

Mobile Home Park	46.00	Per Space
Lodging		
Motel	46.00	Plus \$10.00 per unit (21.7% of EDU)*
R.V. Park	46.00	Plus \$10.00 per space (21.7% of EDU). * If rented for more than 30 days the full EDU rate (46.00) applies
Restaurants & Bars		
Restaurants & Bars	46.00	Plus \$1.75 per seat (3.8% of EDU)*
Other Commercial		
Car Wash	46.00	Per stall
Laundromat	46.00	Plus 23.00 per washing machine (50% of EDU)*
Business/Building with 1-5 employees	46.00	
Business/Building with 6 + employees	92.00	
Other		
Churches, Other Non-Profit	46.00	
Recreation Vehicle Dumping Station	92.00	
Service Outside the City	69.00	
School	46.00	Plus \$0.35 per student and employee (307)**
Sewer Late Fee	1.5% or 10.00	Assessed monthly at 1.5% or \$10.00, whichever is more
Sewer Account Collection Fee	25%	25% administrative fee added to all accounts turned over to collections
Sewer Connection Fee	175.00	Per connection
Vacated Buildings Sewer Connection Maintenance fee	46.00	Full months only

*Percentage will be applied to any subsequent change in EDU rate.

**Number of students and employees will be validated each year

City of Shady Cove

Resolution No. 16-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHADY COVE, OREGON CERTIFYING THAT THE CITY OF SHADY COVE PROVIDES THE FOLLOWING FOUR OR MORE MUNICIPAL SERVICES ENUMERATED IN ORS 221.760 (1)

Whereas, ORS 221.760 (1) states:

The officer responsible for disbursing funds to cities under ORS 323.455, 366.785 to 366.820 and 471.805 shall disburse such funds in the case of a city located within a county having more than 100,000 inhabitants, according to the most recent federal decennial census, only if the officer reasonably is satisfied that the city meets the requirements set out in subsection (2) of this section, or if the city provides four or more of the following municipal services:

- (a) Police protection.
- (b) Fire protection.
- (c) Street construction, maintenance and lighting.
- (d) Sanitary sewers.
- (e) Storm sewers.
- (f) Planning, zoning and subdivision control.
- (g) One or more utility services.

The City Council of the City of Shady Cove Resolves as follows:

The City of Shady Cove hereby certifies that it provides the following four or more municipal services enumerated in Section 1, ORS 221.760:

- (1) Police protection
- (2) Street construction, maintenance, and lighting
- (3) Sanitary sewer
- (4) Storm sewers
- (5) Planning, zoning and subdivision control

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Effective Date: This Resolution shall be effective on July 1, 2016 for Fiscal Year 2016-2017.

Adopted this 16th day of June, 2016.

Approved:

Attest:

Tom Anderson
Mayor

Aaron Prunty
City Administrator

Council Vote:

Mayor Anderson _____
Councilor Ulrich _____
Councilor Sanderson _____
Councilor Burgess _____
Councilor Mitchell _____

City of Shady Cove

Resolution 16-17

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHADY COVE, OREGON
DECLARING THE CITY OF SHADY COVE'S ELECTION TO RECEIVE STATE
REVENUES**

Whereas, ORS 221.770(1) states

"A city shall not be included in apportionments or receive distributions under this section for a fiscal year commencing on July 1 unless the city: (a); Elects to receive distributions under this section for the fiscal year by enactment of an ordinance or resolution expressing that election and filing a copy of that ordinance or resolution with the Oregon Department of Administrative Services not later than July 31 of the fiscal year."

Whereas, a public hearing before the Budget Committee was held on May 9, 2016 and a public hearing before the City Council was held on June 2, 2016, giving the citizens an opportunity to comment on use of State Revenue Sharing.

The City Council of the City of Shady Cove Resolves as follows:

Pursuant to ORS 221.770(1)(a), the City of Shady Cove hereby elects to receive State Revenues for Fiscal Year 2015-2016.

Effective Date: This Resolution shall be effective on July 1, 2016 for Fiscal Year 2016-2017.

Adopted this 16th day of June, 2016.

Approved:

Attest:

Tom Anderson
Mayor

Aaron Prunty
City Administrator

Council Vote:

Mayor Anderson _____
Councilor Ulrich _____
Councilor Sanderson _____
Councilor Burgess _____
Councilor Mitchell _____

City of Shady Cove

Resolution 16-18

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHADY COVE, OREGON
ADOPTING THE FISCAL YEAR 2016-2017 BUDGET, MAKING APPROPRIATIONS
AND IMPOSING AND CATEGORIZING TAXES**

Adopting the Budget

BE IT RESOLVED that the City Council of the City of Shady Cove hereby adopts the budget for fiscal year 2016-2017 in the total of **\$ 4,749,500** now on file at City Hall, 22451 Highway 62, Shady Cove, Oregon.

Making Appropriations

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2016 and for the purposes shown below are hereby appropriated:

Fund	Description		Total Appropriation	Unappropriated
General Fund	Administration			
	Personal Services		361,700	
	Materials & Services		260,700	
	Public Safety			
	Law Enforcement Contract		450,000	
	Contingency		45,500	
	Transfers		210,000	
	Interfund Loan Repayment		21,000	
	Unappropriated Ending Fund Balance			50,800
	Total Fund Appropriation		1,348,900	50,800
Street Fund	Highways & Streets			
	Materials & Services		232,200	
	Capital Outlay		1,700	
	Contingency		29,900	
	Total Fund Appropriation		263,800	
Sewer Operations 02	Materials & Services		458,800	
	Capital Outlay		60,000	
	Debt Service		200,500	
	Contingency		143,550	
	Transfers		104,000	
	Unappropriated Ending Fund Balance			30,000
Total Fund Appropriation		966,850	30,000	
Sewer Bonded Debt 03	Debt Service		74,300	
	Unappropriated Ending Fund Balance			11,000
	Total Fund Appropriation		74,300	11,000

Sewer Operation 04	Unappropriated Ending Fund Balance			165,200
Sewer Operations Replacement 05	Interfund Loan – General Fund		200,000	
	Debt Service		215,000	
	Reserved for Future			392,300
Total Fund Appropriation			415,000	392,300
System Development Charge 08	Capital Outlay		158,900	
	Unappropriated Ending Fund Balance			662,450
	Total Fund Appropriation		158,900	662,450
Capital Purchase Reserve Fund	Unappropriated Ending Fund Balance			10,000
Capital Improvements Fund	Capital Outlay		90,000	
	Unappropriated Ending Fund Balance			110,000
Grand Total			Appropriated	Unappropriated
			3,317,750	1,431,750

Imposing the Tax

BE IT RESOLVED that the City Council of the City of Shady Cove hereby imposes the taxes provided for in the adopted budget at the rate of **\$0.5474 per \$1,000** of assessed value for operations and in the amount of **\$66,000 for bonds**; and that these taxes are hereby imposed and categorized for tax year 2016-2017 upon the assessed value of all taxable properties within the City of Shady Cove as follows:

Categorizing the Tax

General Government	Limitation	Excluded From Limitation
General Fund	\$0.5474 / \$1,000	
Local Option Tax	\$0.00	
Sewer Bonded Debt		\$66,000

GASB 54

In order to comply with GASB 54 requirements to classify funds into five categories: non-spendable, restricted, committed, assigned, and unassigned, the City Council of the City of Shady Cove Resolves as follows:

1. The amount of \$1,700 in Streets 01 fund is hereby committed to a future bike path.
2. The City Administrator is designated and given authority to assign funds as needed.

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Effective Date

This Resolution shall be effective upon its adoption on June 16, 2016.

Adopted and Appropriated by the City Council of the City of Shady Cove this 16th day of June, 2016.

Approved:

Attest:

Tom Anderson
Mayor

Aaron Prunty
City Administrator

Council Vote:

Mayor Anderson _____
Councilor Ulrich _____
Councilor Sanderson _____
Councilor Burgess _____
Councilor Mitchell _____



**City Council Agenda Item Summary
City of Shady Cove, Oregon**

Meeting Date: June 16, 2016

Prepared By: Aaron Prunty, City Administrator

Issue/Agenda Title: Approval of an RVSS Management Contract

Attachments: RVSS Management Agreement

Issue Before the Council: Shall the City of Shady Cove enter into an agreement with Rogue Valley Sewer Services to manage the City's wastewater collection, treatment, and storm drain systems?

Key Facts and Information: Rogue Valley Sewer Services currently manages, maintains and operates the City of Shady Cove Wastewater Treatment Plant. This would be an opportunity to enter into a ten-year contract for a continuation of those services.

Fiscal Notes: Operations and Maintenance: \$345,000/year (subject to a maximum 3% annual increase)

Minor Capital Improvements: \$60,000/year

Additional information can be found in Section 2 of the agreement.

Staff Recommendation: Staff recommends the Council approve the agreement and authorize staff to sign the agreement on behalf of the City.

Proposed Motion:

"I MOVE TO APPROVE THE MANAGEMENT AGREEMENT WITH ROGUE VALLEY SEWER SERVICES FOR THE OPERATIONS AND MAINTENANCE OF SHADY COVE'S WASTEWATER TREATMENT, COLLECTION, AND STORM DRAIN SYSTEMS, UNDER THE TERMS OF THE AGREEMENT, AND AUTHORIZE THE CITY ADMINISTRATOR TO EXECUTE THE AGREEMENT."

1 **AGREEMENT**

2

3 This agreement is made and entered this ____ day of July, 2016 by and between
4 the following municipalities

5

6	City of Shady Cove	Rogue Valley Sewer Services
7	PO Box 1210	138 West Vilas Road
8	Shady Cove, OR 97539	Central Point, OR 97502

9

10 City of Shady Cove is hereinafter referred to as “Shady Cove”

11 Rogue Valley Sewer Services is hereinafter referred to as “RVSS”

12

13 **RECITALS**

14 1. Shady Cove is desirous of continuing the contractual relationship with RVSS for
15 the performance of hereinafter described wastewater system operation services.

16 2. RVSS has agreed to render such services on the terms and conditions hereinafter
17 set forth.

18 3. RVSS is a Sanitary Authority formed under the provisions of ORS 450.705 to
19 450.980.

20 4. Such contracts are authorized and provided for by the provisions of ORS 190.010

21

22 NOW, THEREFORE, in consideration of the mutual promises and covenants

23 herein contained, it is mutually agreed as follows:

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1. **TERM:** The term of this agreement shall be ten years, commencing on July 1, 2016 and ending on June 30, 2026.

2. **COMPENSATION:** Shady Cove shall pay RVSS for wastewater system operations as follows:

a. Operations and Maintenance

i. Shady Cove shall pay RVSS \$345,000 per year (subject to adjustment as set forth herein including section 2(f)) to cover the cost of operation and maintenance of the treatment plant and collection system.

ii. Payments will be made on a quarterly basis. The first payment will be due within 30 days of the execution of this agreement, and subsequent payments due within 30 days after the end of each fiscal quarter.

b. Capital Improvements

i. Minor Capital Improvements: Shady Cove shall pay RVSS \$60,000 per year to be used to complete minor capital improvements, defined as improvements with an estimated cost of \$100,000 or less.

ii. Major Capital Improvements: Shady Cove will maintain a capital reserve fund sufficient to cover the cost of major capital improvements, defined as improvements with an estimated cost of

1 more than \$100,000. A list of major capital improvements is
2 included in this contract as Appendix A. Shady Cove agrees to
3 fund these projects in accordance with the implementation
4 schedule in Appendix A. RVSS agrees to make every effort to
5 minimize the total cost of these projects.

6 iii. Payments for minor capital improvements will be made on an
7 annual basis with payment due no later than 30 days after the start
8 of the fiscal year.

9 iv. Payments for major capital improvements will be made on a
10 monthly basis. RVSS will submit an invoice by the last day of the
11 month for expected expenses in the following month. At the
12 completion of the project RVSS will return any surplus funds or
13 invoice for any remaining expenses.

14 c. Operating Deficit: Shady Cove and RVSS recognize that the previous five
15 year contract has resulted in an operating deficit to RVSS. The exact amount
16 of the deficit will not be known until then end of the current year. Shady
17 Cove agrees to pay this deficit to RVSS once determined (but in no event in
18 an amount in excess of \$60,000) within 30 days of the acceptance by RVSS
19 Board of Directors of the Fiscal Year 2016 Financial Audit, or December 31,
20 2016, whichever is later.

21 d. In the event any payment shall be more than fifteen days late, then Shady
22 Cove shall be assessed and shall pay to RVSS a fee equal to 5% of such late

1 payment. Any late payment will accrue interest at the legal rate of 9% from
2 the date it was due until actually paid.

3 e. Shady Cove shall pay RVSS a total of \$50 for each sewer connection permit
4 issued by Shady Cove and inspected by RVSS.

5 f. RVSS may increase the operations and maintenance and minor capital
6 improvement fees by an amount no more than 3% per year. RVSS shall
7 deliver a written notice of proposed fee increase no later than February 15 for
8 a fee increase to be in effect on July 1 of any given year.

9 g. RVSS may increase the permit inspection fee only to the same extent that
10 connection fees are increased for customers within RVSS district boundaries.
11 RVSS shall provide written notice 90 days in advance of permit inspection
12 fee increases.

13 h. RVSS may increase the capital improvement portion of the fee only with
14 mutual consent of Shady Cove.

15 3. **RVSS RESPONSIBILITIES:** RVSS agrees to provide wastewater system
16 operations to the extent and in the manner as follows:

17 a. **Collection System Operation and Maintenance:** RVSS will provide
18 routine operation and maintenance of the sanitary sewer collection system at
19 the same level of service currently enjoyed by RVSS customers.

20 b. **Treatment Plant Operation and Maintenance:** RVSS will provide
21 operation and maintenance of the wastewater treatment plant located at 4660
22 Rogue River Drive, Shady Cove in accordance with the existing discharge
23 permit No. 100998 and Department of Environmental Quality requirements.

1 Rogue Valley Sewer Services will assume responsibility to meet all permit
2 conditions.

3 c. **Septic Waste Treatment:** RVSS may accept and treat domestic septic tank
4 waste in accordance with Oregon DEQ regulations. RVSS shall have the
5 authority to set rates for septic treatment, and will retain all revenue earned
6 from this program.

7 d. **Storm Drain Pipe Maintenance:** RVSS will provide routine maintenance
8 of the storm drain system. This service will be limited to annual cleaning of
9 catch basins and storm drain mains (8" diameter and larger), and television
10 inspection if there is a suspected defect.

11 e. **Emergency Response:** RVSS will respond to any sewer related emergency
12 within the City of Shady Cove as quickly as is reasonably possible. Unless
13 other circumstances render it impractical, it is expected that the maximum
14 response time is 30 minutes from notification during normal work hours and
15 60 minutes from notification outside of normal work hours.

16 f. **Non-Emergency Response:** RVSS will respond to non-emergency
17 complaints and inquiries in a timely manner, as dictated by the
18 circumstances.

19 g. **Access to Facilities:** RVSS will provide access to wastewater facilities by
20 Shady Cove personnel at any time for emergency or planned scheduled visits,
21 provided that such access does not interfere with RVSS' duties under this
22 agreement. RVSS will provide keys to wastewater facilities to Shady Cove.

1 h. **Cooperation with Shady Cove:** RVSS will cooperate with Shady Cove and
2 any consultants and contractors retained by Shady Cove for any planning,
3 design, construction, audit, or performance review related to wastewater
4 facilities. RVSS will provide access to financial and operational records
5 related to the wastewater facilities.

6 i. **Fixed Asset List:** The fixed asset list included in this agreement as
7 **Appendix B** will be updated as needed.

8 j. **Annual Report:** RVSS will provide Shady Cove with an annual report on
9 operations. Included in this report will be a summary of maintenance
10 activities; a description of planned and completed capital expenditures;
11 system performance measures; a summary of septic waste treatment
12 operations; and other information requested by Shady Cove. This report will
13 be delivered no later than September 1 of each year.

14
15 4. **SHADY COVE RESPONSIBILITIES:** Shady Cove agrees to do the following
16 in return for the wastewater system operation services provided by RVSS:

17 a. Pay compensation to RVSS in the amount and manner as set out in Paragraph
18 2 above.

19 b. Allow RVSS access to all public rights-of-way and easements for the
20 purpose of maintaining or repairing wastewater facilities. Shady Cove may
21 charge permit fees for excavations in the public right-of-way in accordance
22 with its customary practice, but shall not impose any franchise fee, license
23 fee, or similar fee on RVSS operations within Shady Cove.

- 1 c. Provide and maintain NPDES and other required project permits, approvals,
2 warranties, guarantees, easements, and certifications (excepting regulatory
3 mandated personnel competency certifications).
- 4 d. Provide for RVSS's use for purposes connected with the project all
5 equipment presently in use at the treatment plant.
- 6 e. Establish sewer use rates, system development charges, and permit
7 connection fees.
- 8 f. Issue sewer connection permits and bill customers for sewer use.
- 9 g. Provide notice to RVSS by fax or email when new connection permits are
10 issued.
- 11 h. Provide notice to RVSS of pending development projects for review and
12 comment. Include RVSS sewer-related requirements as conditions of
13 approval.
- 14 i. Enforce code violations brought to their attention by RVSS.
- 15 5. **TRANSFER OF ASSETS AND CONTROL:** The City of Shady Cove will
16 transfer control of sewer collection system and treatment infrastructure to Rogue
17 Valley Sewer Services. In addition, all portable tools and equipment currently
18 used for the operation of the treatment plant will be transferred to RVSS.
- 19 a. All fixed assets now owned by the Shady Cove or acquired by the Shady
20 Cove shall remain the property of Shady Cove. Such property cannot be
21 disposed of by RVSS without express written consent of Shady Cove, nor
22 shall RVSS acquire any interest, direct or indirect, in the wastewater
23 treatment or collection system.

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6. GENERAL CONDITIONS

- a. **Compliance with Applicable Law:** Both parties certify that they will comply with all federal, state, and local laws, ordinances and regulations applicable to this contract, including but not limited to all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations, as well as all local ordinances and regulations pertaining to public contracting.

- b. **Access to Records:** During the term of this Agreement, both parties shall have the right, at any reasonable time and upon reasonable notice, to inspect and/or copy any document related to the Project. For not less than three (3) years after expiration, either party and any state or federal agency charged with oversight of the performance of the duties under this contract, shall have access to the books, documents, papers and records which are directly pertinent to this contract for the purpose of making audits, examinations, excerpts, and transcript. If for any reason any part of this contract is involved in litigation, both parties shall retain all pertinent records for not less than three (3) years or until all litigation is resolved, whichever is longer. Full access will be provided to both parties in preparation for and during the course of litigation. Otherwise, both parties shall retain records pertaining to this agreement in accordance with record retention requirements under applicable law.

- 1 c. **Warranty:** RVSS has represented, and by entering into this contract, now
2 represents that they have qualified personnel to perform the work to which
3 they will be assigned.
- 4 d. **Successors and Assigns:** This agreement shall be binding upon the
5 successors and assigns of each of the parties. After the original agreement is
6 executed, RVSS shall not assign or transfer this agreement, without the prior
7 written consent of Shady Cove, which shall not be unreasonably withheld.
8 Any attempted assignment without written consent of Shady Cove shall be
9 void. No such written approval shall relieve RVSS of any obligation of this
10 agreement, and RVSS shall be fully responsible for the acts or omissions of
11 any assigns or subcontractors, and their employees and agents. The written
12 approval by Shady Cove of any assignment shall not create any contractual
13 relation between the assignee and Shady Cove.
- 14 e. **Labor Disputes:** Should strikes, walkouts, pickets or other activities by
15 RVSS employees or labor unions cause disruption in RVSS's ability to
16 perform the work under this contract, Shady Cove, with RVSS's cooperation,
17 or RVSS at its own instance, may seek appropriate injunctive relief to the
18 extent provided by law. During any such disruption, RVSS shall operate the
19 facilities on a "best-efforts" basis until the cessation of the disruption.
- 20 f. **Force Majeure:** Neither party shall be liable for its failure to perform its
21 obligations under the Agreement, if performance is made impracticable,
22 abnormally difficult, or abnormally costly, due to any unforeseen occurrence
23 beyond such party's reasonable control. The party invoking this clause shall

1 immediately notify the other party by verbal communication of the nature
2 and extent of the contingency, and shall confirm such notification in writing
3 by certified mail within ten working days after its occurrence. However,
4 each party shall make all reasonable efforts to remove or eliminate or
5 mitigate any damages caused by the occurrence, and shall, upon cessation of
6 the cause, diligently pursue performance of its obligations under the contract.

7 g. **Notices:** Any formal notice required or permitted to be given under this
8 Agreement shall be in writing and shall be mailed by certified mail, return
9 receipt requested, postage prepaid, addressed to the parties as follows:

10
11 City Administrator

12 City of Shady Cove

13 PO Box 1210

14 Shady Cove, OR 97539

15
16 General Manager

17 Rogue Valley Sewer Services

18 PO Box 3130

19 Central Point, OR 97502

20
21 Any notice shall be deemed to be given at the expiration of the third day
22 after the date of deposit in the United States mail. The addresses to which

1 notices shall be mailed may be changed from time to time by giving
2 written notice to the other party as provided in this Section.

3
4 h. **Amendment:** This agreement, including the Appendices, constitutes the
5 entire agreement between the parties. This agreement may not be altered,
6 modified, supplemented, or amended in any manner whatsoever, except by
7 mutual agreement of the parties in writing. Any such modification,
8 supplementation, or amendment, if made, shall be effective only in the
9 specific instance and for the specific purpose given, and shall be valid and
10 binding only if signed by the parties to this contract.

11 i. **Waiver:** A provision of this agreement may be waived only by a written
12 instrument executed by the party waiving compliance. No waiver of any
13 provision of this agreement shall constitute a waiver of any other provision,
14 whether or not similar, nor shall any waiver constitute a continuing waiver.
15 Failure to enforce any provision of this agreement shall not operate as a
16 waiver of such provision of any other provision.

17 **7. INDEMNITY AND INSURANCE**

18 a. RVSS shall defend, save and hold harmless Shady Cove, its officers,
19 employees and agents, for any claims, suits or actions of whatsoever nature
20 for property damage or bodily injury, including death, resulting from or
21 arising out of RVSS's negligent acts or intentional misconduct under this
22 agreement, to the extent that such causes have contributed to any liability or
23 damages assessed against Shady Cove, whether such negligent acts or willful

1 misconduct was that of RVSS or a subcontractor of RVSS. RVSS shall
2 reimburse Shady Cove for any expenditure including attorney's fees and
3 costs, incurred by Shady Cove as a result of any claim, suit or action arising
4 out of RVSS negligent acts or intentional misconduct. In the event any claim,
5 suit, or action is brought, or threatened to be brought, RVSS shall not take
6 any action which will prejudice Shady Cove.

7 b. Shady Cove shall save and hold harmless RVSS, its officers, employees and
8 agents from any liability or damages for property damage or bodily injury,
9 including death, which may arise out of Shady Cove's negligent acts or
10 intentional misconduct, to the extent that such causes have contributed to any
11 liability or damages assessed against RVSS whether such negligent acts or
12 willful misconduct was that of Shady Cove or a subcontractor of Shady
13 Cove. Shady Cove shall reimburse RVSS for any expenditure including
14 attorney's fees and costs, incurred by RVSS as a result of such causes, to the
15 extent that such expenditures resulted from such causes. In the event any
16 claim, suit, or action is brought, or threatened to be brought, City of Shady
17 Cove shall not take any action which will prejudice RVSS.

18 c. **Fines and Civil Penalties Imposed by Regulatory Agencies.** RVSS shall
19 be liable for any fines or civil penalties imposed by a regulatory agency for
20 violations of Shady Cove's NPDES Permits or from RVSS's operations,
21 management or maintenance of Shady Cove's wastewater treatment,
22 collection, and storm drain systems which are the result of the negligent or
23 intentional misconduct of RVSS, its directors, officers, employees or agents.

1 Shady Cove may assist RVSS in contesting any such fines or civil penalties
2 in administrative proceedings and/or in legal proceedings prior to any
3 payment by RVSS. RVSS shall pay all costs, including any attorney's fees
4 expended by Shady Cove, of contesting any such fines. Shady Cove shall
5 not require RVSS to pay any fine or civil penalty imposed by a regulatory
6 agency, so long as RVSS diligently, and in good faith, pursues available
7 administrative or legal remedies to contest the fine or civil penalty. Upon
8 exhaustion of administrative and/or legal remedies, RVSS shall pay any fine
9 or civil penalty finally determined to be due. Notwithstanding the foregoing,
10 RVSS will not be responsible for any fines or civil penalties that are caused
11 by Shady Cove.

12 **d. Indirect and Consequential Damages.** Neither party shall be liable to the
13 other for consequential or indirect damages that may arise as a result of either
14 parties duties under this agreement.

15 **e. Insurance Coverage.** RVSS shall obtain and maintain insurance coverage
16 with guaranteed replacement value provision or replacement value
17 provision if guaranteed replacement value provision is not available, in
18 the amounts described in Appendices A and B. RVSS shall obtain and
19 maintain liability insurance coverage with a \$5 million limit per occurrence.
20 Each party shall name the other party as an additional insured on all
21 insurance policies covering the wastewater facilities, and shall provide the
22 other party with acceptable insurance certificates establishing insurance
23 coverage as required by this agreement. There shall be no cancellation,

1 material change, reduction of limits, or intent not to renew insurance
2 coverage without thirty (30) days written notice. It is RVSS's responsibility
3 to maintain adequate insurance coverage at all time. Failure to do so shall
4 not relieve RVSS of any obligations or responsibility, including, but not
5 limited to indemnification, specified herein.

6 **8. TERMINATION; DEFAULT; REMEDIES**

7 a. Either party may terminate this Agreement for a material breach of the
8 Agreement by the other party after giving written notice of breach and
9 allowing the other party 30 days to correct the breach. Excepting breaches
10 by Shady Cove for nonpayment of RVSS's invoices, neither party shall
11 terminate this Agreement without giving the other party 180 days written
12 notice of intent to terminate after failure of the other party to correct the
13 breach within 30 days.

14 b. Upon notice of termination or expiration RVSS shall assist Shady Cove in
15 resuming operation of the wastewater facilities, and, if requested by Shady
16 Cove, continue to provide the current operations staff for a period of 90 days
17 beyond the date of termination for a fee equal to one quarter of the base fee
18 in effect on the date of termination. Employees transferred from Shady Cove
19 to RVSS under this agreement will be entitled to their previous positions with
20 Shady Cove in accordance with ORS 236.640. Shady Cove shall have the
21 right to offer employment to any RVSS employees, excepting the Project
22 Manager, performing work under this agreement. If additional cost is

1 incurred by RVSS at the request of Shady Cove, Shady Cove shall pay RVSS
2 such cost in accordance with Article 7.

- 3 c. **Arbitration/Attorney Fees/Costs**: If the terms of this Agreement are
4 breached and the parties cannot reach agreement, both parties agree to
5 proceed with binding arbitration regardless of the claimed amount. The
6 attorney of each party shall choose a neutral third party to arbitrate. Costs and
7 attorney fees shall be assessed by the arbitrator and paid by the losing party.

8 **9. SPECIAL CONDITIONS**

- 9 a. **Contract Administrator**. The City Administrator of the City of Shady Cove
10 or his or her designee shall be the Contract Administrator for this agreement,
11 and empowered to act for Shady Cove in accordance with the provisions of
12 this Agreement, where such acts are not contrary to laws or ordinances. If
13 any person other than the City Administrator is designated as Contract
14 Administrator, Shady Cove shall provide the name and mailing of address of
15 the designee at the time the designee assumes duties of contract
16 administration.

- 17 b. **Project Manager**. RVSS shall maintain a Project Manager for this Project,
18 who shall be empowered to act for RVSS in accordance with the provision of
19 this Agreement. The Project Manager shall be Carl Tappert or his successor.
20 RVSS shall notify Shady Cove promptly at any time when circumstances
21 require any change in Project Manager.

22 **10. Contract Re-Opener**:

- 1 a. The renewal of the treatment plant discharge permit is currently under review
2 by the Oregon DEQ. If the new permit includes requirements that add
3 significantly to the cost of operations, or require major capital improvements,
4 Shady Cove and RVSS agree to reopen the financial terms of the contract.
- 5 b. At the conclusion of the first five years of the contract RVSS will review the
6 current and projected financial position. If the projections indicate an
7 operating deficit during the final five years Shady Cove and RVSS agree to
8 re-open the financial terms of the contract.
- 9 c. In the event the parties are unable to resolve their differences upon the
10 request of either party to re-open the contract as set forth above, then,
11 notwithstanding any other term or covenant contained herein, either party
12 may terminate this Agreement on one year advance written notice to the
13 other party.

14 11. Annexation: Shady Cove agrees to call for an election to join Shady Cove and
15 RVSS via annexation before the end of the ten year contract. Prior to calling for
16 this election, Shady Cove and RVSS will enter into an annexation agreement
17 designed to ensure that residents of Shady Cove continue to receive the most
18 efficient and effective service from both Shady Cove and RVSS.

19 **12. AGREEMENT DESCRIPTION AND ACKNOWLEDGMENT.**

20 This agreement consists of pages 19, inclusive, together with **Appendices A through**
21 **E**. There are no understandings, agreements, or representations, oral or written,
22 regarding this contract, except as specified or reference herein. RVSS, by the signature

1 of its authorized representative, hereby acknowledges that it has read this contract,
2 understands it, and agrees to be bound by its terms and conditions.

3 DATED this _____ day of _____, 2016

4

5

1 CITY OF SHADY COVE

2 Attest

3 By: _____ By: _____

4 _____

5 Its _____ Its _____

6 STATE OF OREGON)

7) ss

8 County of Jackson)

9

10 On this _____ day of _____, 2016, before me personally appeared

11 _____,

12 and _____,

13 of the City of Shady Cove, and acknowledged the foregoing instrument to be the

14 voluntary act and deed of the City of Shady Cove, Oregon

15

16 _____

17 Notary Public for Oregon

18 My Commission Expires: _____

19

20

1 ROGUE VALLEY SEWER SERVICES

2 Countersigned

3 By: _____ By: _____

4 Robert Dunn, Chairman Carl Tappert, Manager

5 Board of Directors

6

7 On this ____ day of _____, 2016, before me personally appeared

8 Robert Dunn, Chairman of the Board, and Carl Tappert, Manager of the Rogue Valley

9 Sewer Services and acknowledged the foregoing instrument to be the voluntary act and

10 deed of the Rogue Valley Sewer Services.

11

12

Notary Public for Oregon

13

My Commission Expires: _____

City of Shady Cove
And
Rogue Valley Sewer Services
Sewer Management Agreement
Appendix A – Major Capital Improvements

1	Sandblast and re-coat steel tanks in aeration basins.	\$250,000
2	Replace sludge dewatering unit	\$200,000
3	Replace secondary clarifier drive and controller.	\$200,000
4	Replace disk filter	\$290,000
5	Remove Brophy Pump Station	\$225,000

Project descriptions:

1

2

3

4

5 **Remove Brophy Pump Station:** A new pump station is planned at the bottem end of Brophy Lane by a private developer. Upon completion we will be able to re-route the gravity sewer and eliminate the current Brophy Pump Station. The new station will serve a larger area than the current station.

City of Shady Cove
 And
 Rogue Valley Sewer Services
 Sewer Management Agreement
 Appendix B – Fixed Assets

Item #	Address	Description	Insured Value
1	20515 Hwy 62	Pump Station #2	\$254,720
2	22680 Hwy 62	Pump Station #5	\$52,206
3	22582 Hwy 62	Pump Station #6	\$18,708
4	14 Brophy Way	Pump Station #4	\$48,497
5		Pump Station #3	\$48,497
6		Process Piping	\$353,940
7	4660 Rogue River Drive	Aerator #1	\$616,284
8	4660 Rogue River Drive	Aerator #2	\$616,284
9	4660 Rogue River Drive	Backwash Pump Building	\$159,324
10	4660 Rogue River Drive	Chlorine Contact Chamber	\$277,124
11	4660 Rogue River Drive	Clarifier	\$172,236
12	4660 Rogue River Drive	Headworks	\$267,188
13	4660 Rogue River Drive	Influent Pump Station	\$115,071
14	4660 Rogue River Drive	Land Improvements	\$97,710
15	4660 Rogue River Drive	Metal Storage Building	\$215,848
16	4660 Rogue River Drive	RAS/WAS Building	\$229,772
17	4660 Rogue River Drive	Three Water Pump Station	\$101,966
18	4660 Rogue River Drive	Waste Water Lab / Office	\$252,973
19	4660 Rogue River Drive	Chlorine Building	\$27,792
20	4660 Rogue River Drive	Cloth Media Filter	\$264,980
21	4660 Rogue River Drive	Pole Barn	\$165,171
22	4660 Rogue River Drive	Solids Removal Building	\$69,004



**City Council Agenda Item Summary
City of Shady Cove, Oregon**

Meeting Date: June 16, 2016

Prepared By: Aaron Prunty, City Administrator

Agenda Title: Resolution 16-19 – Approving a Heritage District and Including the City Within the Boundaries of the District

Attachment List: Resolution 16-19

Issue Before the Council: Shall the City Council consent to inclusion of the City within the boundaries of the Rogue Valley Heritage Special District?

Key Facts and Information Summary: This resolution approves a Jackson County Order to Initiate Formation of a Rogue Valley Heritage Special District and consents to the inclusion of City territory within the boundaries of the District.

Other Alternatives Considered: Council could choose not to approve the resolution and not be included in the boundaries of the District.

Fiscal Notes: Voters will be asked to establish a permanent property tax rate limit of \$.05 per \$1,000 for the District operations.

Goals/Policies: N/A

Staff Recommendation: N/A

Proposed Motion in Favor:

“I MOVE TO APPROVE RESOLUTION 16-19, ‘A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHADY COVE, OREGON APPROVING A JACKSON COUNTY ORDER TO INITIATE FORMATION OF A ROGUE VALLEY HERITAGE SPECIAL DISTRICT AND CONSENTING TO THE INCLUSION OF CITY TERRITORY WITHIN THE BOUNDARIES OF THE DISTRICT’”

City of Shady Cove

Resolution No. 16-19

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHADY COVE, OREGON
APPROVING A JACKSON COUNTY ORDER TO INITIATE FORMATION OF THE
ROGUE VALLEY HERITAGE SPECIAL DISTRICT AND CONSENTING TO THE
INCLUSION OF CITY TERRITORY WITHIN THE BOUNDARIES OF THE DISTRICT**

The City Council of the City of Shady Cove, Oregon finds:

- a. The Jackson County, Oregon, Board of Commissioners intends to form a county heritage special district under the authority of Oregon Revised Statutes (ORS) 198.705 to 198.955 and 358.442 to 358.474. The name of the proposed special district is the "Rogue Valley Heritage District" (hereinafter "District"). The proposed District would have the powers generally identified in ORS 358.442 to 358.474 and the powers listed in ORS 358.466, including, without limitation: operating and maintaining heritage sites and structures; acquiring and preserving property of historical interest, historical objects, and materials and documents of historical importance; and establishing and maintaining programs for heritage societies within the District.
- b. The governing body of the District shall be a board of five members to be elected by the electors of the District as required by ORS 358.448, and the board members shall be elected at large by position number as allowed by ORS 358.456(1)(b).
- c. The Jackson County Board of Commissioners may initiate the formation of the District by adopting an order under authority of ORS 198.835. The Board proposes to include all county territory within the boundaries of the proposed District.
- d. Jackson County voters will be asked to establish a permanent property tax rate limit of \$.05 per \$1,000 for the District's operations as authorized by ORS 358.466(4) and 358.468.
- e. Pursuant to ORS 198.835(3), the territory of the City may only be included within the boundaries of the District if the City Council adopts a resolution approving the proposed County order initiating the formation of the Rogue Valley Heritage District. The proposed County order is attached hereto.
- f. Currently, funding sources for the various museums, historical societies and heritage organizations within Jackson County are not stable and are declining. Formation of a heritage district will secure a permanent source of funding for the services, programs and activities provided by these entities to the citizens of Jackson County and the City.
- g. The City Council believes creation of a Jackson County heritage district will benefit all City residents for the following reasons:

- A stable revenue stream will allow museums, historical societies and heritage organizations in Jackson County to continue providing the following services, programs and activities that are important to our community:
 - Jackson County heritage societies and museums preserve and are responsible for over 3 million unique and priceless artifacts, documents and photos reflecting the history of the region;
 - Jackson County heritage societies and museums operate two research libraries used by students, researchers, writers and the general public. The historic books and records preserved by the heritage societies and museums provide important resources for citizens and scholars, making available to the public materials that are not maintained by the County library system or university libraries; and
 - The educational activities and programs of the heritage societies and museums enhance the curriculum of public and private schools and institutions of higher learning; and
- A stable revenue stream will allow museums in Jackson County to increase the hours these facilities are open, giving incentive for visitors to stay longer in the County and increase tourism spending on local goods and services, such as food, lodging and incidentals.

THE CITY COUNCIL RESOLVES AS FOLLOWS:

The City of Shady Cove, Oregon, hereby consents to the inclusion of all the territory of the City within the boundaries of the proposed Rogue Valley Heritage District, and approves the Jackson County Board of Commissioners' proposed order initiating the formation of that District in substantially the form attached hereto.

Adopted by the City Council of the City of Shady Cove, Oregon, this 16th day of June, 2016.

Approved:

Attest:

Tom Anderson
Mayor

Aaron Prunty
City Administrator

Council Vote:

Mayor Anderson _____
Councilor Ulrich _____
Councilor Sanderson _____
Councilor Burgess _____
Councilor Mitchell _____

BEFORE THE BOARD OF COMMISSIONERS OF JACKSON COUNTY
FOR THE STATE OF OREGON

IN THE MATTER OF INITIATING)
FORMATION OF THE ROGUE VALLEY) ORDER NO. _____
HERITAGE SPECIAL DISTRICT IN)
JACKSON COUNTY)

WHEREAS, the Jackson County Board of Commissioners recognizes the value in celebrating and preserving our local heritage and history; and

WHEREAS, a citizens group has asked the Jackson County Board of Commissioners to initiate the formation of a heritage special district in Jackson County, with a permanent property tax rate limit, to assure the museums, historical societies and heritage organizations in Jackson County will have stable funding to continue providing various services, programs and activities that are important to our community; and

WHEREAS, stable funding for the museums, historical societies and heritage organizations in Jackson County is important for the following reasons:

- A stable revenue stream will allow museums, historical societies and heritage organizations in Jackson County to continue providing the following services, programs and activities that are important to our community:
 - Heritage societies and museums in Jackson County preserve and are responsible for over 3 million unique and priceless artifacts, documents and photos reflecting the history of the region;
 - Heritage societies and museums in Jackson County operate two research libraries used by students, researchers, writers and the general public. The historic books and records preserved by the heritage societies and museums provide important resources for citizens and scholars, making available to the public materials that are not maintained by the County library system or university libraries; and
 - The educational activities and programs of the heritage societies and museums enhance the curriculum of public and private schools and institutions of higher learning; and
- A stable revenue stream will allow museums in Jackson County to increase the hours these facilities are open, giving incentive for visitors to stay longer in the County and

PROPOSED ORDER INITIATING HERITAGE DISTRICT FORMATION – Page 1 of 3

services provided by museums, historical societies and heritage organizations that are located in Jackson County; economic feasibility; and the permanent tax rate limit. At the conclusion of the hearing, the Board shall determine, in accordance with criteria described in ORS 198.805 and 199.462, whether Jackson County could be benefited by the formation of the heritage district and whether the County should continue with the formation process.

9. Notice of the hearing shall be provided to interested persons in accordance with ORS 198.800(2) and 198.730.

DATED this ___ day of _____, 2016.

JACKSON COUNTY BOARD OF COMMISSIONERS

Rick Dyer, Chair

Doug Breidenthal, Commissioner

Colleen Roberts, Commissioner

APPROVED AS TO FORM:

County Counsel