



March 5, 2026

BCC Agenda Date/Item: _____

Board of County Commissioners
 Acting as the governing body of Water Environment Services
 Clackamas County

Approval of an Amendment to an Intergovernmental Agreement with the Cities of Gladstone, Johnson City, Milwaukie, Oregon City and West Linn for regional sewer pipe cost allocation. Amendment is administrative changes only and has no fiscal impact or change of duration. No County General Funds are involved.

Previous Board Action/Review	Original IGA approved March 17, 2022.		
Performance Clackamas	1. This project supports WES’ strategic plan to upgrade WES’ infrastructure to ensure the sustainable delivery of reliable, high-quality, and climate-resilient clean water services that support the growth and vitality of our communities, natural environment, and economy. 2. This project supports the County’s Strategic Priorities of Strong Infrastructure, Vibrant Economy, and Safe, Secure and Livable Communities.		
Counsel Review	Yes	Procurement Review	No
Contact Person	Jessica Rinner	Contact Phone	503-742-4551

EXECUTIVE SUMMARY: WES provides sanitary sewer treatment to nearly 200,000 people in Clackamas County. There are over one thousand miles of underground pipes that convey sewage from homes and businesses to WES’ regional wastewater treatment facilities in Oregon City and Milwaukie. WES operates approximately 40% of that system, and our partner cities of Gladstone, Johnson City, Milwaukie, Oregon City and West Linn (“Partner Cities”) each are responsible for a portion of the system as retail wastewater providers.

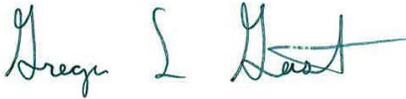
The original IGA approved in 2022 created a cost sharing mechanism to reflect the shared benefit of infiltration and inflow reduction and the impact on governmental budgets. Since the most cost-effective way to save ratepayers money is to improve the collection systems supported by the retail wastewater rate, with the savings reflected in cost avoidance in the wholesale wastewater treatment rate, the agreement authorized WES to make a 33% cost contributions to support investments in partner cities’ collection systems.

For Filing Use Only

This IGA amendment is administrative in nature and provides additional clarity regarding cost sharing, program proposal processes and reimbursement procedures moving forward.

RECOMMENDATION: Staff recommends that the Board of County Commissioners of Clackamas County, acting as the governing body of Water Environment Services, approve Amendment #1 for Administrative Changes to the Intergovernmental Agreement Between Partner Cities and Water Environment Services for Regional Inflow and Infiltration Reduction.

Respectfully submitted,

A handwritten signature in blue ink that reads "Greg Geist". The signature is written in a cursive style with a long horizontal stroke at the end.

Greg Geist
Director, WES

Attachment: IGA Amendment #1 Exhibit A – Program Manual

**AMENDMENT #1
TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN
WATER ENVIRONMENT SERVICES AND PARTNER CITIES FOR
REGIONAL INFLOW AND INFILTRATION REDUCTION**

This Amendment #1 is entered into between **Water Environment Services** (“District”) and the **City of Gladstone, City of Happy Valley, City of Johnson City, City of Milwaukie, City of Oregon City, and the City of West Linn** (collectively, the “Partners” or individually “Partner”) and shall become part of the Agreement documents entered into between the parties on March 17, 2022 (“Agreement”).

The Purpose of this Amendment #1 is to make the following changes to the Agreement:

1. **Section 2 – Cost Sharing.** The following sentence is hereby added after the last sentence:

“The amount of District funding available for each fiscal year shall be the amount specified in the budget as adopted by the District Board.”

2. **Section 3 - Program Proposal Process.** Section 3 is hereby deleted in its entirety and replaced with the following:

“Section 3 – Program Proposal Process. The proposal process shall be governed by the WES Regional Inflow and Infiltration Reduction IGA Program Manual, attached hereto and incorporated herein as Exhibit A (“Program Manual”). The definitions of Qualified Proposal and Approval Letter are as specified in the Program Manual. The Program Manual may be updated and revised by WES at any time in its sole discretion without need for an amendment to this Agreement. Upon making a substantive revision to the Program Manual, WES will provide Partners with reasonable notice of the changes made.”

3. **Exhibit B** to the Agreement is hereby replaced in its entirety with **Exhibit A to this Amendment #1** attached hereto and incorporated herein.

4. **Section 4 – Reimbursement** is hereby deleted in its entirety and replaced with the following:

“Reimbursement. In order to receive the Reimbursement Contribution, the Partners agree to submit invoices for work performed related to the Qualified Proposal in accordance with the dates and requirements of the Program Manual. The District is not obligated to pay any amount in excess of the Reimbursement Contribution amount identified above.”

Except as expressly amended above, all other terms and conditions of the Agreement shall remain in full force and effect.

Signature Page Follows

By signature below, the parties agree to this Amendment #1, effective upon the date of the last signature below.

Water Environment Services

Chair

Date

City of Gladstone

Authorized Signatory

Title

Date

City of Happy Valley

Authorized Signatory

Title

Date

City of Johnson City

Authorized Signatory

Title

Date

City of Milwaukie

Authorized Signatory

Title

Date

City of Oregon City

Authorized Signatory

Title

Date

City of West Linn

Authorized Signatory

Title

Date

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Water Environment Services

Chair

Date

City of Gladstone

Authorized Signatory

Title

Date

City of Happy Valley

Authorized Signatory

Title

Date

City of Johnson City

Authorized Signatory

Title

Date

City of Milwaukie



Authorized Signatory

City Manager

Title

12/15/2025

Date

City of Oregon City

Authorized Signatory

Title

Date

City of West Linn

Authorized Signatory

Title

Date

By signature below, the parties agree to this Amendment #1, effective upon the date of the last signature below.

Water Environment Services

Chair

Date

City of Gladstone



Authorized Signatory
City Administrator

Title

12-10-25

Date

City of Happy Valley

Authorized Signatory

Title

Date

City of Johnson City

Authorized Signatory

Title

Date

City of Milwaukie

Authorized Signatory

Title

Date

City of Oregon City

Authorized Signatory

Title

Date

City of West Linn

Authorized Signatory

Title

Date

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Water Environment Services

Chair

Date

City of Gladstone

Authorized Signatory

Title

Date

City of Happy Valley

Authorized Signatory

Title

Date

City of Johnson City

Authorized Signatory

Title

Date

City of Milwaukie

Authorized Signatory

Title

Date

City of Oregon City

Anthony J. Konkol, III

Anthony J. Konkol, III (Dec 18, 2025 11:46:49 PST)

Authorized Signatory

City Manager

Title

Dec 18, 2025

Date

City of West Linn

Authorized Signatory

Title

Date

By signature below, the parties agree to this Amendment #1, effective upon the date of the last signature below.

Water Environment Services

Chair

Date

City of Gladstone

Authorized Signatory

Title

Date

City of Happy Valley



Authorized Signatory

City Manager

Title

12/01/25

Date

City of Johnson City

Authorized Signatory

Title

Date

City of Milwaukie

Authorized Signatory

Title

Date

City of Oregon City

Authorized Signatory

Title

Date

City of West Linn

Authorized Signatory

Title

Date

By signature below, the parties agree to this Amendment #1, effective upon the date of the last signature below.

Water Environment Services

Chair

Date

City of Gladstone

Authorized Signatory

Title

Date

City of Happy Valley

Authorized Signatory

Title

Date

City of Johnson City

Authorized Signatory

Title

Date

City of Milwaukie

Authorized Signatory

Title

Date

City of Oregon City

Authorized Signatory

Title

Date

City of West Linn

Elissa Preston

Authorized Signatory

Deputy City Manager, AIC

Title

12/29/2025

Date

By signature below, the parties agree to this Amendment #1, effective upon the date of the last signature below.

Water Environment Services

Chair

Date

City of Gladstone

Authorized Signatory

Title

Date

City of Happy Valley

Authorized Signatory

Title

Date

City of Johnson City

Vincent O. Whitehead
Authorized Signatory

MAYOR
Title

12-15-2025
Date

City of Milwaukie

Authorized Signatory

Title

Date

City of Oregon City

Authorized Signatory

Title

Date

City of West Linn

Authorized Signatory

Title

Date

EXHIBIT A

**WES Regional Inflow and Infiltration Reduction IGA
Program Manual**

WES Regional Inflow and Infiltration Reduction IGA Program Manual

This manual governs the implementation of certain aspects of administration of the inflow and infiltration (“I/I”) reimbursement program established under the Intergovernmental Agreement Between Water Environment Services and Partner Cities for Regional Inflow and Infiltration Reduction (“Agreement”) entered into between Water Environment Services (“District”) and the City of Gladstone, City of Happy Valley, City of Johnson City, City of Milwaukie, City of Oregon City, and the City of West Linn (collectively, the “Partners” or individually a “Partner”) on March 17, 2022.

1. Program Proposal Process.

- A. Qualified Proposals. Partners will identify qualified proposal projects to submit for review. A **“Qualified Proposal”** means a project proposal that meets the base threshold of being designed for I/I reduction purposes and occurring within the Target Areas. A Qualified Proposal should include a project description, project area/boundary, flow-metering data, if available (I/I rates), rehabilitation method (if applicable), project statistics (i.e. number of manholes, linear feet of pipe or number of laterals to be rehabilitated), construction schedule, and anticipated I/I flow reduction.

Eligible projects must result in the creation or improvement of a capital asset that directly contributes to I/I reduction. District will only reimburse costs of the project that are exclusively used for capital expenditures. Capital expenditures means expenditures that are considered capital under generally accepted accounting principles (“GAAP”). Each Partner must ensure that all expenditures classified as capital align with GAAP and their own internal capital policies. Project costs eligible for reimbursement may include, but are not limited to:

- i. Design, planning, and engineering costs directly attributable to an I/I reduction capital project.
 - ii. Construction and rehabilitation costs.
- B. Approval of Qualified Proposals. Each Partner will bring forward their proposed projects for approval by the Technical Advisory Team (“TAT”). The TAT will review the proposal and determine if it satisfies the elements of a Qualified Proposal identified in Section A above. If the TAT members approve by majority vote of those present finding a proposal as being an eligible Qualified Proposal, the Partner will be provided with a letter of approval in a form substantially similar to Attachment A (“Approval Letter”).
- C. Annual Notification of Proposals. Each Partner agrees to submit an annual list summarizing the potential Qualified Proposals planned for the following year, including their estimated cost, to the District no later than February 1st of each

year, in order to provide the District with sufficient time to budget appropriately for the upcoming fiscal year. Failure to provide the notice will not automatically prevent funding of a Qualified Proposal, but such funding may be delayed by a fiscal year. Notwithstanding the above, upon execution of the Agreement by a Partner, the Partner may immediately submit Qualified Proposals for the current fiscal year.

- D. Annual Reports. Each Partner receiving funding pursuant to this Agreement will provide an annual report out to District, indicating the projects completed with the funding provided and their anticipated or actual reduction of I/I in the impacted Target Area. The Partners may elect to provide the report at the end of each fiscal year or calendar year.
- E. TAT Membership. The Parties acknowledge that thus far the TAT has been an informal advisory group of technical experts meeting to share knowledge and collaborate on infrastructure strategy, and that a more formalized procedure will be needed to allow the TAT to effectuate the purposes of this Agreement. Therefore bylaws will be drafted creating, amongst other provisions, a voting procedure with each of the District and Partners having a single vote for the purposes of approving a Qualified Proposal.

2. **Payment Terms.**

- A. Invoices. The Partners agree to submit invoices for work performed related to the Qualified Proposal a minimum of twice annually. Invoices may be submitted more frequently if desired. The required invoice submissions are: 1) one by February 15 for all work performed between July 1 and December 31, and 2) a second by August 15 for all work performed between January 1 and June 30. Invoices shall describe the work performed with particularity, by whom it was performed, and shall itemize and explain the expenses for which reimbursement is claimed, noting the elements of the project correlated with I/I reduction. Reimbursement Contribution payments shall be made by the District to the Partner within forty-five (45) days of receipt of an invoice that complies with the requirements of this section.

3. **Amendments to Existing Approvals.**

- A. Request. A Partner may submit a request for an amendment to the Reimbursement Contribution if the actual costs of the work performed related to a Qualified Proposal are greater than originally anticipated ("Amendment Request"). The Partner will submit the Amendment Request to the TAT.
- B. Evaluation of Amendment Request. The TAT will review the Amendment Request and make a recommendation to the District Director, who will determine, in their sole discretion, whether the District has adequate funding to authorize the Amendment Request.
- C. Approval of Amendment Request. If an Amendment Request is approved by the District Director, then the District will provide the Partner with an updated Approval Letter showing the revised Reimbursement Contribution amount ("Updated Approval Letter").

D. Payment of Amended Amounts. After a Partner receives the Updated Approval Letter, the Partner will submit invoices in accordance with the terms in Section 2 above.

ATTACHMENT A
SAMPLE APPROVAL LETTER



Date

Name
Address 1
Address 2

Sent Via Email

Re: *Insert Proposal Name Here*

Dear Name,

Thank you for the submittal of your Proposal to the Technical Advisory Team (“TAT”).

This letter serves as notification that the TAT has approved your project for reimbursement as a part of the Regional I/I Reimbursement Program, in accordance with the terms of the IGA for Regional Inflow and Infiltration Coordination.

When you have entered into a contract to do the work included in your proposal, please forward us a copy of the executed contract(s). Exact funding contribution will be calculated based on the value of the executed contract(s).

Please retain a copy of this letter in your records, as you will be required to provide it along with documentation of your expenses when you seek reimbursement from Water Environment Services.

On behalf of WES and all the cities participating in this I/I reduction effort, we appreciate your commitment to addressing this regional issue. Thank you!

Sincerely,

Greg Geist
Director, Clackamas Water Environment Services
150 Beaver Creek Road #430
Oregon City, OR 97045

Enclosures: Insert proposal name here