

Memorandum of Understanding (MOU)
to
Develop the Structure for a Regional Wastewater Entity

THIS AGREEMENT entered this 25th day of September, 2009 between the City of Battle Ground, ("Battle Ground"), the City of Ridgefield, ("Ridgefield"), Clark County, ("County"), and the Clark Regional Wastewater District, ("CRWWD"), hereinafter collectively called "Partners":

WITNESSETH:

WHEREAS, the Partners anticipate making substantial investments in wastewater infrastructure and operations to address the future economic and environmental needs of their respective communities; and

WHEREAS, the Partners recognize that regional cooperation will assist in meeting these wastewater needs; and

WHEREAS, the Sewer Coalition Planning Study (Study), which was initiated in May of 2008 to investigate these potential benefits and completed in August 2009, concluded regional cooperation that should result in overall operational efficiencies and potential capital financing cost reductions, particularly in the areas of treatment, major conveyances and regulatory compliance, and identified the cost effectiveness of constructing regional sewer capacity on an as-needed or capacity-ready basis; and

WHEREAS, the Partners desire to proceed with the next phase of the Study, which is the development of a Regional Business Plan, and other activities; and

WHEREAS, the cities of Camas, La Center, Vancouver, Washougal and Woodland, Clark Public Utilities, the Port of Ridgefield, and the town of Yacolt, who participated in this initial phase of the Study, would like to be kept informed and have the ability to provide input into the development of the Regional Business Plan and other activities and are hereinafter referred to as Coordinating Agencies; and

WHEREAS, the funding for the Study is being administered by CRWWD; now, therefore:

THE PARTIES AGREE AS FOLLOWS:

1. As the next phase of the Study, the Partners shall develop a Regional Business Plan and perform other activities, which shall be consistent with the Guiding Principles of Exhibit A and shall include the structure for a regional wastewater entity. The Partners shall cause a scope of work for a Regional Business Plan and other projects to be prepared consistent with the Guiding Principles contained in Exhibit A.
2. In preparing a Regional Business Plan, the Partners shall, a) develop the structure of the regional wastewater entity, b) evaluate regional entity management, administrative, and operational staffing needs, c) determine governing board representation, d) perform public outreach and involvement activities, e) establish regional entity capital and operating budget needs, rates and system development charges, f) perform a Battle Ground Highway corridor visioning study, g) compile a Stormwater Feasibility Study, and h) complete other tasks as defined in the scope of work of a Regional Business Plan.
3. The Partners agree that CRWWD will continue to administer the Study funds and that the remaining Study funds shall be allocated consistent with Exhibit B, pending concurrence from Senator Joseph Zarelli and the Department of Ecology.

4. Any Study costs potentially exceeding available funds must be approved in advance by all Partners and will be documented by an amendment to this MOU.
5. The Partners understand that ownership of specific regional wastewater assets will be transferred, over time, to the regional entity under the terms of a future potential Interlocal Agreement. The preliminary list of potential regional wastewater assets is attached to this MOU as Exhibit C. The list will be refined as part of a Regional Business Plan and further defined in any subsequent Interlocal Agreement.
6. The Partners acknowledge that by signing this MOU, they are committing to development of a Regional Business Plan and other activities described in this MOU, and are not committing to the conclusions, recommendations or proposals of a Regional Business Plan. No Partner, by participating in the actions contemplated by this memorandum, is required to execute any future agreements or take further action.
7. The Partners acknowledge the participation of the entities described as coordinating members of the regional consortium in Exhibit A (Coordinating Agencies), and will keep them informed and invite them to participate and provide input into the development of a Regional Business Plan and other activities. Coordinating Agencies are invited to sign Exhibit D in order to indicate their interest in a coordinated level of involvement during development of a Regional Business Plan and other activities.
8. The duration of this MOU shall not exceed December 31st, 2011, without Amendment by the Partners.

CITY OF BATTLE GROUND

By: [Signature]
Dennis Osborn, City Manager

Date: 9/25/09

Attest:
By: [Signature]
City Clerk

Approved as to Form:
By: [Signature]
Battle Ground City Attorney

CLARK REGIONAL WASTEWATER DISTRICT

By: [Signature]
John Peterson, General Manager

Date: 09-22-2009

Attest:
By: [Signature]
Clerk to the Board

Approved as to Form:
By: [Signature]
CRWWD Legal Counsel

CLARK COUNTY

By: [Signature]
Bill Barron, County Administrator

Date: 9/23/09

Attest:
By: [Signature]
County Clerk of Board

Approved as to Form:
By: [Signature]
Clark County Attorney

CITY OF RIDGEFIELD

By: [Signature]
Justin Clary, City Manager

Date: 9/24/2009

Attest:
By: [Signature]
City Clerk

Approved as to Form:
By: [Signature]
Ridgefield City Attorney

MOU EXHIBIT A GUIDING PRINCIPLES

A Regional Sewer Framework

INTRODUCTION

The Sewer Coalition Planning Study is nearing completion. During the course of this study, a great deal of time and expertise was expended to evaluate and define the most technically, environmentally, and financially sound program to meet the region's near-term and long-term wastewater needs. The process also included seven elected official workshops and five regional tours in which staff and elected officials throughout Clark County have built relationships and collaborated on an integrated vision to implement the proposed program.

The purpose of this document is to capture the essential guiding principles from this initial phase of study in order to establish a framework for moving the process forward.

KEY STUDY FINDINGS

Key study findings include the following:

- The opportunity to integrate and fully leverage all of the existing and future regional wastewater facilities will result in the most technically sound, environmentally compliant, resource efficient, and cost-effective wastewater management approach for Clark County.
- The opportunity to utilize and optimize the operations and maintenance of existing and new wastewater management facilities, coupled with the financial resources and established reputation of the collaborating agencies can minimize the future rates and charges for all wastewater system users.
- These opportunities can be best accomplished by forming a new consortium governance that can compile and deploy the best resources and practices to most efficiently and effectively manage the implementation of the regional wastewater system. This approach benefits the environment, enhances economic development opportunities, and provides stable and lower rates for system users.

GUIDING PRINCIPLES

Based on the results and findings of this planning process, guiding principles have been drafted for review by the partner agencies in order to move the process toward adoption of a memorandum of understanding (MOU). The MOU, to which this Exhibit is attached, is the basis for development and implementation of a Regional Business Plan (described below) which will serve as the roadmap to establish the regional entity and advance the regional wastewater management program.

I. GENERAL PROVISIONS

- A. Local Collection Systems.** Individual collection systems will continue to be owned, operated, and maintained by the local jurisdictions.
- B. Regional Wastewater Facilities.** Ownership of specific regional wastewater facilities (e.g. wastewater treatment plants, major pipelines, and pump stations) will be transferred, over time, to the regional entity under the terms of an Interlocal Agreement to be developed through a Regional Business Plan process. The regional entity would ultimately assume responsibility for management and operation of the regional wastewater facilities.
- C. Initial Partners in the Regional Consortium.** Initial Partners in the Regional Consortium are:
1. City of Battle Ground
 2. City of Ridgefield
 3. Clark County
 4. Clark Regional Wastewater District

These agencies will be invited to sign the MOU, demonstrating their interest in development of a Regional Business Plan forming a regional partnership.

- D. Coordinating Members of the Regional Consortium:** The following agencies participated in the initial phase of the Sewer Coalition Planning Study:
1. City of La Center
 2. City of Vancouver
 3. Clark Public Utilities
 4. Port of Ridgefield
 5. Town of Yacolt
 6. City of Woodland
 7. City of Camas
 8. City of Washougal

These agencies are invited to sign Exhibit D in order to indicate their interest in being involved and providing input to the Regional Consortium during development of a Regional Business Plan and coordinating other activities as appropriate. These agencies may also consider joining the partnership at a future date.

- E. Regional Business Plan.** A Regional Business Plan (Plan) will be developed which details the implementation, startup, and operation of the regional entity. A concluding part of this Plan will be preparation of an Interlocal Agreement which will establish the governance structure supported by the various financial, planning, and operational conditions required to fully transition into the new regional entity. Important elements of the plan include the following:
1. Interlocal Agreement (Legal Framework and Governance)
 2. Transition of Assets and Liabilities
 3. Consolidation of Operations
 4. Detailed Financial Plan/Regional Rates and Charges
 5. Hub Agency Organizational Changes
 6. Address Current Interlocal Agreement Requirements/Past Investments
 7. Public Outreach
 8. Implementation Plan

II. TECHNICAL

- A. Long-Term Vision.** The Partners agree to use the vision outlined in the General Sewer Plan developed through the Sewer Coalition Planning Study as a long-term guide.
- B. Short-Term Projects.** The Partners also agree to proceed with further development of the following short-term projects:
 - 1. Design and construction of near-term improvements to serve the City of Ridgefield.
 - 2. Design and construction of the Battle Ground Replacement Flow Equalization Basin.
- C. Use of Proviso Funds.** Uses of the proviso grant funds will include a combination of the following projects which are further described in Exhibit B:
 - 1. Regional Business Plan, which will also include:
 - a. Battle Ground Highway Corridor Visioning
 - b. Stormwater Feasibility Analysis
 - 2. Ridgefield Near Term Improvements
 - 3. Near Term Regional Planning
 - a. Revision of Individual Agency GSP/Comp Plan Documents
 - b. Yacolt Facilities Planning

III. FINANCIAL

- A. Regional Wastewater Facilities.** The initial regional structure will be formed with an understanding that major regional conveyance and treatment facilities would become regional assets under the jurisdiction of the Regional Consortium. A list of initial and potential future major regional wastewater facilities is also included as Exhibit C as an attachment to the MOU. It is assumed that the regional assets, along with associated liabilities and staff, would be transferred to either a newly formed regional entity or to an existing agency designated as the "Hub Agency."
- B. Local Rates and System Development Charges (SDC).** The analysis for the Consortium structure has assumed that the individual local jurisdictions will set rates consistent with the revenue requirements for their local collection systems. SDCs for these local collection systems will also be established by the local jurisdiction based on individual collection systems, capital requirements, and costs allocable to growth.
- C. Regional Rates and System Development Charges (SDC).** A Regional Business Plan will further evaluate the policies and amounts for user rates and SDCs to be established to support the operation, maintenance, management, replacement and expansion of the regional wastewater facilities. Actual rate and SDC levels will be approved by the partners and established in the Interlocal Agreement. The rate and SDC analysis will be consistent with the associated level of service for the regional functions.

IV. GOVERNANCE

- A. Hub Agency.** The Consortium structure is based on an existing or newly created regional entity designated by the partners as the Hub Agency. The two Hub Agency options identified through the Sewer Coalition Planning Study and agreed to by the partners are the Clark Regional Wastewater District (or an expanded/modified District structure) and a new entity established through interlocal agreement or legislative action (or possibly a combination/hybrid of the two approaches over time). It is intended that

the Hub Agency options and implications will be evaluated further as part of a Regional Business Plan. The options and implications will also examine the effects of both further annexation by Vancouver into the Vancouver UGB and the formation of a new city within the current Vancouver UGB. The policies affecting the management of these regional assets and the consortium sewer capital program will be a shared responsibility of the partners through a governing board.

- B. Hub Agency Governing Board Functions.** The Regional Business Plan will describe intended regional functions of the governing board overseeing the Hub Agency. A Regional Business Plan will include further analysis of these regional functions which would then be documented in the Interlocal Agreement. Likely functions of the governing board include: decision-making about capital investments, capacity management, approving operations budgets, establishing regional rates and charges, adding partners, adding services, and making other policy decisions. Consideration will also be given to which decisions will require unanimous consent of the Partners and which items will be approved by majority vote.
- C. Hub Agency Governing Board Representation.** It is proposed for evaluation among the partners that a regional governing body be established to set policies affecting the regional sewer program to be implemented through the Hub Agency. The body would consist of elected appointees representing each of the partners with final governance and voting representation evaluated through a Regional Business Plan, including but not limited to consideration of a one-agency, one-voting structure and other voting structures reflecting proportional system use.

V. SPECIAL PROVISIONS

A Regional Business Plan will address special provisions as requested by the Partners. Items included are:

- A.** Current agency staff associated with the regional functions or assets will not be adversely affected.
- B.** Battle Ground Highway corridor visioning will be jointly undertaken by the affected agencies to support the interests of Battle Ground, Ridgefield and the region. The visioning process is intended to establish a concept for sewer service along the Battle Ground Highway and to further identify what elements of infrastructure may make sense to construct as part of the Battle Ground Highway widening project. The visioning process is also intended to bring together those agencies with interests in the transportation and future land use in order to develop a set of guiding principles for how the corridor can be best managed to the long-term benefit of Battle Ground, Ridgefield, and the region.
- C.** The regional entity can be used as a platform for addressing other issues where interagency cooperation is beneficial (such as stormwater, effluent reuse, water supply, etc.). The legal structure of the regional entity will be reviewed to ensure that these additional services could be provided in the future, if agreed to by the Partners.
- D.** Naming of regional assets owned by the regional partnership will be accomplished in coordination with the local agency where the asset is located.

MOU
EXHIBIT B
Allocation of Proviso Funds

Clark Regional Wastewater District
 Ecology Grant No. G0800560 - Clark County Regional Sewer Cooperative
 Summary of Proposed Grant-Funded Projects

Elements	Initial Contract Allocation	Revised Contract Allocation	Grant Funded Amount	Locally Funded Amount	Products to Ecology
Task 1 - Project Administration	\$150,000	\$150,000	\$0	\$150,000	Quarterly Progress Reports from CRWWD
Task 2 - Planning					
2a <u>Regional General Sewer Plan</u>	\$900,000	\$900,000	\$900,000	\$0	General Sewer Plan - 2 copies
2b <u>Local Agency General Sewer Plan Updates</u> <i>Ridgefield, Battle Ground, Clark County, CRWWD</i>	\$0	\$200,000	\$200,000	\$0	General Sewer Plan Updates - 2 copies
2c <u>Yacolt Wastewater Facilities Plan</u>	\$0	\$400,000	\$400,000	\$0	Wastewater Facilities Plan - 2 copies
2d <u>Regional Business Plan - Implementation</u> <i>Legal Analysis/Plan/Interlocal Agreements</i> <i>Financial Analysis/Policies/Rates/Assets</i> <i>Operations Analysis/Plan/Organizational Structure</i> <i>Public Outreach</i> <i>Agency Specific Investigations</i> <i>Battle Ground Highway Corridor Visioning</i> <i>Stormwater Feasibility Analysis</i>	\$0	\$800,000	\$800,000	\$0	Regional Business Plan - 2 copies
Task 3 - Design and Construction	\$3,100,000	\$0			
3a <u>Ridgefield Short-Term Capacity Engineering Report</u>	\$0	\$500,000	\$500,000	\$0	Engineering Report - 2 copies
3b <u>Ridgefield Short-Term Capacity Final Design</u>	\$0	\$1,200,000	\$1,200,000	\$0	Plans and Specifications - 2 copies
Total	\$4,150,000	\$4,150,000	\$4,000,000	\$150,000	

Notes:

1. Amounts shown are based on estimates. Final amounts to be determined after competitive consultant selection and contract negotiation process.
2. Locally funded amount consists of local agency staff time as an in-kind contribution.
3. Ridgefield Short Term Capacity needs are assumed to be addressed by either a regional pipeline connecting the Ridgefield service area with the Salmon Creek Treatment Plant or by an interim expansion of the Ridgefield Treatment Plant. Engineering Report will further define cost and non-cost factors for both alternatives for a final decision by the Partners.

MOU
EXHIBIT D
COORDINATING AGENCIES

The cities of Battle Ground, Camas, La Center, Ridgefield, Vancouver, Washougal and Woodland; Clark County, Clark Public Utilities, Clark Regional Wastewater District, the Port of Ridgefield, and the Town of Yacolt have participated in the first phase of the Sewer Coalition Planning Study of 2008-2009.

While the cities of Battle Ground and Ridgefield, Clark County, and Clark Regional Wastewater District will be "Partners" in developing a Regional Business Plan during the next phase of the projects, the cities of Camas, La Center, Vancouver, Washougal, and Woodland; Clark Public Utilities, the Port of Ridgefield, and the Town of Yacolt are invited to participate at a coordinated level of involvement during development of a Regional Business Plan and other activities. These "Coordinating Agencies", by signing this document are indicating their interest in receiving information and providing input to the process, and coordinating other activities as appropriate, and are not committing to the specific terms of the MOU that has been signed by the Partners.

In addition, where the plan contemplated by the Partners may affect the specific interests of a Coordinating Agency, the Coordinating Agency will be invited to participate with the Partners in the development of the relevant portions of the plan with the Partners. Examples include, but are not limited to, infrastructure north of 299th Street (La Center), treatment plant capacity utilization at the Westside or Marine Park Treatment Plants (Vancouver), and shared services such as laboratory, biosolids, and pretreatment services (all Coordinating Agencies).

CITY OF CAMAS

Signature: _____
Name: _____
Title: _____

CITY OF LA CENTER

Signature: _____
Name: _____
Title: _____

CITY OF VANCOUVER

Signature: _____
Name: _____
Title: _____

CITY OF WASHOUGAL

Signature: _____
Name: _____
Title: _____

CITY OF WOODLAND

Signature: _____
Name: _____
Title: _____

CLARK PUBLIC UTILITIES

Signature: _____
Name: _____
Title: _____

PORT OF RIDGEFIELD

Signature: _____
Name: _____
Title: _____

TOWN OF YACOLT

Signature: _____
Name: Joe WARREN
Title: MAYOR