



OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING
2051 KAEN ROAD OREGON CITY, OR 97045

November 3, 2016

Board of County Commissioners
Clackamas County

Members of the Board:

Consideration of Consolidation of Oak Lodge Water District
and Oak Lodge Sanitary District

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Purpose/Outcomes	Conduct Public Hearing/Approve Resolution
Dollar Amount and Fiscal Impact	None
Funding Source	Not Applicable
Duration	Permanent
Previous Board Action	None
Strategic Plan Alignment	Build Public Trust Through Good Government, hold transparent and clear public processes regarding jurisdictional boundaries
Contact Person	Ken Martin, Boundary Change Consultant - 503 222-0955 Chris Storey, Assistant County Counsel
Contract No.	Not Applicable

BACKGROUND:

Proposal No. CL 16-009 is a consolidation of Oak Lodge Water District and Oak Lodge Sanitary District (together, the "Districts") which is being processed under ORS 198. This proposal was initiated by resolutions from the two Districts' Boards. The resolutions met the requirement for initiation set forth in ORS 198.898(5). The election called for under ORS 198.903 was ordered by the two District's boards and held on May 17, 2016 and the matter was approved in both districts. The Districts have requested that the County review the proposal under provisions of the Metro Code prior to their completion of the final steps outlined in ORS 198.

As required by the Metro Code notice of this hearing invited testimony from any interested party. Notice consisted of: 1) Posting ten notices in the territory and one notice near the County hearing room 20 days prior to the hearing; 2) Published notice twice in the Clackamas County Review; and 3) Mailed notice sent to affected local governments.

OVERVIEW:

According to the Districts' Explanatory Statement for the election ballot title:

Oak Lodge Water District and Oak Lodge Sanitary District provide drinking water, sewage collection and treatment, and surface water management services in the Oak Lodge/Jennings Lodge area. The two Districts' boundaries are nearly the same.

Since 2013, the elected Boards of both Districts have jointly conducted legal and financial studies to evaluate the pros and cons of consolidation. The studies demonstrate a single consolidated District could save ratepayers \$4.25 million over the first 10 years. Savings come from: not replacing three duplicative positions that will be vacant due to retirement and attrition; combining financial systems; and sharing office space – there is room for everyone in the Water District building.

REASONS FOR CONSOLIDATION:

The Districts cite the following reasons in support of consolidation:

- Cost savings: Estimated at \$4.25 million over first 10 years
- More efficient: eliminates overlap and duplication.
- Improved customer service through single point of contact.
- Better prepared for natural disasters and emergencies.
- Shared mission: provide clean water, protect public health and the environment in most cost-effective manner.
- Customers receive combined water/sewer bill.
- No job losses. Only vacant, duplicative management and administrative positions will be eliminated.
- Maintains independent, local service for water, sewer and surface water management.

CRITERIA:

The Metro Code requires a staff report that addresses the criteria cited below and that includes the following information:

1. The extent to which urban services are available to serve the affected territory, including any extraterritorial extensions of service;
2. Whether the proposed boundary change will result in the withdrawal of territory from the legal boundary of any necessary party¹; and
3. The proposed effective date of the boundary change.

The consolidating Districts already provide water, sewer and surface water management services to the area. Service availability is covered in the section below. Staff has examined the statutes and determined that approval of this consolidation will not cause the withdrawal of territory from the boundary of any necessary party. The effective date of the consolidation will be established when the process laid out in ORS 198.910 is complete (joint meeting of the two districts' boards, selection of new board, and adoption of resolution of new board declaring consolidation complete).

ORS 198 specified a role for the Board of County Commissioners ("BCC") with respect to boundary changes for special districts regarding formation, annexation, withdrawal, and

¹ A "necessary party" is another governmental entity which includes the same area or provides an urban service to the area.

dissolution within the County. The statute is silent regarding the role of the BCC with respect to mergers and consolidations. Metro Code Chapter 3.09 requires action by a “reviewing entity.” The Districts have asked the BCC to serve in the role of a reviewing entity with respect to their consolidation to ensure complete compliance with all applicable laws.

The Metro Code requires consideration of the following criteria:

The reviewing entity should:

- (1) Find that the change is consistent with expressly applicable provisions in:
 - (A) Any applicable urban service agreement adopted pursuant to ORS 195.065;
 - (B) Any applicable annexation plan adopted pursuant to ORS 195.205;
 - (C) Any applicable cooperative planning agreement adopted pursuant to ORS 195.020 (2) between the affected entity and a necessary party;
 - (D) Any applicable public facility plan adopted pursuant to a statewide planning goal on public facilities and services; and
 - (E) Any applicable comprehensive plan;
 - (F) Any applicable concept plan; and
- (2) Consider whether the boundary change would:
 - (A) Promote the timely, orderly and economic provision of public facilities and services;
 - (B) Affect the quality and quantity of urban services; and
 - (C) Eliminate or avoid unnecessary duplication of facilities and services.

There are no cooperative agreements, urban service agreements or annexation plans specifically adopted pursuant to ORS 195 in effect in this area. No changes in public service planning or land use planning are affected by this consolidation. No concept plans cover this area. Studies conducted by the Districts indicated that some savings and efficiencies would be achieved by the consolidation thus promoting the timely, orderly and economic provision of services. The quality and quantity of services could be improved by the increased efficiencies and economies available as a result of the consolidation. Some management efficiencies will be accomplished through reduction of duplicated positions.

REGIONAL PLANNING

This territory is inside of Metro's jurisdictional boundary and inside the regional Urban Growth Boundary (UGB).

Regional Framework Plan

The law that requires Metro to adopt criteria for boundary changes specifically states that Metro shall “. . . ensure that a boundary change is in compliance with the Metro regional framework plan as defined in ORS 197.015 and cooperative agreements and urban service agreements adopted pursuant to ORS chapter 195.” ORS 197.015 says “Metro regional framework plan means the regional framework plan required by the 1992 Metro Charter or its separate components.” The Regional Framework Plan was reviewed and found not to contain specific criteria applicable to boundary changes.

There are two adopted regional functional plans, the Urban Growth Management Functional Plan and the Regional Transportation Plan, which were examined and found not to contain any directly applicable standards and criteria for major boundary changes.²

FACILITIES AND SERVICES

ORS 195 Agreements. ORS 195 requires agreements between providers of urban services. Urban services are defined as: sanitary sewers, water, fire protection, parks, open space, recreation and streets, roads and mass transit. These agreements are to specify which governmental entity will provide which service to which area in the long term. The counties are responsible for facilitating the creation of these agreements. There are no urban service agreements under ORS 195 relative to sewer or water service in this area of Clackamas County.

Sewer. The Oak Lodge Sanitary District provides sewer service within the boundary of the district. Territory in the Oak Lodge Water District which is not also in the Sanitary District is served by Clackamas County Service District No. 1. This area includes roughly 1500 properties. These properties will continue to receive service from CCSD#1 until that status is changed by a contract or formal withdrawal from CCSD#1. This condition is reflected in the proposed order attached hereto.

Water. The Oak Lodge Water District provides water service within the boundary of the district.

Police Service. The area receives police service from Clackamas County Sheriff's Department.

Fire. The territory is within the Clackamas County R.F.P.D. #1. This service will not be affected by the consolidation of the water and sanitary districts.

Parks and Recreation. Both districts are within the North Clackamas County Parks & Recreation District, which will not be affected by the consolidation.

RECOMMENDATION:

The staff recommends approval of the attached Order.

Respectfully submitted,

Chris Storey
Assistant County Counsel

² A consolidation is defined as a “Major boundary change” in the Metro Code.

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the Consolidation of
Oak Lodge Sanitary District and
Oak Lodge Water District

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WHEREAS, this matter coming before the Board of Commissioners of Clackamas County (“BCC”) at this time, and it appearing that Oak Lodge Sanitary District (the “OLSD”) and Oak Lodge Water District (“OLWD” and, together with OLSD, the “Districts”) have proposed a consolidation of the Districts pursuant to Oregon Revised Statutes (“ORS”) Chapter 198 to create one service entity, the Oak Lodge Water Services District (the “New District”); and

WHEREAS, it further appearing that the governing body of each of OLSD and OLWD adopted resolutions that met the requirement for initiation set forth in ORS 198.898(5); and

WHEREAS, it further appearing that the election called for under ORS 198.903 was ordered by the two district’s boards and held on May 17, 2016 and the matter was approved by a sufficient number of voters in each district as being in favor of the consolidation; and

WHEREAS, it further appearing that the Districts have requested that the County act as the “reviewing entity” under Metro Code Chapter 3.09 prior to their completion of the final steps outlined in ORS 198 pursuant to the petition attached hereto as Exhibit A; and

WHEREAS, it further appearing that the BCC, while not clearly designated as a reviewing entity under ORS 198 for mergers and consolidations, is willing to serve in that role to facilitate the proposed consolidation and creation of the New District; and

WHEREAS, it further appearing that the New District is willing to assume the necessary agreements as designed by OLSD and OLWD for continued service by such necessary parties; and

WHEREAS, it further appearing that the boundaries of the New District, which will be empowered to provide sewer and surface water services, overlap with those of Clackamas County Service District No. 1 (“CCSD#1”), which provides the same services, covering approximately 1500 parcels (the “Overlap Area”); and

WHEREAS, it further appearing that a criteria for the review of the consolidation is the consideration of the extent to which urban services are available to the affected territory and whether the proposed boundary change would result in the withdrawal of the affected territory from the legal boundary of any affected party; and

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WHEREAS, it further appearing that OLSD and OLWD do not seek to provide sanitary sewer or surface water management services in the area served by CCSD#1 nor to withdraw the Overlap Area from its boundaries because CCSD#1 is already providing urban services in that area; and

WHEREAS, it further appearing that in order for the consolidation of OLSD and OLWD to be approved the Overlap Area must be clearly addressed;

NOW, THEREFORE, IT IS HEREBY ORDERED that for the purposes described in ORS 198 and Metro Chapter 3.09, a consolidated service district named the "Oak Lodge Water Services District" as legally described on Exhibit B and as shown on the map attached as Exhibit C consistent with the findings set forth on Exhibit D is hereby created effective as of January 1, 2017, with the express condition that the Oak Lodge Water Services District not provide sewer or surface water services in any areas currently within Clackamas County Service District No. 1 until such time as mutual agreement is reached between Oak Lodge Water Services District and Clackamas County Service District No. 1 regarding the provision of services therein.

DATED this 3rd day of November, 2016.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

Petition for Boundary Change

District Consolidation:

Oak Lodge Water District and Oak Lodge Sanitary District

This petition is submitted pursuant to the requirements of Metro Code chapter 3.09; Oregon Revised Statutes ("ORS") 268.347 to 268.354; and ORS 198.890(3 and ORS 198.895(5). Copies of these authorities are attached hereto as Exhibit A.

WHEREAS, the Oak Lodge Water District is a domestic water supply district duly formed and authorized by ORS chapter 264 as its principal Act; and the Oak Lodge Sanitary District is a sanitary sewer district duly formed and authorized by ORS chapter 450.005 to 405.303 as its principal Act; and

WHEREAS, both the Oak Lodge Water District and the Oak Lodge Sanitary District (collectively, "the Districts") are Oregon special districts subject to ORS chapter 198, and ORS 198.895(3) provides that a water district and sanitary district operating under their respective Acts may consolidate and form a single district with authorities of both entities; and

WHEREAS, by and through the processes described in ORS 198.890 through 198.915, the respective boards of the Districts passed resolutions attached hereto as Exhibit B that placed before their respective voters on May 17, 2016, the question of whether the Districts should consolidate; and

WHEREAS, as indicated on the Clackamas County voting abstracts attached hereto as Exhibit C, 68 percent of voters approved the consolidation of the two entities, to be called the Oak Lodge Water Services District; and

WHEREAS, the respective boards of the Districts have certified the ballot as required by law, and the election is uncontested; and

WHEREAS, because both Districts are located within unincorporated Clackamas County, the consolidation is subject to requirements established for a "major boundary change" under the Metro Code [see ORS chapter 268.354; ORS chapter 199.11; and Metro Code section 3.09.02(H)]; and

WHEREAS, according to ORS 268.354 Metro's role in the boundary change is "ministerial only," and requires Metro to do the following:

- (a) Establish a uniform hearing and notification process.
- (b) Establish an expedited process for uncontested boundary changes.

- (c) Establish clear and objective criteria for a boundary change.
- (d) Ensure that a boundary change is in compliance with the Metro regional framework plan, as defined in ORS 197.015, and cooperative agreements and urban service agreements adopted pursuant to ORS chapter 195; and

WHEREAS, the appropriate reviewing entity for purposes of the Metro Code is the Clackamas County Board of Commissioners, which is responsible for coordinating urban services agreements within the County and nearly all of the boundaries of the Districts are in the unincorporated area ; and

WHEREAS, Metro Code Section 3.09 describes requirements for a petition, notice, and hearing relating to review of the boundary change, and this Petition is submitted in compliance therewith;

NOW, THEREFORE, before the Clackamas County Board of Commissioners, the respective boards of the Oak Lodge Water District and the Oak Lodge Sanitary District make the following petition:

PETITION

1. Jurisdiction of the Reviewing Entity. Both the Oak Lodge Water District and the Oak Lodge Sanitary District are located wholly within Clackamas County, Oregon, which is subject to the Metro Code. Pursuant to ORS 268.347, Metro may exercise jurisdiction over a boundary change within its boundaries.

According to Metro Code Section 3.09.020(L), the "reviewing entity" is the governing body of the affected city, county, Metro or its designee. The purpose of the review is to "ensure that a boundary change is in compliance with the Metro regional framework plan (which considers respective comprehensive plans adopted by the three counties within its jurisdiction). Because Clackamas County is responsible for developing the county's comprehensive plan under ORS chapter 197, and for coordinating cooperative agreements and urban services agreements under ORS chapter 195, the Clackamas County Board of Commissioners is the appropriate "reviewing body" for purposes of this petition.

2. Boundary Map. The Oak Lodge Water District and the Oak Lodge Sanitary District serve substantially the same customers, but their respective boundaries are not identical. Attached to the petition and marked Exhibit D are a map showing the respective service areas of the individual entities, and a map showing the boundaries of the consolidated entity. The legal descriptions for each entity, and the consolidated entity, are attached as Exhibit E.
3. Necessary Parties. Metro Code Section 3.09.030 states that, within 45 days after a reviewing entity determines that a petition is complete, the entity shall set a time for

deliberations on the boundary change, and must give notice of the deliberations to all necessary parties. According to Metro Code Section 3.09.020(J), a “necessary party” is “any county, city, or district whose jurisdictional boundary or adopted urban service area includes any part of the affected territory or who provides any urban service to any portion of the affected territory; Metro; or any other unit of local government that is party to any agreement for provision of an urban service to the affected territory.”

For purposes of this boundary change, the following are “necessary parties” to whom notice must be sent:

ENTITY	REASON FOR “NECESSARY” STATUS
City of Milwaukie	Contracts for Service: Water, Sanitary and SWM
City of Gladstone	Contracts for Service: Water, Sanitary and SWM
Clackamas County	Provides Urban Services within the affected territory: Planning, Transportation, Public Safety—law enforcement
North Clackamas Parks District	Provides Urban Services within the affected territory: Parks and Open Space
Clackamas County Service District No. 1	Provides Urban Services within the affected territory: Sanitary Sewers and SWM
Tri-Met	Provides Urban Services within the affected territory: mass transit
Clackamas County Fire District	Provides Public Safety Urban Services within the affected territory: fire and EMS
Metro	Provides regional coordination and oversight of planning and boundary changes

If a party is a “necessary” party by virtue of a written agreement, that agreement is addressed in Section 4, below.

4. Agreements. According to ORS 268.354, the purpose of the boundary change review is to ensure that a boundary change complies with the Metro regional framework plan, as defined in ORS 197.015, and with cooperative agreements and urban service agreements adopted pursuant to ORS chapter 195. According to Metro Code Section 3.09.050, the reviewing entity must determine:

- A. **The extent to which urban services are available to serve the affected territory, including any extra-territorial extensions of service.**

Attached to this petition as Exhibit F are copies of all known agreements with necessary parties described in section 3, above. The agreements demonstrate the extent to which urban services (including extra-territorial extensions of service) are available to the affected territory.

B. Whether the proposed boundary change will result in the withdrawal of the affected territory from the legal boundary of any necessary party.

As stated above, the consolidation of the Districts will require adjustments of boundaries to ensure that the two boundaries are identical. However, the adjustment will not require any territory to be withdrawn from the legal boundary of a necessary party. Service boundaries and service arrangements as they currently exist will remain in effect.

C. The effective date of the boundary change.

Because the consolidation has already been approved by voters, the anticipated effective date of the boundary change will be the date when all required filings with the County Assessor, Department of Revenue, and Secretary of State are completed pursuant to Section 3.09.060 of the Code. At that time the respective districts will be deemed dissolved and the districts' respective assets will be conveyed to the consolidated entity.

The Districts request that the Board, by its approving order, fix an effective date of January 1, 2017 or earlier, but in no event later than June 30, 2017.

5. Criteria for Consideration. Pursuant to Metro Code Section 3.08.050(D), to approve the boundary change the following findings are required:

A. The change is consistent with expressly applicable provisions in:

- (1) Any applicable urban service agreement adopted pursuant to ORS 295.065
- (2) Any applicable annexation plan adopted pursuant to ORS 195.205;
- (3) Any applicable cooperative planning agreement adopted pursuant to ORS 195.020(2) between the affected entity and a necessary party;
- (4) Any applicable public facility plan adopted pursuant to statewide planning goal on public facilities and services;
- (5) Any applicable comprehensive plan; and
- (6) Any applicable concept plan.

B. The boundary change would:

- (1) Promote the timely, orderly, and economic provision of public facilities and services;
- (2) Affect the quality and quantity of urban services; and
- (3) Eliminate or avoid unnecessary duplication of facilities or services.

Attached to this Petition as Exhibit G are the Petitioners' responses to each of these criteria. The former districts' respective facility plans are attached to this Petition as Exhibit H.

6. Debt Distribution Plan. ORS 198.900 provides that any proposal for consolidation may include a Debt Distribution Plan, which is attached hereto as Exhibit I. The OLSD voters approved general obligation bonded indebtedness of \$44 million by vote dated November 3, 2009, for a new Water Reclamation Facility, and bonds were sold. The OLSD Board of Directors has made payments of principal and interest on the bonds from sanitary system revenues paid by all users of the OLSD system and has not levied a property tax. The Plan provides that OLSD system users will continue to pay for the bonded debt through rates, but if a property tax is levied to make payments, only those properties within the current boundary will be subject to assessment and taxation. Properties within OLWD which are not current OLSD system users will not be subject to assessment and taxation for the outstanding bonded indebtedness.

PETITIONERS HEREBY RESPECTFULLY REQUEST that the Clackamas County Commission:

1. Consider this petition, and the information provided therein, according to the criteria set forth in Oregon law and the Metro Code.
2. Set a date for a hearing to hold deliberations on the boundary change as required by Code Section 3.09.030(B).
3. Issue notice of the deliberations to all necessary parties, as provided in Code Section 3.09.030(C).
4. Upon completion of all necessary steps, issue a final decision on the boundary change as provided in Code Section E.
5. After issuing of the final decision, complete the necessary steps to make the boundary change effective, pursuant to Code Section 3.08.060.

SIGNED this 28 day of July, 2016:



Board Chair, Oak Lodge Water District



Board Chair, Oak Lodge Sanitary District

LIST OF EXHIBITS

- Exhibit A: Table of Authorities
- Exhibit B: Board Resolutions Calling Election on Consolidation
- Exhibit C: Voting Abstracts Showing Voter Approval of Consolidation
- Exhibit D: Maps
- Exhibit E: Legal Descriptions
- Exhibit F: Agreements with Necessary Parties
- Exhibit G: Petitioners' Responses to Metro Criteria
- Exhibit H: Facility Plans
- Exhibit I: Proposed Debt Distribution Plan

Oak Lodge Water Services District Boundary

Beginning at the Northwest corner of the Orin Kellogg Donation Land Corner (DLC) No. 55 and the Southeast corner of the Joseph Kellogg DLC No 47, said point is also a point on the range line between Range 1 East and Range 2 East of the Willamette Meridian (WM);

1. Thence North along said range line and the East line of said DLC No. 47, 1750 feet, more or less, to a point on the centerline of Kellogg Creek and the TRUE POINT OF BEGINNING;
2. Thence Northwesterly along the center of Kellogg Creek, 3,450 feet, more or less, to the most Southerly corner of CEDARCROFT, Plat No. 2616, a duly recorded subdivision in Clackamas County, Oregon;
3. Thence North $57^{\circ} 47' 48''$ West along the Southwesterly line of said CEDARCROFT, 261.07 feet to the most Westerly corner of Lot 5 of said CEDARCROFT and a point on the Easterly right-of-way line of SE Oatfield Road;
4. Thence Westerly across SE Oatfield Road, 60 feet, more or less, to the most Southerly corner of Tract "H", COGSWELLS FIRST ADDITION, Plat No. 154, a duly recorded subdivision in Clackamas County, Oregon;
5. Thence Northwesterly along the Southwesterly line of said Tract "H", 200 feet, more or less, to the most Westerly corner of said Tract "H", said point also being the most Northerly corner of a parcel of land conveyed to Erich P. Reich in Instrument No. 69-18486, Clackamas County Deed Records;
6. Thence South $29^{\circ} 41'$ West along the Northwesterly line of said Reich Tract, 192.54 feet to the most Westerly corner of said Reich Tract;
7. Thence South $53^{\circ} 08'$ East along the Southwesterly line of said Reich Tract, 182.0 feet to the Westerly right-of-way line of SE Oatfield Road;
8. Thence Southwesterly along said right-of-way line of SE Oatfield Road, 20.0 feet, more or less, to the most Northerly Northeast corner of Lot 13, FILBERT KNOLL, Plat No. 751, a duly recorded subdivision in Clackamas County, Oregon;
9. Thence North $52^{\circ} 55'$ West along the Northerly line of said FILBERT KNOLL, 180.67 feet to the most Northerly corner of said FILBERT KNOLL;
10. Thence South $28^{\circ} 13'$ West along the Northwesterly line of said FILBERT KNOLL, 233.02 feet to an angle point in the Westerly line of said FILBERT KNOLL;
11. Thence South $1^{\circ} 00'$ East along the Westerly line of said FILBERT KNOLL, 211.35

feet to the Northeast corner of that tract of land conveyed to H. Louise Pinney in Book 291, Page 595, Clackamas County Deed Records;

12. Thence South 88° 39' West along the North line of said Pinney tract, 295.1 feet to a point on the Easterly line of Lot 3, Block 58, MILWAUKIE HEIGHTS, Plat No. 111, a duly recorded subdivision in Clackamas County, Oregon;
13. Thence North 1° 00' West along the Easterly line of said MILWAUKIE HEIGHTS, 260.0 feet, more or less, to the Northeast corner of Lot 2, Block 58 of said MILWAUKIE HEIGHTS;
14. Thence North 73° 14' West along the Northerly line of said Lot 2 and the extension thereof, 81.0 feet, more or less, to the Southeast corner of Lot 15, Block 55 of said MILWAUKIE HEIGHTS and a point on the Westerly line of Whitcomb Drive;
15. Thence Northerly along the Easterly line of said Block 55 and the Westerly line of said Whitcomb Drive, 621.60 feet to the most Northerly corner of Lot 1 in said Block 55;
16. Thence Southwesterly along the Northwesterly line of said Block 55, 200.0 feet to the most Westerly corner of Lot 2 of said Block 55;
17. Thence Northwesterly across Short Street (AKA 26th Avenue), 60.0 feet to the most Southerly corner of Lot 22, Block 56 in said MILWAUKIE HEIGHTS;
18. Thence Northeasterly along the Southeasterly line of said Block 56 150.0 feet, more or less, to the most Westerly corner of said Lot 20 and a point on the Northeasterly right-of-way line of Lakewood Drive;
19. Thence Westerly across SE McLoughlin Blvd (US 99E), 200.0 feet, more or less, to the intersection of the centerline of SE Sparrow Street (formerly 5th Street) and the Easterly right-of-way line of the abandoned Portland Traction Company Railroad;
20. Thence Southerly along the Easterly right-of-way line of said Portland Traction Company Railroad, 1,640 feet, more or less, to the North right-of-way line of SE Lark Street;
21. Thence Westerly along the North right-of-way line of SE Lark Street, 50 feet, more or less, to the Westerly right-of-way line of said Portland Traction Company Railroad;
22. Thence Northerly along the Southerly line of said Lark Street, 50 feet, more or less, to the Easterly right-of-way line of SE 27th Avenue (formerly 11th Avenue);
23. Thence South along the Easterly right-of-way line of SE 27th Avenue, 50.0 feet, more or less, to a point that is East, 60.0 feet from Northeast corner of Lot 3, Block 47 of said MILWAUKIE HEIGHTS;

24. Thence West, 60.0 feet to a point on the Westerly right-of-way line of SE 27th Avenue, said point also being on the Northeast corner of said Lot 3;
25. Thence South along the Easterly line of said Block 47, 62.5 feet to a point on the Easterly line of Lot 5 of said Block 47 that is 25.0 feet South of the Northeast corner of said Lot 5;
26. Thence West parallel with and 25.0 feet South of the North line of said Lot 5, 100.0 feet to a point on the West line of said Lot 5 that is 25.0 feet South of the Northwest corner of said Lot 5;
27. Thence South along the West line of Lots 5, 7, and 9, of said Block 47, 125.0 feet to the Southwest corner of said Lot 9, which is also the Northeast corner of Lot 12 of said Block 47;
28. Thence West along the North line of said Lot 12, 100 feet to the Northwest corner of said Lot 12 and a point on the Easterly right-of-way line of SE 26th Avenue (formerly 10th Avenue);
29. Thence West 60 feet to a point on the west right-of-way line of SE 26th Avenue (formerly 10th Avenue) being on the east line of Block 44 of said Milwaukie Heights;
30. Thence South along the Westerly right-of-way line of SE 26th Avenue, 210.0 feet to the Southwest corner of Lot 3, Block 45 of said MILWAUKIE HEIGHTS;
31. Thence West along the South line of said Lot 3, 100.0 feet to the Southwest corner thereof, which point is also the Northeast corner of Lot 6 of said Block 45;
32. Thence North along the East line of Lots 4, and 2 of said Block 45 and the Northerly extension thereof, 210.0 feet to the Southeast corner of Lot 12, Block 44 of said MILWAUKIE HEIGHTS and a point on the Northerly right-of-way line of SE Dove Street (formerly 7th Street);
33. Thence West along the Northerly right-of-way line of SE Dove Street, 370.0 feet to the Northeast corner of the intersection of SE Dove Street and SE 24th Avenue (formerly 8th Avenue);
34. Thence North along the Easterly right-of-way of SE 24th Avenue, 150.0 feet to an angle point in said right-of-way line;
35. Thence East, 10.0 feet to the Southwest corner of Lot 6, Block 37 of said MILWAUKIE HEIGHTS;
36. Thence North along the West line of said Lot 6, 50.0 feet to the Northwest corner thereof;

37. Thence West 30.0 feet to the centerline of said 24th Avenue;
38. Thence North along the centerline of said 24th Avenue (now vacated under City of Milwaukie Ordinance 77-780, Instrument No. 77-20890, Clackamas County Deed Records), 100.0 feet to a point on the Southerly right-of-way line of SE Lark Street (formerly 6th Street);
39. Thence West along the Southerly right-of-way line of SE Lark Street, 875.0 feet, more or less, to Northeast corner of that tract of land conveyed to Ernest Aebi in Book 329, Page 232, Clackamas County Deed Records;
40. Thence South along the Easterly line of said Aebi tract, 100.0 feet to the Southeast corner thereof;
41. Thence West along the Southerly line of said Aebi tract, 100.0 feet to the Southwest corner thereof and the most Westerly Northwest corner of that tract of land conveyed to Donald Bumpus and Faye Bumpus in Instrument No. 93-94056, Clackamas County Deed Records;
42. Thence North along the Westerly line of said Aebi tract, 100.0 feet to the South right-of-way line of SE Lark Street;
43. Thence West along the South right-of-way-line of said Lark Street and its Westerly extension across the Southern Pacific Railroad right-of-way to the Westerly right-of-way-line of said railroad;
44. Thence Southerly along the Westerly right of way line of said railroad to the Southeast corner of a tract of land conveyed to Eric Shilling and Marie Hoskins in instrument No. 2007-098727 Clackamas County Deed Records;
45. Thence South along the Southerly right-of-way line of said Schilling and Hoskins tract to the low water line of the Willamette River;
46. Thence Southerly along the low water line of the Willamette River, 25,000 feet, more or less, to the most Southerly corner of Tract "A" of RIVERCOVE, Plat No. 801, a duly recorded subdivision in Clackamas County, Oregon;
47. Thence South 43° 23' West along the Southwesterly extension of the Southeasterly line of said Tract "A", 20.0 feet, more or less, to the most Westerly corner of that tract of land described as Parcel 2 in that tract of land conveyed to Cornell V. Safftencu in Instrument No. 2005-050728, Clackamas County Deed Records;
48. Thence South 26° 00' East along the Southwesterly line of said Safftencu tract, 106.84 feet to the most Southerly corner thereof, which point is also the most Westerly corner of Lot 40, ROBINWOOD RIVIERE, Plat No. 1943, a duly recorded subdivision in Clackamas County, Oregon;

49. Thence South 69° 20' 11" East along the Southerly line of said Lot 40, 83.56 feet to an angle point;
50. Thence South 82° 42' 56" East continuing along the Southerly line of said Lot 40, 80.00 feet to another angle point;
51. Thence South 74° 43' 26" East continuing along the Southerly line of said Lot 40, 90.00 feet to another angle point;
52. Thence North 57° 04' 19" East continuing along the Southerly line of said Lot 40, 80.00 feet to another angle point;
53. Thence South 84° 15' 56" East continuing along the Southerly line of said Lot 40, 280.00 feet to another angle point;
54. Thence South 70° 11' 56" East continuing along the Southerly line of said Lot 40, 185.00 feet to a point on the division line of Peter M. Rinearson DLC;
55. Thence North 63° 34' 19" East along said division line and the Southeasterly boundary of said Lot 40, 220.0 feet, more or less, to the most Southerly corner of a tract of land conveyed to the State of Oregon, by and through its Department of Transportation, Highway Division in Instrument No. 74-6136, Clackamas County Deed Records and then to the City of Gladstone in Instrument No. 92-30263, Clackamas County Deed Records;
56. Thence North 43° 26' East along said Southeasterly boundary of said Lot 40 and the Northwesterly line of said City of Gladstone tract, 103.16 feet, more or less, to the most Southwesterly corner of a tract of land conveyed as a Triangular Lot to Nancy Jo Towle and Carl E. Poston, an undivided one-third (1/3rd) interest, in Instrument No. 2002-30122, Clackamas County Deed Records, said point also being an angle point in the Northwesterly line of said City of Gladstone tract;
57. Thence North 64° East along the Northwesterly line of said City of Gladstone tract, 390.0 feet, more or less, to the most Northerly corner thereof, said point also being on the Southwesterly boundary of MELDRUM ACRES, Plat No. 504, a duly recorded subdivision in Clackamas County, Oregon;
58. Thence South 46° 40' East along the Southwesterly line of said MELDRUM ACRES, 37.0 feet, more or less, to the most Easterly corner of said City of Gladstone tract and a point on the division line of Peter M. Rinearson DLC No. 41, said point also being the most Southerly corner of said MELDRUM ACRES;
59. Thence South 64° West along the Southeasterly line of said City of Gladstone tract and said Division Line of Peter M. Rinearson DLC, 126.12 feet to a 5/8 inch iron rod marking a point on said Division Line that bears North 64° 00' 00" East, 1214 feet from

the Southwest end of said Division Line;

60. Thence South $26^{\circ} 11' 00''$ East, 15.00 feet to the most Northerly corner of that tract described as the "Rectangular Lot" conveyed to Nancy Jo Towle and Carl E. Poston in Instrument No. 2002-80122, Clackamas County Deed Records;
61. Thence South 64° West along the Northwesterly line of said Towle and Poston tract, 130.00 feet to the most Westerly corner thereof;
62. Thence Southeasterly along the Southwesterly line of said Towle and Poston tract, 100.0 feet to the most Southerly corner thereof;
63. Thence Northeasterly along the Southeasterly line of said Towle and Poston tract, 130.0 feet to the most Easterly corner thereof, and a point on the Southwesterly line of Lot 3, RINEARSON CREEK, Plat No. 4163, a duly recorded subdivision in Clackamas County, Oregon;
64. Thence South $26^{\circ} 00' 00''$ East along the Southwesterly line of said RINEARSON CREEK, 230.42 feet to the Southwest corner of Lot 9 of said RINEARSON CREEK;
65. Thence South $64^{\circ} 00' 00''$ West along the Northwesterly line of Tract "B" of said RINEARSON CREEK, 67.25 feet to the most Westerly corner thereof;
66. Thence South $26^{\circ} 00' 00''$ East along the Southwesterly line of said Tract "B", 390.91 feet to the most Southerly corner thereof;
67. Thence North $63^{\circ} 50' 10''$ East along the Southeasterly line of said Tract "B", 210.58 feet to the most Easterly corner thereof;
68. Thence North $25^{\circ} 54' 44''$ West along the Northeasterly line of said Tract "B", 222.80 feet to the most Southerly corner of that tract of land described as Parcel I in Instrument No. 2013-001526, a corrected legal description in Clackamas County Deed Records, said point also being the most Westerly corner of that tract of land conveyed to Janet Kent Trust in Instrument No. 92-51378, Clackamas County Deed Records;
69. Thence Northeasterly along the Northwesterly line of said Kent Trust tract, 496.07 feet to the Southeast corner of Tract "A" of RINEARSON ESTATES, Plat No. 4126, a duly recorded subdivision in Clackamas County, Oregon;
70. Thence North $26^{\circ} 12' 16''$ West along the Easterly line of said Tract "A", 35.65 feet to an angle point in said Easterly line of Tract "A";
71. Thence North $09^{\circ} 40' 15''$ East along said Easterly line of Tract "A" and the Easterly line of Lot 8 of said RINEARSON ESTATES, 129.90 feet to an angle point in the Easterly line of said Lot 8;

72. Thence North 28° 37' 45" West along the Easterly line of said RINEARSON ESTATES and the Northeasterly extension thereof, 349.27 feet, more or less, to the Southeasterly line of the aforementioned MELDRUM ACRES;
73. Thence Northeasterly along said Southeasterly line of said MELDRUM ACRES and its Northeasterly extension, to a point on the Easterly right-of-way line of SE McLoughlin Blvd (US 99E);
74. Thence Northwesterly along the Easterly right-of-way line of said SE McLoughlin Blvd., 1,480.0 feet, more or less, to the Southwesterly right-of-way line of SE Mildred Street;
75. Thence Southeasterly along the Southwesterly right-of-way line of said SE Mildred Street, 627.0 feet to the centerline of SE Glen Echo Avenue;
76. Thence North 43° 23' East along the centerline of said SE Glen Echo Avenue, 1,078.0 feet, more or less, to the intersection with the Northeasterly right-of-way line of SE Addie Street;
77. Thence South 46° 37' East along the Northeasterly right-of-way of SE Addie Street, 125.0 feet to the most Southerly corner of that tract of land conveyed to Alice M. Freeman in Instrument No. 94-42206, Clackamas County Deed Records;
78. Thence Northeasterly parallel with and 100.0 feet distant from the Southeasterly right-of-way line of SE Glen Echo Avenue, 490.0 feet, more or less, to the most Easterly corner of that tract of land conveyed to Don J. Cozart and Marilyn J. Cozart in Book 581, Page 119, Clackamas County Deed Records and a point on the Northeasterly line of Block 10, MELDRUM, Plat No. 228, a duly recorded subdivision in Clackamas County, Oregon, said point also being on the Southwesterly right-of-way line of a 50.0 foot wide unnamed and unimproved street;
79. Thence Southeasterly along the Westerly right of way line of said 50 foot wide unnamed street 171 feet more or less;
80. Thence North 62° 08' 46" East across said unnamed street to the most Southerly corner of Tract A Mason Estates a duly recorded subdivision in Clackamas County, Oregon;
81. Thence along the southerly line of said Mason Estates, 587 feet to the centerline of SE Portland Avenue;
82. Thence Northwesterly along the centerline of said Portland Avenue to a point opposite the most westerly corner of the access strip to Lot 3 Lynne Estates, Plat No. 3122, a duly recorded subdivision on Clackamas County, Oregon;
83. Thence North 44° 58' 39" East , 26.5 feet to the westerly corner of said Lot 3;

84. Thence North $44^{\circ} 58' 39''$ East along the most Southerly Northwesterly line of said Lot 3, 100.35 feet;
85. Thence South $45^{\circ} 11' 35''$ East along the most Westerly Southwesterly line of said Lot 3, 79.7 feet to the most Southerly corner thereof;
86. Thence North $44^{\circ} 58' 36''$ East along the most Southerly line of said Lot 3, 114.24 feet to the most Easterly corner of said Lot 3 and a point on the Southwesterly line of Lot 5, Block 3, MAYWOOD, Plat No. 164, a duly recorded subdivision in Clackamas County, Oregon;
87. Thence Northwesterly along the Southwesterly line of said Lot 5, 513.9 feet to a point on the centerline of SE Hull Avenue;
88. Thence Northeasterly along the centerline of said SE Hull Avenue, 1,630.0 feet, more or less, to a point on the centerline of SE Oatfield Road
89. Thence Southeasterly leaving said centerline of SE Oatfield Road, to the most Easterly corner of that tract of land conveyed to Ken Brazer in Instrument No. 98-056673, Clackamas County Deed Records;
90. Thence Southwesterly, along the Southerly line of said Brazer tract to a point on the Easterly line of Birchwood Terrace, a duly recorded Subdivision in Clackamas County, Oregon ;
91. Thence South 45° East along the Northerly extension and the Easterly line of Lots 6 and 7 Birchwood, 219 feet to an angle point in Lot 7 of said subdivision;
92. Thence North $44^{\circ} 57'$ East along the Northerly line of said Lot 7, 50.23 feet to the most Northerly corner of said Lot 7;
93. Thence South $45^{\circ} 30'$ East along the Easterly lines of Lots 7 and 8 so said Birchwood Terrace 181 feet to the most Easterly corner of said Lot 8;
94. Thence South 45° West along the Southerly line of said Lot 8, 10 feet to the Northerly corner of Lot 9 Birchwood Terrace;
95. Thence along the Northerly line of a tract of land conveyed to Harold and Jacquelynn Clarke in instrument No. 79-21540, Clackamas County Deed Records to the centerline of Oatfield Road;
96. Thence Southeasterly along the centerline of said Oatfield Road to a point on the Southwesterly extension of the Southeasterly line of OAKRIDGE NO. 1, Plat No. 1889, a duly recorded subdivision in Clackamas County, Oregon
97. Thence North $26^{\circ} 16' 40''$ East along said extension and said Southeasterly line of said

- OAKRIDGE NO. 1 and the Southeasterly line of OAKRIDGE NO. 2, Plat No. 2028, a duly recorded subdivision in Clackamas County, Oregon and the Southeasterly line of Partition Plat No. 1996-81, a duly recorded plat in Clackamas County, Oregon, 1,633.75 feet, more or less, to a point on the Northeasterly right-of-way line of SE Valley View Road, County Road No. 2258;
98. Thence Northwesterly along said Northeasterly right-of-way of SE Valley View Road, 1,152.45 feet, more or less, to a point on the Southerly line of Parcel 1 of Partition Plat 1993-036, a duly recorded plat in Clackamas County, Oregon;
99. Thence North 45° 30' 30" East, 101.10 feet to the Easterly corner of said Parcel 1 Partition Plat 1993-036;
100. Thence North 44° 19' 50" East, 150.00 feet to the Northerly corner of Parcel 2 of said Partition Plat 1993-036, being on the Southerly right of way line of Jennings Avenue;
101. Thence Northeasterly crossing said SE Jennings Avenue, 398.70 feet, more or less, to the Southwest corner of Lot 4 Block 2, SHERWOOD FOREST, Plat No. 1380, a duly recorded subdivision in Clackamas County, Oregon;
102. Thence South 45° 00' 31" West along the most Westerly Southeasterly line of said Block 2, 375.09 feet, more or less, to the most Westerly corner of Lot 1, McFEE'S ADDITION, Plat No. 2483, a duly recorded subdivision in Clackamas County, Oregon;
103. Thence Southeasterly along the Southwesterly line of said McFEE'S ADDITION, 183.02 feet, more or less, to the most easterly corner of a tract of land conveyed to Housing Authority of the County of Clackamas in Instrument No. 81-12986 Clackamas County Deed Records;
104. Thence South 40° 48' West, 136.29 feet along the Easterly line of said Housing Authority tract to the Easterly right of way line of SE Shadow Court;
105. Thence Westerly crossing said SE Shadow Court to the Southeast corner of Lot 2 Shadow Green Plat No. 1720, a duly recorded subdivision in Clackamas County, Oregon;
106. Thence along the Southerly lines of Lot 2 and 3 of said Shadow Green subdivision to the Southwesterly corner of Lot 3 of said Shadow Green, also being on the Easterly line of Lot 2 Pagoda Park #1, Plat no. 1088 a duly recorded subdivision in Clackamas County, Oregon;
107. Thence Northwesterly along the westerly line of Lots 3,4, and 5 of said SHADOW GREEN, to the most Westerly corner of Lot 5 of said Shadow Green;
108. Thence North 44° 42' West along the Northeasterly line of said PAGODA PARK #1, 410.0 feet to the most Northerly corner thereof and a point on the Southeasterly line of Lot 17, Block 2, SHERWOOD FOREST NO. 2, Plat No. 1477, a duly recorded

subdivision in Clackamas County, Oregon;

109. Thence South 45° 18' West along the Northwesterly line of said PAGODA PARK #1 and the Southeasterly line of said SHERWOOD FOREST NO. 2, 329.70 feet to the most Southerly corner thereof;
110. Thence North 45° 00' West along the Southwesterly line of said SHERWOOD FOREST NO. 2, 90.00 feet to an angle point;
111. Thence South 45° 01' West, 5.00 feet to a point;
112. Thence North 45° 00' West along the Southwesterly line of said SHERWOOD FOREST NO. 2 and the Northwesterly extension thereof, 123.91 feet to the most Northerly corner of a tract of land conveyed to Claudia Beth Ringler and Earl Dennis Ringler in Instrument No. 2013-020298, Clackamas County Deed Records as Parcel III, said point being 8.0 feet Northwesterly from the Southeasterly line of Lot 26, SHERWOOD FOREST NO. 3, Plat No. 1871, a duly recorded subdivision in Clackamas County, Oregon, when measured at right angles thereto;
113. Thence South 45° 00' 31" West parallel with the Southeasterly line of said SHERWOOD FOREST NO. 3, 157.83 feet to a point on the Southerly line of Lot 25 of said SHERWOOD FOREST NO. 3;
114. Thence Westerly along the Southerly line of said SHERWOOD FOREST NO. 3, 768.45 feet, more or less, to the most Westerly corner of Lot 18 of said SHERWOOD FOREST NO. 3;
115. Thence North 52° 36' 55" East along the Northwesterly lines of Lots 18, 17, and 16 of said SHERWOOD FOREST NO. 3, 262.52 feet to the most Northerly corner of said Lot 16;
116. Thence North 37° 32' 09" West along the Southwesterly lines of Lot 8 and 7 of said SHERWOOD FOREST NO. 3, 199.71 feet to the most Westerly corner of said Lot 7;
117. Thence North 52° 29' 14" East along the Northwesterly line of Lots 7, 6, and 5 of said SHERWOOD FOREST NO. 3, 330.46 feet to the most Northerly corner of said Lot 5;
118. Thence South 45° 35' 50" East along the Northeasterly line of said SHERWOOD FOREST NO. 3, 349.41 feet to the most Westerly corner of Lot 1, Block 7, SHERWOOD FOREST NO. 2;
119. Thence North 45° 01' 32" East along the Northwesterly lines of Lot 1, 2, and 3 of said Block 7, 242.00 feet to the most Southerly corner of Lot 5 of said Block 7;
120. Thence North 45° 35' 50" West along the Southwesterly lines of Lots 5, 6, and 7 of

said Block 7, 270.00 feet to the most Westerly corner of said Lot 7 and a point on the Southeasterly line of McNARY MEADOWS, Plat No. 3751, a duly recorded subdivision in Clackamas County, Oregon;

121. Thence North 45° 01' 32" East along the Northwesterly line of said SHERWOOD FOREST NO. 2 and the Southeasterly lines of said McNARY MEADOWS, McCABE ESTATES, Plat No. 2954 and BREWSTER PARK, Plat No. 2902, all duly recorded subdivisions in Clackamas County, Oregon, 892.91 feet to the most Northerly corner of said SHERWOOD FOREST NO. 2, said point also being the most Westerly corner of Partition Plat No. 1995-56, a duly recorded plat in Clackamas County, Oregon;
122. Thence South 45° 35' 50" East along the Southwesterly line of said Partition Plat No. 1995-56, 319.70 feet to the most Southerly corner thereof;
123. Thence North 45° 55' 52" East along the Southeasterly line of said Partition Plat No. 1995-56, 184.94 feet to the most Easterly corner of said Partition Plat 1995-56 and the most westerly corner of Herman Park a subdivision duly recorded in Clackamas County, Oregon;
124. Thence Northeasterly crossing Ormae Road a distance of 20.00 feet to the most westerly corner of Lot 4 of said Herman Park;
125. Thence North 45° 51' 00" East, along the northerly lines of Lots 4, 5 and 6 to the most Northerly corner of Lot 6 of said Herman Park subdivision, said point being the most Easterly corner of that tract of land conveyed to Thomas Stewart and Sharon Ann Blake in Instrument No. 93-63493, Clackamas County Deed Records;
126. Thence Northwesterly along the Easterly line of said Stewart and Blake tract to the most Northerly corner of a tract of land conveyed to Tony and Brenda Sullivan in Instrument No. 95-018286, Clackamas County Deed Records, being the most Southerly corner of Lot 14, Block 1 of McNary Heights a duly recorded subdivision in Clackamas County, Oregon;
127. Thence North 45° 12' 06" East along the Southeasterly line of said McNARY HEIGHTS, 985.72 feet to the most Easterly corner thereof and a point Westerly line of Lot 32 Webster Acres a duly recorded subdivision in Clackamas County, Oregon;
128. Thence Northwesterly along said Westerly line of the Webster Acres Plat and the Westerly line of Tract A Autumnhill a duly recorded subdivision in Clackamas County Oregon, 973 feet, more or less, to the Southwest corner of Lot 8 Willamette Park a duly recorded subdivision in Clackamas County, Oregon;
129. Thence West along the North line of said Tract A Autumnhill and the South line of Lot 8 Willamette Park to the Westerly right of way line of SE Stohler Road;
130. Thence Northerly along the West right of way line of Stohler Road and the East line

of Lot 8 Willamette Park to the Northeast corner of said Lot 8;

131. Thence Northwesterly along the North line of said Lot 8 Willamette Park to the Southwest corner of Tract B, Majestic Woods, a subdivision duly recorded in Clackamas County, Oregon;;
132. Thence Northwesterly along the westerly line of said Tract B, Majestic Woods, and Tracts A and B Majestic Woods North a duly recorded subdivision in Clackamas County, Oregon, to the most Northerly corner of Lot 20 Premier Estates No. 2 a duly recorded subdivision in Clackamas County, Oregon;
133. Thence South 45° 32' 45" West along the Northerly line of said Lot 20 Premier Estates No. 2, 228 feet more or less to the Southwest corner of a tract of land conveyed in Instrument 93-58844;
134. Thence North 44° 24' 51" West along the Westerly line of said instrument 93-58844, 199 feet more or less to the Northwest corner of said instrument;
135. Thence North 43° 31' 45" East, 208 feet more or less to the Northeast corner of said instrument 93-58844, being on the Westerly right of way line of SE Minerva Lane;
136. Thence North 44° 24' 25" West along the Northwesterly right-of-way line of SE Minerva Road (County Road No. 2177) and the Northwesterly extension thereof, 542.0 feet, more or less, to a point on the centerline of SE Oetkin Road;
137. Thence South 43° 39' West along said centerline, 100.0 feet, more or less, to a point on the Southeasterly extension of the Southwesterly line of HICKORY HILL, Plat No. 2648, a duly recorded subdivision in Clackamas County, Oregon;
138. Thence North 46° 20' 00" West 199.06 feet along said extension and the Southwesterly line of said HICKORY HILL lots 1 and 2 to the Southeast corner of Lot 6 E-Komo-Mai a duly recorded subdivision in Clackamas County, Oregon;
139. Thence South 43° 41' 07" West along said lots 6 and 5 of said E-Komo-Mai subdivision to the Southwest corner of Lot 5;
140. Thence North 46° 19' 18" West 579.58 feet along the Southerly line of said E-Komo-Mai to the Northwest corner of Lot 2;
141. Thence North 43° 36' 02" East 174.45 feet along the northerly line of Lots 2 and 1 of said E-Komo-Mai to the Northeast corner of Lot 1;
142. Thence Northwesterly along the Westerly lines of a tract of land conveyed to Daniel R. and Grace Casale in Instrument 2014-032137, a tract of land conveyed to Dennis Sanford Carlson in Instrument 72-24081, a tract of land conveyed to Lorilee Ann Carlson in instrument 92-73900, a tract of land conveyed to Jody W. Ausmus in

instrument 2014-034844, a tract of land conveyed to Jan W. Jahnke in instrument 96-036701 to a point in the centerline of SE Thiessen Road (County Road No. 1936);

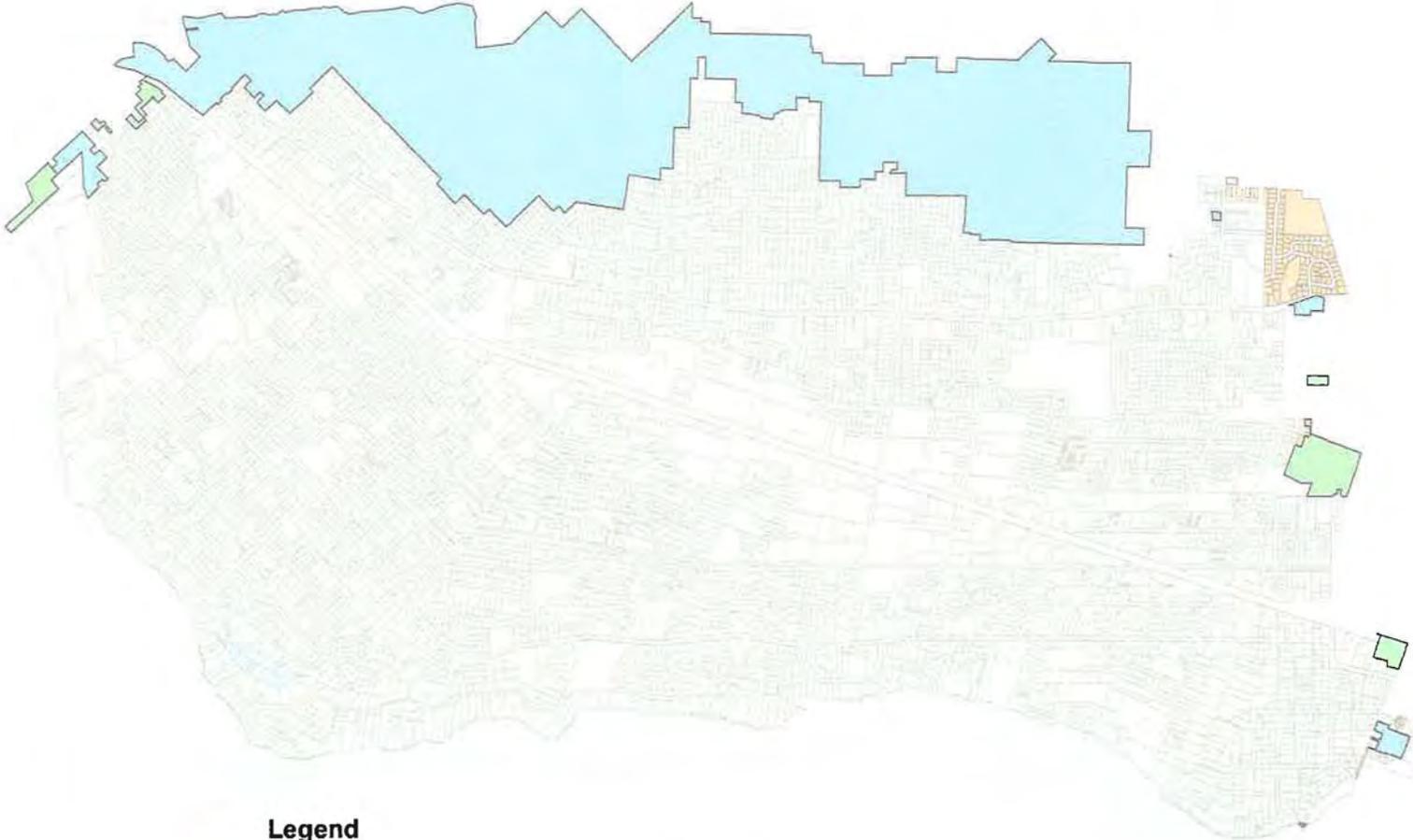
143. Thence North 45° 20' East along said centerline 60.0 feet more or less to the centerline of SE Hil Road (County Road No 1936);
144. Thence Northeasterly crossing said Thiessen Road to the Southwest corner of Lot 1, Block 1 Alder Crest Acres a duly recorded subdivision in Clackamas County, Oregon;
145. Thence Along the Northerly right of way line of SE Thiessen Road to the most southerly corner of a tract of land conveyed to Marie A Winston in instrument No. 2001-038508;
146. Thence North 45° West along the South and West lines of said Winston tract to the most Northerly corner thereof, said point being on the Southerly line of a tract of land conveyed to Loancity in Instrument No. 2015-068094;
147. Thence Northwesterly and Northeasterly along the southerly and westerly lines of said Loancity tract to the most Northerly corner thereof, said point being at the most Westerly corner of a tract of land conveyed to Steve and Marcia Busken in Instrument No. 83-4776;
148. Thence Northeasterly along the Northwesterly line of said Busken tract to the most Northerly corner thereof;
149. Thence North 45° West along the southerly extension of the Northerly line of Partition Plat 1991-123 a duly recorded Plat in Clackamas County, Oregon to the most northerly corner of Parcel II of said Partition Plat, said point being the Southeast corner of Rooster Hill a duly recorded Plat in Clackamas County, Oregon;
150. Thence North 45° West along the Southerly boundary of said Rooster Hill to the most Westerly corner thereof;
151. Thence continuing North 45° West along a tract of land conveyed in Instrument No. 87-12278 to the Southwest corner thereof, said point being the most southerly corner of Parcel 3 of Partition Plat No. 2004-004 a duly recorded Plat in Clackamas County, Oregon;
152. Thence North 45° 17' 33" West, 132.00 feet to the most westerly corner of said Parcel 3;
153. Thence North 44° 37' 58" East 204.74 feet along the Westerly lines of Parcel 3 and 2 said Partition to the Southerly corner of a tract of land conveyed in Book 897, Page 477 Clackamas County Deed Records;

154. Thence Northwesterly along the Southerly boundary of said Book 897, Page 477 to the westerly corner thereof;
155. Thence Northeasterly 25 feet more or less along the Westerly line of said Book 897, Page 477 to the Southerly corner of a tract of land conveyed to Roger and Gloria Simonatti In Instrument No. 79-5978;
156. Thence Northwesterly along the Westerly boundary of said Simonatti Tract and the Westerly boundary of a tract of land conveyed to Ryan and Heather Bigbee in Instrument 2004-024559 to the Easterly corner of Lot 2, Block C of View Acres a duly recorded subdivision in Clackamas County, Oregon;
157. Thence Westerly 1107.6 feet more or less along the Northerly line of Lot 2, Block C and Lots 4 thru 8, Block D of said View Acres to the Northwest corner of said lot 4;
158. Thence North 00° 26' 48" East, 643.13 feet along the West line of Lots 1 thru 3 Block D, and Lots 1 thru 3 Block B of said View Acres to the Northwest corner of Lot 1, Block B thereof, said point being the Southeast corner of Lot 1, Block 13 Milwaukie Hillcrest a duly recorded Plat in Clackamas County, Oregon;
159. Thence North 00° 47' West 411.16 feet along the Southeast line of said Lot 1, Block 13 Milwaukie Hillcrest to the Northeast corner thereof;
160. Thence North 89° 26' West 396 feet along the North line of said Lot 1 Block 13 Milwaukie Hillcrest to the Northwest corner thereof, said corner being on the East line of Lot 13, Block 10 of said Milwaukie Hillcrest;
161. Thence North 00° 47' West 330 feet along the East line of said Lot 13, Block 10 Milwaukie Hillcrest to the Northeast corner thereof;
162. Thence North 89° 26' West 659 feet more or less along the North lines of Lots 13 thru 16, Block 10, of said Milwaukie Hillcrest to the North west corner of said lot 16, said corner being on the Northerly right of way line of SE Kellogg Road;
163. Thence North 53° 18' 36" West 265.94 feet along the North right of way line of Said Kellogg road, and the most westerly line of Parcel 2 of Partition Plat 2006-082 a duly recorded Plat in Clackamas County, Oregon, to the most westerly Northwest corner of said parcel 2;
164. Thence continuing Northwesterly along the North right of way line of SE Kellogg Road and the Southerly line of a tract of land conveyed to Rod Maguire-Rust and Melissa Maguire in Instrument No. 2005-104902, Clackamas County Deed Records, and Lot 4 Block 10 of said Milwaukie Hillcrest to the most westerly corner of said Lot 4 Block 10;
165. Thence Northeasterly leaving the North right of way line of SE Kellogg Road along

the Northwesterly line of said Lot 4 Block 10 Milwaukie Hillcrest to the most Northerly corner thereof being on the South right of way line of SE Aldercrest Road;

166. Thence Northeasterly 60 feet more or less to the North right of way line of SE Aldercrest Road and the Southwest corner of a tract of land conveyed to Glenn and Freda Green in Instrument No. 2001-015304 Clackamas County Deed Records;
167. Thence Northerly along the West line of said Green tract to the centerline of Kellogg Creek;
168. Thence Northwesterly along the centerline of Kellogg Creek to the TRUE POINT OF BEGINNING;

OAK LODGE WATER/SEWER



Legend

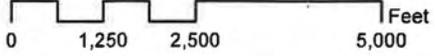
-  water x
-  sewer x
-  stm_fill

Taxlots

-  Common Taxlots

OL Water Serving

-  GLADSTONE



FINDINGS

Based on the study and the public hearing the Board found:

1. Proposal No. CL 16-009 is a consolidation of Oak Lodge Water District and Oak Lodge Sanitary District (together, the "Districts") which is being processed under ORS 198. This proposal was initiated by resolutions from the two Districts' Boards. The resolutions met the requirement for initiation set forth in ORS 198.898(5). The election called for under ORS 198.903 was ordered by the two Districts boards and held on May 17, 2016 and the matter was approved in both districts. The districts requested that the County review the proposal under provisions of the Metro Code prior to their completion of the final steps outlined in ORS 198.
2. As required by the Metro Code notice of this hearing invited testimony from any interested party. Notice consisted of: 1) Posting ten notices in the territory and one notice near the County hearing room 20 days prior to the hearing; 2) Published notice twice in the Clackamas County Review; and, 3) Mailed notice sent to affected local governments.
3. According to the Districts' Explanatory Statement for the election ballot title:

Oak Lodge Water District and Oak Lodge Sanitary District provide drinking water, sewage collection and treatment, and surface water management services in the Oak Lodge/Jennings Lodge area. The two Districts' boundaries are nearly the same.

Since 2013, the elected Boards of both Districts have jointly conducted legal and financial studies to evaluate the pros and cons of consolidation. The studies demonstrate a single consolidated District could save ratepayers \$4.25 million over the first 10 years. Savings come from: not replacing three duplicative positions that will be vacant due to retirement and attrition; combining financial systems; and sharing office space – there is room for everyone in the Water District building.
4. The Districts cite the following reasons in support of consolidation:
 - Cost savings: Estimated at \$4.25 million over first 10 years
 - More efficient: eliminates overlap and duplication.
 - Improved customer service through single point of contact.
 - Better prepared for natural disasters and emergencies.
 - Shared mission: provide clean water, protect public health and the environment in most cost-effective manner.
 - Customers receive combined water/sewer bill.
 - No job losses. Only vacant, duplicative management and administrative positions will be eliminated.

- Maintains independent, local service for water, sewer and surface water management.
5. The Metro Code requires a staff report that addresses the criteria cited below and that includes the following information:
1. The extent to which urban services are available to serve the affected territory, including any extraterritorial extensions of service;
 2. Whether the proposed boundary change will result in the withdrawal of territory from the legal boundary of any necessary party¹; and
 3. The proposed effective date of the boundary change.

The consolidating Districts already provide water, sewer and surface water management services to the area. Service availability is covered in the Findings below. Staff has examined the statutes and determined that approval of this consolidation will not cause the withdrawal of territory from the boundary of any necessary party. The effective date of the consolidation will be established when the process laid out in ORS 198.910 is complete (joint meeting of the two districts' boards, selection of new board and adoption of resolution of new board declaring consolidation complete.)

6. ORS 198 specified a role for the Board of County Commissioners ("BCC") with respect to boundary changes for special districts regarding formation, annexation, withdrawal, and dissolution within the County. The statute is silent regarding the role of the BCC with respect to mergers and consolidations. Metro Code Chapter 3.09 requires action by a "reviewing entity." The Districts have asked the BCC to serve in the role of a reviewing entity with respect to their consolidation to ensure complete compliance with all applicable laws.
7. The Metro Code requires consideration of the following criteria:

The reviewing entity should:

- (1) Find that the change is consistent with expressly applicable provisions in:
 - (A) Any applicable urban service agreement adopted pursuant to ORS 195.065;
 - (B) Any applicable annexation plan adopted pursuant to ORS 195.205;
 - (C) Any applicable cooperative planning agreement adopted pursuant to ORS 195.020 (2) between the affected entity and a necessary party;

¹ A "necessary party" is another governmental entity which includes the same area or provides an urban service to the area.

- (D) Any applicable public facility plan adopted pursuant to a statewide planning goal on public facilities and services; and
 - (E) Any applicable comprehensive plan; and
 - (F) Any applicable concept plan.
- (2) Consider whether the boundary change would:
- (A) Promote the timely, orderly and economic provision of public facilities and services;
 - (B) Affect the quality and quantity of urban services; and
 - (C) Eliminate or avoid unnecessary duplication of facilities and services.

There are no cooperative agreements, urban service agreements or annexation plans specifically adopted pursuant to ORS 195 in effect in this area. No changes in public service planning or land use planning are affected by this consolidation. No concept plans cover this area. Studies conducted by the two Districts indicated that some savings and efficiencies would be achieved by the consolidation thus promoting the timely, orderly and economic provision of services. The quality and quantity of services could be improved by the increased efficiencies and economies available as a result of the consolidation. Some management efficiencies will be accomplished through reduction of duplicated positions.

8. This territory is inside of Metro's jurisdictional boundary and inside the regional Urban Growth Boundary (UGB).

The law that requires Metro to adopt criteria for boundary changes specifically states that Metro shall " . . . ensure that a boundary change is in compliance with the Metro regional framework plan as defined in ORS 197.015 and cooperative agreements and urban service agreements adopted pursuant to ORS chapter 195." ORS 197.015 says "Metro regional framework plan means the regional framework plan required by the 1992 Metro Charter or its separate components." The Regional Framework Plan was reviewed and found not to contain specific criteria applicable to boundary changes.

There are two adopted regional functional plans, the Urban Growth Management Functional Plan and the Regional Transportation Plan, which were examined and found not to contain any directly applicable standards and criteria for major boundary changes.²

9. ORS 195 requires agreements between providers of urban services. Urban services are

² A consolidation is defined as a "Major boundary change" in the Metro Code.

defined as: sanitary sewers, water, fire protection, parks, open space, recreation and streets, roads and mass transit. These agreements are to specify which governmental entity will provide which service to which area in the long term. The counties are responsible for facilitating the creation of these agreements. There are no urban service agreements under ORS 195 relative to sewer or water service in this area of Clackamas County.

10. The Oak Lodge Water District is larger than the Oak Lodge Sanitary District. The Oak Lodge Sanitary District provides sewer service within its boundary. Territory in the Oak Lodge Water District which is not also in the Sanitary District is served by Clackamas County Service District No. 1. This area includes roughly 1500 properties. These properties will continue to receive service from CCSD#1 until that status is changed by a contract or formal withdrawal from CCSD#1.
12. The area receives police service from Clackamas County Sheriff's Department.
13. The territory is within the Clackamas County R.F.P.D. #1. This service will not be affected by the consolidation of the water and sanitary districts.
14. Both Districts are within the North Clackamas County Parks & Recreation District which will not be affected by the consolidation.

CONCLUSIONS AND REASONS FOR DECISION

Based on the Findings, the Board determined:

1. In compliance with the Metro Code the County has issued a report addressing the extent to which urban services are available, whether the consolidation will cause a withdrawal of territory from any unit of government and addressing the effective date of the proposal.
2. The County considered the factors in sections 1 & 2 of Metro Code 3.09.045 (D) as called for in 3.09.050 (D) and found there to be consistency with the applicable portions of these criteria.