will choose a third arbitrator. No panel member may have an on-going professional relationship to either Party. The arbitration panel will reasonably endeavor to reach a decision on the dispute within 60 days of its submission to the panel. The decision shall be binding on

both Parties and there shall be no right of further appeal. The prevailing Party shall be entitled to its reasonable attorneys fees as shall be awarded by the arbitration panel.

10. Breach. If a Party defaults under the terms of this Agreement, then upon 20 days written notice, the defaulting Party shall undertake steps to commence cure of the breach within a reasonable time, depending on the circumstances. In the event there is a dispute over the amount to be paid, the undisputed amount shall be paid immediately and the Agreement shall not be in default while the solution to the disputed payment portion is resolved under Section 9. The Parties understand and agree that water service is critical to each Party's customers and that monetary damages may be an insufficient remedy considering the infrastructure involved. Therefore, the Parties expressly agree that equitable remedies such as injunction or specific performance are specifically contemplated and allowed by this Agreement.

11. Notices. Notices regarding operation, maintenance, repair, replacement, breach, termination, renewal or other issues shall be deemed sufficient if deposited in the United States Mail, First Class, postage prepaid, addressed to the Parties as follows:

City Manager
City of Sherwood
22560 SW Pine Street
Sherwood, OR 97140

City Manager
City of Wilsonville
29799 SW Town Center Loop E
Wilsonville, OR 97070

12. Insurance and Indemnity. To the full extent permitted by law, each Party agrees to indemnify and hold harmless the other, its counsel, officers, employees, and agents from any and all claims, demands, damages, actions, or other harm caused by the sole negligence of that Party, including any attorneys fees or other costs of defense. Further, independent of the indemnity obligation, each Party agrees to maintain general liability insurance in an amount not less than Oregon Tort Claim limits applicable to public agencies as set forth in ORS 30.260 – 30.300.

13. Succession. This Agreement shall be binding upon any successors to the respective Parties, which through merger, consolidation or other means, including a lawful transfer by Sherwood to the Willamette River Water Coalition (WRWC), succeeds to the water supply treatment and distribution and transmission functions of that Party.

14. Amendment. The terms of this Agreement may be amended or supplemented by mutual agreement of the Parties. Any amendment or supplement shall be in writing and shall refer specifically to this Agreement, and which shall be executed by the Parties.

15. Good Faith and Cooperation. The Parties agree and represent to each other good faith, cooperation, and due diligence in the performance in all obligations of the Parties pursuant to this Agreement.

16. Governing Law. This Agreement is governed by the laws of the State of Oregon.

17. Counterparts. This Agreement may be signed in two counterparts, each of which shall be deemed as an original and, when taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above-mentioned.

CITY OF SHERWOOD

CITY OF WILSONVILLE

City Manager

City Manager

City Recorder

City Recorder

APPROVED AS TO FORM

APPROVED AS TO FORM

City Attorney

City Attorney

TO: Sherwood City Council

FROM: Bob Galati, P.E., City Engineer
(through Tom Pessemier, P.E., Community Development Director)

SUBJECT: RESOLUTION 2011-006, A RESOLUTION AWARDING A CONTRACT TO CONSTRUCT THE SW OREGON STREET – SW ADAMS AVENUE IMPROVEMENTS PROJECT

ISSUE: Should the City adopt Resolution 2011-006, a resolution awarding a construction contract to the apparent low responsive and responsible bidder to complete the SW Oregon Street/SW Adams Avenue Improvements Project?

BACKGROUND: The SW Oregon Street/SW Adams Avenue Improvements Project has been a top priority project for the City of Sherwood for several years and has been identified in adopted City master plans since 1991. It is a vital transportation connection between SW Tualatin-Sherwood Road and Old Town. This past summer construction funds were identified and approved by the Sherwood City Council via Resolution 2010-034, after which the design was finalized and the project was advertised for bids.

On December 16th, 2010 staff received and publically opened 16 bids for the project. All bids were under the consulting engineer's opinion of probable cost (\$6.5M) with an average bid amount of \$4,823,492.94.

The City reviewed all 16 bids and determined that the apparent lowest responsive bid and responsible bidder was Northwest Earthmovers, Inc. of Sherwood, Oregon. Staff thoroughly reviewed bid packages from the three lowest responsible bidders and recommends the contract be awarded to Northwest Earthmovers, Inc. in an amount equal to \$3,824,147.60.

To best protect the City's interests, staff recommends authorizing an 18% construction contingency of \$688,346.57 to cover unforeseen construction issues, differing site conditions, and changes in the scope of work for a total maximum construction contract amount of \$4,512,494.17. Staff recommends an 18% construction contingency for the following reasons:

- A trend in low bids compared to engineers estimates on public transportation projects means that contractors are reducing profit margins, equipment replacement costs and built in contingencies, therefore increasing project risk.
- Construction will begin in the middle of winter and is expected to continue through fall 2011, which means there could be unforeseen issues caused by long durations of exceptionally wet weather, leading to contract change orders.
- The project occurs in an area that the Oregon State Historic Preservation Office perceives to have a high probability for possessing cultural resources (archeological sites and/or buried human remains).
- Project involves work within and around sensitive lands (wetlands and vegetated corridors).

- The project is complex and involves the following agencies and authorities: Washington County, ODOT Rail Division, Portland & Western Railroad, Clean Water Services, DEQ, Department of State Lands (DSL) and the Corp of Engineers (COE).

Construction support services by City consultants, exclusive from the construction contract with Northwest Earthmovers, Inc., are expected not-to-exceed 12% of the maximum construction contract amount or \$542,000.00. Support services include: construction engineering, construction management, general civil inspections, traffic signal inspections, quality assurance/compliance testing, geotechnical observations & consultation, arboricultural observations & consultation, environmental observations & consultation, observations & inspections by a registered landscape architect, and preparation of project record drawings.

Staff is negotiating a contract with the firm of MacKay & Sposito for construction management, inspection, and quality assurance services, and is also negotiating a contract with HDJ Design Group for construction engineering, landscape architectural, geotechnical, arboricultural, environmental and record drawing services.

City staff time and overhead costs are expected not-to-exceed 5% of the maximum construction contract amount or \$226,000.00.

Staff requests the approval of Resolution 2011-006, delegating authority to the City Manager to sign appropriate construction and consulting contracts to complete the project.

FINDINGS: By passing this resolution the City can award necessary contracts to complete the SW Oregon Street/SW Adams Avenue Improvements Project.

RECOMMENDATION: MOTION TO ADOPT RESOLUTION 2011-006, A RESOLUTION AWARDED A CONTRACT TO CONSTRUCT THE SW OREGON STREET – SW ADAMS AVENUE IMPROVEMENTS PROJECT.



RESOLUTION 2011-006

A RESOLUTION AWARDING A CONTRACT TO CONSTRUCT THE SW OREGON STREET – SW ADAMS AVENUE IMPROVEMENTS PROJECT

WHEREAS, the City utilized a competitive bid process for this project meeting the requirements of city and state contracting rules; and

WHEREAS, the City received and publically opened sixteen (16) bids on December 16, 2010; and

WHEREAS, the City reviewed sixteen (16) bids and determined Northwest Earthmovers, Inc. to be the lowest responsive and responsible bidder for this project; and

WHEREAS, numerous consulting contracts for construction management, general civil inspections, quality assurance/compliance testing, special inspections (signals, geotechnical, arborist, landscaping), and construction engineering need to be engaged for the successful execution of the project.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1: The Contract for construction of the SW Oregon Street – SW Adams Avenue Improvements Project is awarded to Northwest Earthmovers, Inc. The City Manager is hereby authorized to execute a Contract with Northwest Earthmovers, Inc. in the amount of \$3,824,147.60 to complete the SW Oregon Street – SW Adams Avenue Improvements Project.

Section 2: Subject to the limitations of city and state rules and other applicable laws, the City Manager is authorized to enter into other contracts as needed with Northwest Earthmovers, Inc. or other contractors for construction services related to the SW Oregon Street – SW Adams Avenue Improvements Project for an amount equal to 18% of the amount stated in Section 1 for a total construction contingency of \$688,346.57.

Section 3: The City Council hereby delegates to the City Manager the authority to execute consulting contracts, up to 12% of the amounts stated in Sections 1 and 2 above or no more than \$542,000.00, in a form approved by the City Attorney, specifically in support of the SW Oregon Street – SW Adams Avenue Improvements Project.

Section 4: This Resolution is effective upon its approval and adoption.

Duly passed by the City Council this 4th day of January, 2011.

Keith S. Mays, Mayor

Attest:

Sylvia Murphy, CMC, City Recorder

p.1

Adams Avenue - Oregon Street Improvements Project
Bid Opening
December 16, 2010 at 2:05 P.M. in City Hall Community Room

Home of the Industries Where National Wealth Begins

**AS READ ALOUD AT THE BID OPENING*

Company Name	Attended Pre-Bid Meeting	ODOT Pre-Qualification Submitted	Addendum No. 1 Submitted	Addendum No. 2 Submitted	Addendum No. 3 Submitted	* Bid Amount
Dirt & Aggregate	✓	✓	✓	✓	✓	5,318,801.55
NW Earthmovers	✓	✓	✓	✓	✓	3,824,147.60
Goodfellow Bros	✓	✓	✓	✓	✓	4,997,078.56
Moore Excavation	✓	✓	✓	✓	✓	4,717,700.00
Nutter Corp.	✓	✓	✓	✓	✓	4,834,384.00
Emery & Sons	✓	✓	✓	✓	✓	4,226,718.90
Kerr Contractors	✓	✓	✓	✓	✓	4,504,208.15
Canby Excavating	✓	✓	✓	✓	✓	4,141,388.55
Eagle Elsners	✓	✓	✓	✓	✓	4,785,020.25
Jim Smith Exc	✓	✓	✓	✓	✓	5,868,037.71

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P.2



Adams Avenue - Oregon Street Improvements Project
Bid Opening
December 16, 2010 at 2:05 P.M. in City Hall Community Room

*AS READ ALOUD AT THE BID OPENING.

Company Name	Attended Pre-Bid Meeting	ODOT Pre-Qualification Submitted	Addendum No. 1 Submitted	Addendum No. 2 Submitted	Addendum No. 3 Submitted	* Bid Amount
Kodiak Pacific Con.	✓	✓	✓	✓	✓	4,640,640.00
K&E Excavating	✓	✓	✓	✓	✓	4,244,632.00
Kogap Enterprises	✓	✓	✓	✓	✓	6,406,315.50
Tri State Construction	✓	✓	✓	✓	✓	4,769,000.00
LS Henriksen	✓	✓	✓	✓	✓	4,131,871.50
SQ Contractors Inc	✓	✓	✓	✓	✓	5,765,942.85

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2

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