

December 3, 2015

Board of County Commissioners
Clackamas County

Members of the Board

**Approval of a Cooperative Intergovernmental Agreement
Between Clackamas County and Clackamas County Service District No. 1
to Transfer Administration of the Local Septic Program**

Purpose/Outcomes	Provide residents with better service by integrating the Septic & Onsite Wastewater Disposal Program within DTD.
Dollar Amount and Fiscal Impact	CCSD#1 will transfer cumulative revenues from the Program in excess of costs to DTD in support of the transition.
Funding Source(s)	Existing revenues.
Duration	Effective January 1, 2016
Previous Board Action/Review	Policy Session on 10/27/2015
Strategic Plan Alignment	Promotes building public trust by providing good government through improved and more customer-friendly delivery of services. The Septic Program ensures healthy communities by avoiding groundwater contamination.
Contact Person	Doug Waugh, Finance Manager for WES 503-742-4564 (Phone) dwaugh@clackamas.us

BACKGROUND:

For the review of onsite wastewater disposal systems, the default under state law is that the Department of Environment Quality ("DEQ") will administer the septic program. However, in 1982 Clackamas County entered into a delegation agreement authorizing the County to act as DEQ's agent in an effort to provide better customer service.

The Septic & Onsite Wastewater Disposal Program (the "Program") has been housed and budgeted within Clackamas County Service District No. 1 ("CCSD1") as managed by Water Environment Services ("WES") on the theory of finding synergy regarding water quality. Recent management discussions, in part arising out of Performance Clackamas, have suggested that the Program would better serve residents of Clackamas County by being managed through the Department of Transportation and Development ("DTD") in their Land Use, Development & Permitting program rather than through WES. Overall, staff believes that residents of Clackamas County will receive better service and more efficient management by integrating the Septic & Onsite Wastewater Disposal Program within DTD as the lead department issuing construction-related permits.

This topic was explored by the Board during a October 27, 2015 policy session and after due deliberation the Board directed staff to finalize an agreement that would implement the change in management. Attached is an agreement providing for the same. Key provisions of the proposed attached agreement include establishing a transfer date of January 1, 2016, continued support and partnership to ensure the best customer service during the transition, the transfer of assets, and a reconciliation and transfer of revenues received by CCSD#1 from the Program in excess of its costs.

RECOMMENDATION:

Staff respectfully recommend that the Board of County Commissioners on behalf of Clackamas County Service District No. 1 enter into the attached intergovernmental agreement to transfer the Septic & Onsite Wastewater Disposal Program from CCSD1 to DTD effective January 1st, 2016.

Respectfully submitted,

Gregory Geist,
Director

COOPERATIVE INTERGOVERNMENTAL AGREEMENT
BETWEEN
CLACKAMAS COUNTY AND
CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

THIS COOPERATIVE INTERGOVERNMENTAL AGREEMENT (this “Agreement”), is entered into this 3rd day of December, 2015, by and between the Clackamas County by and through its Department of Transportation and Development (“DTD”), and Clackamas County Service District No. 1, a county service district (the “District”).

WHEREAS, Clackamas County entered into a local septic program agreement with the Oregon Department of Environmental Quality (“DEQ”) to authorize and allow the County to provide the most timely and customer-responsive service regarding septic needs for its residents (the “DEQ-County Agreement”); and

WHEREAS, the County program providing septic services (the “Soils Group”) has been managed through Water Environment Services Department and budgeted through the District in an effort to gain water quality efficiencies; and

WHEREAS, the management of DTD and the District feel that residents of Clackamas County would receive better service and more efficient management by integrating the Soils Group within DTD; and

WHEREAS, this Agreement is intended to provide for the smooth transition of all current Soils Group employees and related assets from the District to DTD; and

WHEREAS, the transfer of the Soils Group shall be accomplished effective January 1st, 2016 (the “Effective Date”);

NOW, THEREFORE, DTD and District each covenant and agree to the following:

Section 1 Obligations of DTD.

- 1.1 Provision of Services. DTD hereby acknowledges and agrees that it is the responsible agency for ensuring the provision of soil and septic services consistent with the DEQ-County Agreement and all applicable state and local laws, the management of fees and funds related thereto, and any and all necessary actions to implement the foregoing. DTD shall assume operation and control of the Soils group as of the Effective Date. CCSD#1 shall ensure that DTD receives all available data and will provide support to effectuate the assumption of that responsibility in a smooth and effective manner.
- 1.2 Acceptance of Employees. Four full time employees currently provide services for the Soils Group through the District. District will transfer to DTD, and DTD will accept, budget for and manage, those four employees.

- 1.3 Internal Change Management. DTD in partnership with the District will work cooperatively with all necessary parties to ensure a clear and smooth transition of the Soils Group and related employees to DTD, including but not limited to AFSCME, the Department of Employee Services, Technology Services, Fleet, and Finance.

Section 2 Obligations of the District.

- 2.1 Group Transfer. In addition to partnering with DTD to ensure the smooth transition of staff required in Section 1.3, the District will transfer to DTD all files, records, and equipment related to the provision of septic services as of the Effective Date. The District shall further provide such staff support and assistance as necessary to ensure quality service is provided to Clackamas County residents during the transition period. The parties agree that it is the intent and effect of this Agreement that the District shall have no obligation with respect to the Soils Group after the transition to DTD, which should be concluded by the end of the 2015-16 fiscal year.
- 2.2 Transfer of Assets. Currently the Soils Group uses two vehicles and certain support items in support of its' mission to provide septic services. As part of the transfer, the District does hereby sell, transfer and/or assign, as appropriate, to DTD as of the Effective Date, all assets directly pertaining to the Soils Group for their collective current value of \$5,000, all as more fully described on Exhibit A attached hereto (the "Assets"). The parties agree that this Agreement, with exhibit, shall constitute a bill of sale for the Assets and no further action shall be necessary to reflect the change in ownership thereby between the parties. The value of the Assets shall be deducted from the transfer amount as part of the reconciliation as described in Section 2.4 below.
- 2.3 Transfer of Contracts. As of the Effective Date, the District does hereby assign, transfer, or otherwise convey to DTD all contracts, agreements, and other arrangements regarding the Soils Group, including but not limited to all support service contracts and independent soil scientist professional service contracts. The District shall remain obligated for all amounts owed on the foregoing for services through the Effective Date and include such amounts in its reconciliation as described under Section 2.4.
- 2.4 Account Balance Transfer. The District has performed a reconciliation of Soils Group revenues and Soils Group expenses for the prior ten fiscal years, and found that the District received a net revenue surplus of at least \$250,000 during that time. As part of the transfer of the Soils Group, the District is willing to transfer the net of revenues over expenses to DTD. To ensure no District dollars are spent on this County function, the transfer shall occur in two phases. First, on the Effective Date, the District shall transfer to DTD One Hundred Fifty and No/100 Dollars (\$150,000.00). By April 1, 2016, the District shall perform a full reconciliation for costs and revenues accrued during the 2015-2016 fiscal year and share with DTD staff for final consensus on the net position of the Soils Group. If, after such reconciliation including costs related to asset transfers, the cumulative net position of the District is positive then it shall

transfer to DTD such amounts as necessary as to render the management of the Soils Group by the District cost-neutral for the applicable time period.

Section 3 General Terms.

3.1 Entire Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties or the predecessors in interest with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the party granting such waiver.

3.2 Further Action. The parties hereto shall, without additional consideration, acknowledge, execute, deliver or perform from time to time such further instruments or actions as a requesting party may reasonably require to accomplish the purposes of this Agreement. The Director of DTD and the Director of Water Environment Services are hereby authorized to execute any and all such instruments on behalf of the County or the District, respectively.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1	CLACKAMAS COUNTY
By: _____	By: _____
Title: _____	Title: _____
ATTEST: _____	ATTEST: _____

EXHIBIT A

Veh# E038314 - 2003 Ford F150

Veh# E038316 - 2003 Ford Ranger