



Water Quality Protection
 Surface Water Management
 Wastewater Collection & Treatment

Gregory Geist
 Director

June 25, 2015

Board of Commissioners
 Clackamas County

Members of the Board:

Approval and Adoption of an Intergovernmental Agreement between
 Clackamas County Service District No. 1 and the Tri-City Service District for
Purposes of Alternate Biosolids Disposal Services

Purpose/Outcome	Renews an IGA that allows both districts to use the other's facility as emergency backup or cost reduction regarding post-digester biosolids handling. The current IGA expires on June 30, 2015.
Dollar Amount and Fiscal Impact	Under the current IGA, CCSD#1 has experienced cost savings by partnering with TCSD, and TCSD has experienced additional revenues on an existing asset. The agreement allows for services both ways and in the past TCSD has utilized CCSD#1 fields and trucks to meet permit compliance requirements.
Funding Source	CCSD#1, TCSD rate revenues
Safety Impact	None
Duration	Two years, expiring June 30, 2017
Previous Board Action/Review	The original IGA was approved by the Board of County Commissioners on Jan. 6, 2011 – agenda item 010611-VI.8
Contact Person	Chris Storey, Assistant County Counsel: 503 742-4623
Contract No.	

BACKGROUND:

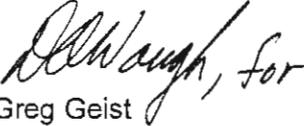
In 2009, Tri-City Service District ("TCSD") experienced a failure of its centrifuge used to remove water from materials processed by the plant digesters before application onto fields. TCSD relied on tanker trucks and authorized fields of Clackamas County Service District No. 1 ("CCSD#1") to maintain compliance with its obligations under the Clean Water Act, for which CCSD#1 was reimbursed. At that time, WES staff recommended and the Board of County Commissioners as the governing body of TCSD and CCSD#1 entered into an agreement allowing for the opportunity for each district to serve as a backup to the other for emergency or cost-saving reasons. That agreement expires on June 30, 2015 and WES staff brought the concept of a renewal to the advisory committees of the districts. Both the Riverhealth Advisory Board and the Tri-City Advisory Committee voted in favor of renewing the agreement with certain changes, such as limiting the term to two years and making clear that neither district was under

any obligation to accept biosolids. Those requested changes are reflected in the draft agreement attached to this staff report.

RECOMMENDATION

Consistent with the vote of both districts' advisory committees, staff respectfully recommends that the Board adopt the intergovernmental agreement between Clackamas County Service District No. 1 and the Tri-City Service District regarding post-digestion biosolids.

Sincerely,


Greg Geist
Director

**Intergovernmental Agreement
For
Alternate Biosolids Disposal**

This Intergovernmental Agreement for Alternate Biosolids Disposal (this "Agreement") is entered into this 25th day of June, 2015, between Tri-City Service District ("TCSD") and Clackamas County Service District No. 1 ("CCSD#1").

WHEREAS, TCSD and CCSD#1 are both county service districts concerned with wastewater treatment and the disposal of biosolids resulting from such treatment; and

WHEREAS, CCSD#1 and TCSD desires to have TCSD accept biosolids generated from and after digestion at the Kellogg Plant at the Tri-City Plant in the event CCSD#1 is unable to appropriately dispose of the biosolids in a cost-effective manner or as a result of an emergency, and TCSD desires to have CCSD#1 accept biosolids generated from and after digestion at the Tri-City Plant at the Kellogg Plant in the event TCSD is unable to appropriately dispose of the biosolids in a cost-effective manner or as a result of an emergency; and

WHEREAS, CCSD#1 and TCSD entered into an agreement regarding the same on January 6, 2011, which expires on June 30, 2015 and desire to extend this arrangement for two years;

NOW, THEREFORE, the parties hereto mutually covenant and agree to and with each other as follows:

ARTICLE 1. DUTIES OF RECEIVER. The party receiving biosolids hereby agrees:

1. To accept delivery of biosolids from the deliverer when requested unless such delivery would (i) result in a violation of applicable laws, (ii) safety or operational standards, or (iii) would impair the functionality of the receiving facility or authorized disposal field or similar district asset.
2. To warrant services furnished by the receiver under this Agreement will be in full compliance with OAR Chapter 340, Division 50 and 40 CFR Part 503 and other federal, applicable state and local laws.

ARTICLE 2. DUTIES OF DELIVERER. The party delivering biosolids hereby agrees to:

1. Deliver biosolids to the appropriate facility for processing or application, as required, with suitable documentation regarding the characteristics thereof.
2. Pay all bills promptly and fully.

3. To promptly communicate with the receiver regarding any material changes in the deliverer's biosolids program that might result in operational challenges.
4. Warrant that services furnished under this Agreement will be in full compliance with OAR Chapter 340, Division 50 and 40 CFR Part 503 and other federal, state and local laws.

ARTICLE 3. GENERAL TERMS.

1. **Term:** The Parties hereto acknowledge that each has previously utilized the other for biosolids backup and desires all such actions to be appropriately compensated per the terms of this Agreement. This Agreement shall expire on June 30, 2017, unless terminated sooner as provided herein.
2. **Payment for Services:** The receiving party shall provide the delivering party invoices for services. Invoices shall be presented in paper form. Invoices submitted for payment shall identify the services, the unit prices, quantity invoice number and invoice total. Invoicing for services shall at all times be in arrears. Invoices for payment shall be provided to the delivering party within thirty (30) days of successful delivery of the billed services.
3. **Inclusive Agreement:** This Agreement does not establish an exclusive arrangement between CCSD#1 and TCSD, and each party retains the right to purchase or provide the same or similar services from other parties.
4. **Biosolids Delivery:** Neither party commits to transport a minimum quantity of biosolids and neither party is required to accept any amount; rather, this Agreement is intended for temporary relief or mutual benefit.
5. **Record Keeping:** The receiving party shall maintain records of biosolids received and its appropriate handling, and compliance with all applicable laws and regulations.

ARTICLE 4. ADDITIONAL CONDITIONS.

1. **Pricing:** The delivering party shall pay for services provided according to a formula reflecting the then-current costs for the following expenses:

Initial Processing

- Labor
- Chemicals
- Power
- Maintenance
- Centrifuge Depreciation
- Side stream treatment

- Allocated District costs
- Allocated debt service

Transportation

- Labor
- Fuel
- Insurance
- Equipment Maintenance
- Equipment Replacement
- Allocated District costs
- Allocated debt service

Land Application

- Labor
- Fuel
- Insurance
- Equipment Maintenance
- Equipment Replacement
- Allocated District costs
- Allocated debt service

As of the date of execution hereof, the current cost for biosolids management and handling for TCSD is \$0.06 per gallon and CCSD#1 is \$0.15 per gallon. This price shall be updated annually to reflect current costs of the Parties as of the end of the prior fiscal year in providing the service.

2. **Amendments:** This Agreement may be amended by the written consent of the Parties at any time.
3. **Force Majeure:** Neither CCSD#1 nor TCSD shall be held responsible for Agreement performance if performance is prevented by unforeseeable acts or events beyond the party's reasonable control including, but not limited to: acts of God, fire, flood, earthquakes or other catastrophes; strikes or other labor unrest; power failures; terrorist attacks; nuclear or other civil or military emergencies; or acts of legislative, judicial, executive, or administrative authorities, or any other circumstances which are not within its reasonable control (Force Majeure Events).
4. **No Third Party Beneficiaries:** CCSD#1 and TCSD are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, assigns or provides any benefit or right, whether directly, indirectly or otherwise, to third persons, including owners of the property.

5. **Successors in Interest:** The provisions in this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and approved assigns.
6. **Early Termination of Agreement:** Either party may, upon ninety (90) days written notice to the other party, may terminate this Agreement for any reason deemed appropriate in its sole discretion. Either CCSD#1 or TCSD may terminate this Agreement in the event of a breach in the Agreement by the other.
7. **Compliance with Applicable Law:** In connection with the activities under this Agreement, CCSD#1 and TCSD shall comply with all federal, state and local laws and regulations. All statutory, charter and ordinance provisions applicable to public contracts in CCSD#1, TCSD, Clackamas County, and the State of Oregon shall be followed with respect to this Agreement.
8. **Indemnity:** Each party shall hold harmless, defend and indemnify the other party, its officers, employees and agents, from all claims, demands, suits, actions, losses, damages, liabilities, costs and expenses of whatsoever nature, including all attorneys fees and costs, resulting from or arising out of negligence or willful misconduct of such party or all its officers, employees, subcontractors under this Agreement.
9. **Non-Waiver:** No waiver, consent, modification, or change of the terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent modification, or change if made, shall be effective only in specific instances and for the specific purposes given. The failure of either party to enforce any provision of this Agreement shall not constitute a waiver of that or any other provision.

[Signature Page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

TRI-CITY SERVICE DISTRICT

**CLACKAMAS COUNTY
SERVICE DISTRICT NO. 1**

By: _____

By: _____

ATTEST:

By: _____
Secretary