



**CITY OF MOLALLA
CITY COUNCIL CITY COUNCIL - REGULAR
AGENDA**

Civic Center | 315 Kennel Avenue
Wednesday, November 12, 2025 | 7:00 PM

NOTICE: City Council will hold this meeting in-person and through Live-Streaming on the City's YouTube channel, City of Molalla | Oregon. Written comments may be delivered to City Hall or emailed to recorder@cityofmolalla.com. Submissions must be received by 12:00 p.m. the day of the meeting.

[This institution is an equal opportunity employer.](#)

1. CALL TO ORDER AND FLAG SALUTE

2. ROLL CALL

3. CONSENT AGENDA

- A. [City Council Meeting Minutes - October 29, 2025](#)

4. PRESENTATIONS, PROCLAMATIONS, CEREMONIES

- A. [Pudding River Watershed Council](#)

5. PUBLIC COMMENT

(Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The City Council does not generally engage in dialogue with those making comments but may refer the issue to the City Manager. Complaints shall first be addressed at the department level prior to addressing the City Council.)

6. PUBLIC HEARINGS

7. ORDINANCES AND RESOLUTIONS

- A. [Resolution No. 2025-23: Authorizing an Intergovernmental Agreement with Clackamas County Relating to the Bear Creek Culvert Replacement and Molalla Ave Shoulders Improvement Project and the Transfer of Responsibility for and Jurisdiction over a Portion of South Molalla Avenue](#)
- B. [Resolution No. 2025-25: Approving a Contract for Water Intake Design Services and Authorizing the City Manager to Prepare and Execute the Necessary Agreements](#)
- C. [Resolution No. 2025-26: Authorizing a Loan from the Special Public Works Fund by Entering into an Interim Financing Contract with the Oregon Infrastructure Finance Authority](#)

8. GENERAL BUSINESS

- A. [Moving City Council Meeting Start-Time from 7:00pm to 6:00pm \(Discussion and Direction\)](#)
- B. [RV Parking Ordinance Review and Discussion](#)

9. STAFF COMMUNICATION

10. COUNCIL COMMUNICATION

11. ADJOURN

Agenda posted at City Hall, Library, and the City Website at <http://www.cityofmolalla.com/meetings>. This meeting location is wheelchair accessible. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-829-6855.



CITY OF MOLALLA

Staff Report

Agenda Category: CONSENT AGENDA

Agenda Date: Wednesday, November 12, 2025

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: City Council Meeting Minutes - October 29, 2025

ATTACHMENTS:

[10.29.2025 CC Meeting Minutes.pdf](#)

[2025 Q3 Community Development Report FINAL.pdf](#)



City of Molalla
City Council - Regular Meeting
Minutes – October 29, 2025
Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

CALL TO ORDER

The Molalla City Council Special Meeting of October 29, 2025 was called to order by Mayor Scott Keyser at 6:00 pm.

COUNCIL ATTENDANCE

Present: Mayor Scott Keyser, Council President Eric Vermillion, Councilor Terry Shankle, Councilor Doug Gilmer, and Councilor Martin Bartholomew

Absent: Councilor Leota Childress and Councilor K.C. Bisenius

STAFF IN ATTENDANCE

Dan Huff, City Manager; Christie Teets, City Recorder; Cindy Chauran, Finance Director; and Seth Kelly, Water Quality Superintendent.

APPROVAL OF AGENDA

Approved as presented.

CONSENT AGENDA

A. Work Session Meeting Minutes - October 08, 2025

ACTION:

Council President Vermillion made a motion to approve the Consent Agenda as presented; Councilor Gilmer seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

A. Wastewater Treatment Plant - New Facility Update

Mr. Kelly provided an update on the City's Wastewater Treatment Plant (WWTP) Project, which is approximately 10 months into construction and represents the City's largest infrastructure project to date. All three construction sites are progressing with structural work. The project includes new grit removal, sequencing batch reactor (SBR), disc filters, UV disinfection, aerobic digestors, and an FKC screw press for dewatering biosolids. Upcoming work includes installing the headworks unit for grit removal once the south wall is poured, and relocating the crane to complete the equalization basin walls after the SBR and aerobic digester structures are finished. Mayor and Council President commended Mr. Kelly on his work and recognition in the industry. *(For full report see YouTube recording minutes 7:24 – 13:27)*

PUBLIC COMMENT

None.

PUBLIC HEARINGS

A. Ordinance No. 2025-10: Repealing Chapter 2.18 Parks and Recreation Board from the Molalla Municipal Code

Mayor Keyser confirmed no conflict of interest by Council. Public Hearing for Ordinance 2025-10 was opened at 6:12pm.

City Manager explained the ordinance repeals a section of code establishing a Parks and Recreation Board that has been inactive for over 10 years. When the City created the Community Program Committee process, staff intended to repeal this outdated section, as it described a board functioning at a level similar to a planning commission. *Seeing no comments Mayor closed Public Hearing at 6:13pm (For full report see YouTube recording minutes 16:37 – 18:37)*

B. Ordinance No. 2025-11: Amending Molalla Municipal Code Language in Chapter 2.17.010, Community Program Committee

Mayor Keyser confirmed no conflict of interest by Council. Public Hearing for Ordinance 2025-11 was opened at 6:13pm.

City Manager presented proposed amendments to the community program committee structure, previously discussed by Council. The ordinance would amend Section C to require that the chair and vice chair of community program committees be members of the Molalla City Council, rather than elected from amongst general committee members. The City Manager noted that currently only the Beautification and Culture Committee is active, and adopting this ordinance would require a new vote for committee leadership positions. *Seeing no comments Mayor closed Public Hearing at 6:15pm. (For full report see YouTube recording minutes 18:44 – 20:39)*

ORDINANCES AND RESOLUTIONS

A. Ordinance No. 2025-10: Repealing Chapter 2.18 Parks and Recreation Board from the Molalla Municipal Code

No additional comments from City Manager, Dan Huff.

ACTION:

Council President made a motion to hold First Reading of Ordinance 2025-10 by title only; Councilor Gilmer seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

ACTION:

Council President made a motion to hold Second Reading and Adoption of Ordinance 2025-10; Councilor Shankle seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

B. Ordinance No. 2025-11: Amending Molalla Municipal Code Language in Chapter 2.17.010, Community Program Committee

No additional comments from City Manager, Dan Huff.

ACTION:

Councilor Gilmer made a motion to hold First Reading of Ordinance 2025-11 by title only; Council President seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

ACTION:

Council President made a motion to hold Second Reading and Adoption of Ordinance 2025-11; Councilor Gilmer seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

C. Resolution No. 2025-24: Authorizing an Intergovernmental Agreement with the Department of Land Conservation and Development to Fund Housing Production Strategy Remediation

City Manager Huff clarified the agreement relates to Housing Production Strategies (HPS) funding and is separate from the upcoming discussion regarding expansion to the North. The Department of Land Conservation and Development (DLCD) has twice rejected the City's HPS, which were originally prepared by DLCD-appointed consultant. The City Manager noted that Assistant City Manager Corthell's review found the rejections are not supported by administrative rules. DLCD is providing additional funding, however, the City will manage the work internally rather than hiring a consultant.

ACTION:

Council President Vermillion moved for the Molalla City Council adoption Resolution 2025-24: Authorizing the City Manager to enter an Intergovernmental Agreement with the Department of Land Conservation and Development to Fund Housing Production Strategy Remediation ; Councilor Gilmer seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

GENERAL BUSINESS:

None.

STAFF COMMUNICATION

A. Government Finance Officers Association - Award of Financial Reporting Achievement

Finance Director Chauran shared the City has achieved "Triple Crown" status through the Government Finance Officers Association (GFOA) by receiving all three national awards: the Distinguished Budget Presentation Award (7th consecutive year), the Certificate of Achievement for Excellence in Financial Reporting (2nd year), and the newly awarded Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR). Only three other cities in Oregon hold the triple crown status.

B. Government Finance Officers Association - Distinguished Budget Award

City Manager Dan Huff presented Finance Director Cindy Chauran with a letter of commendation recognizing her professional growth and financial leadership. The letter highlighted Molalla became one of only four cities in Oregon to achieve GFOA Triple Crown status. City Manager Huff commended her financial leadership and the support she provides to all City departments as significant factors in Molalla's financial health, noting the City's accomplishments have been recognized by both citizens and other agencies.

C. Molalla Public Library: 2024-2025 Statistics Report

City Recorder highlighted the Molalla Public Library 2024-2025 statistics report (page 53 of Agenda Packet), noting impressive performance metrics: total visitors increased over 8% with 45,000 people visiting the library, card holders exceeded 6,600, and items checked out totaled over 95,000. The City Recorder emphasized these numbers are particularly remarkable given the library operates with only five full-time staff and 11 part-time staff members.

- **Seth Kelly, Water Quality Superintendent:** Reported the Middle School requested an educational program for students to learn about the City's Water and Wastewater Facilities. After a month of planning, an outline and activities were finalized for plant tours at both facilities to teach students how their public works systems operate.
- **Christie Teets, City Recorder:** The City Recorder also reminded Council that a Planning Commission seat remains open for community members within City limits.
City Recorder announced the passing of former City Councilor Mary Joe Mackey at age 95, who served on the Molalla City Council for eight years. The City Recorder read Ms. Mackey's obituary, highlighting her extensive community service. The Harris family has offered to donate Ms. Mackey's binders of historical information from her time on City Council to the City.
- **Dan Huff, City Manager:** Announced the police facility is nearing completion and the Police Department is planning a grand opening celebration. He encouraged Council members who haven't toured the facility to contact him for a visit. The City Manager reported that a design RFP for a new library was issued, with 24 agencies expressing interest and 33 people attending the kickoff call. The City needs to relocate the Library from the current School District Lease to free up space for student use. This project is currently in the design phase with no construction timeline established.

COUNCIL COMMUNICATION

- **Councilor Bartholomew:** No Report.
- **Councilor Gilmer:** No Report.
- **Councilor Shankle:** Reminded everyone of DownTown Trick-or-Treating Event and to stay vigilant of kids.
- **Council President Vermillion:** Also expressed concern for drivers to remain vigilant of kids on Halloween. Council President echoed the Mayor's earlier comments about receiving numerous inquiries at conferences regarding the Wastewater Treatment Plant Project and Mr. Kelly's work. He congratulated Finance Director Chauran on achieving Triple Crown Status. Council President remarked Molalla is making a name for itself with multiple significant projects stating it's an exciting time for the City.
- **Mayor Keyser:** Mayor Keyser reported that he and Dan met with representatives from PGE to discuss the City's needs and future opportunities. The Mayor emphasized the importance of power infrastructure upgrades noting that improvements would support potential industrial park development. Mayor Keyser also shared that the Clackamas County Coordinating Committee (C4) will begin a "road show" visiting local cities, with Molalla scheduled to host in March. Finally, Mayor Keyser invited Council members to join facility tours scheduled for the following day at the Police Station and the Wastewater Treatment Plant.

For the complete video account of the City Council Meeting, please go to YouTube
[City of Molalla | Oregon – October 29, 2025](#)

ADJOURN

Mayor Keyser adjourned the meeting at 6:48 PM.

Scott Keyser, Mayor

PREPARED BY:

Crystal Robles, Deputy City Recorder

ATTEST:

Christie Teets, CMC - City Recorder

Attachments:

- Quarter 3 Community Development Department Report



City of Molalla



2025
Q3

Community Development Report

315 Kennel Avenue
Molalla, OR 97038
Ph. 503-759-0243

CITYOFMOLALLA.COM



Table of Contents

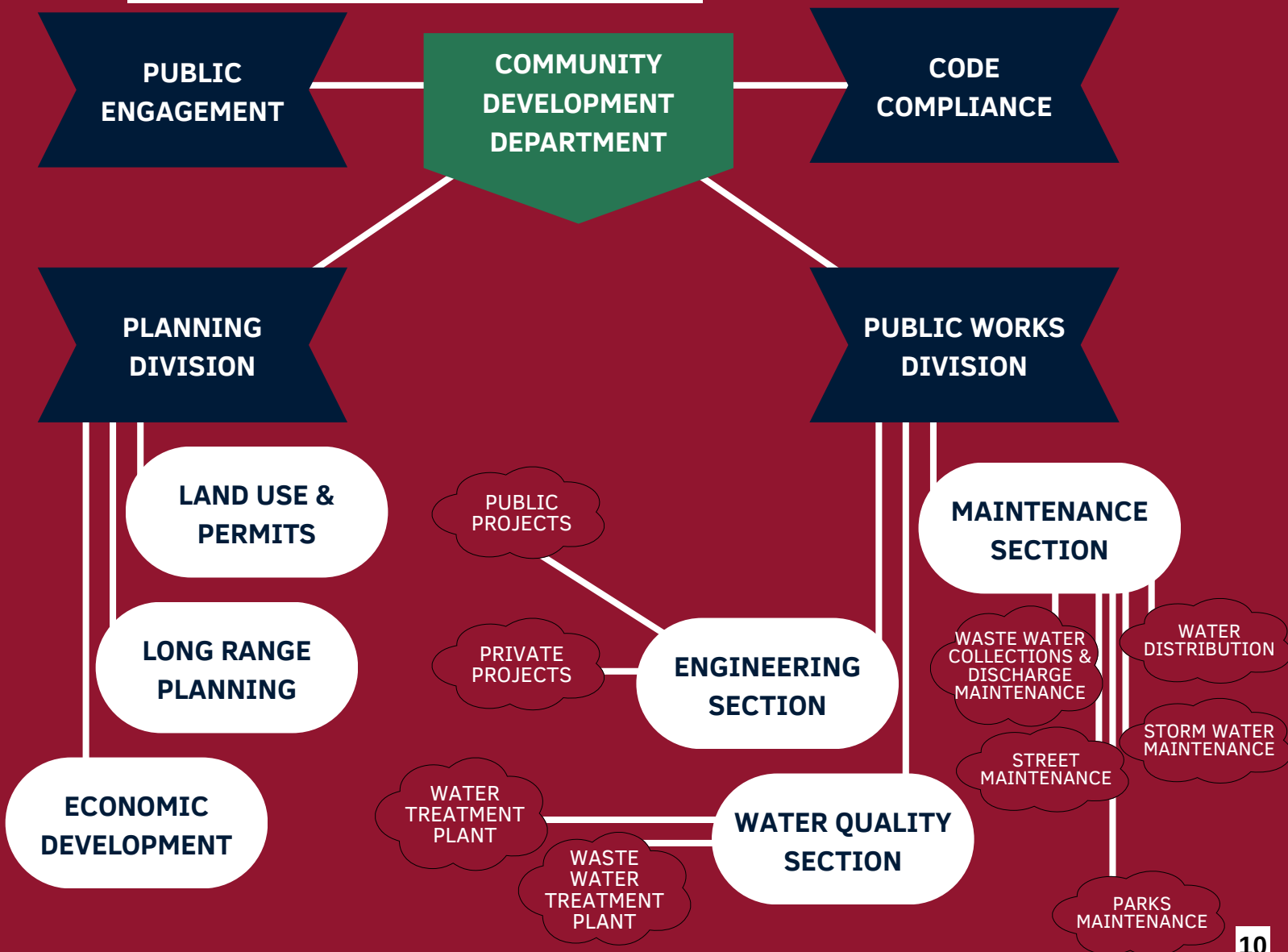
Department Feature - New Park!	4
Planning Division	5
Public Engagement & Economic Development Section	10
Public Works - Water Quality Section	14
Public Works - Engineering Section	23
Public Works - Maintenance Section	26
Code Compliance Section	29

Community Development Department



The Community Development Department is made up of the Planning Division, Public Works Division, Economic Development Section, and Code Compliance Section. Below is a summary of the activities of each Division and/or Section over the past Quarter of Fiscal Year (2024-2025), as well as a list of accomplishments and goals for Fiscal Year 2024-2025.

ORGANIZATIONAL CHART





COMMUNITY DEVELOPMENT

DEPARTMENT FEATURE

2025 Q3

CHIEF YELKUS PARK - GRAND OPENING OCTOBER 2025!

Chief Yelkus Park is located at 300 S Molalla Forest Rd. just north of OR-211 and is the City's newest addition to the parks inventory, named for the last Chief of the Molalla Indian Tribe, Henry Yelkus.





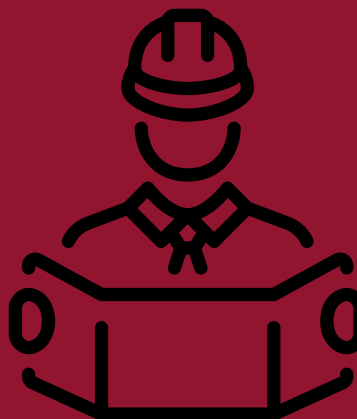
PLANNING DIVISION



NEW ASSOCIATE PLANNER

CLARESSA DAVIS

Claressa has joined our Community Development Department (CDD) as an Associate Planner. She comes to us from the City of Redmond and holds a planning degree from the University of Oregon. Claressa brings experience in evacuation, transportation, and land use planning. A Portland native, she's thrilled to return to her hometown's famously rainy weather. In her free time, you can find her hiking, riding bikes, or working on craft projects.



PW

PLANNING
DIVISION

PLANNING DIVISION

LAND USE & PERMITTING

Total New
Planning
Applications:
36

The Planning Division manages all development and permitting processes required to develop in Molalla and is supported by Clackamas County Building Codes, Molalla Fire District, and several state agencies as applicable for a given development.



Application Type	NEW	Approved	Open
Pre-Application	4	4	1
Zoning Letter	1	1	0
Building - Residential	15	16	9
Type 1 - Other	24	18	7
Type II	1	2	1
Type III	0	0	4
Type IV	1	1	0
Final Plat	0	0	5
Council Appeals	0	0	0
LUBA Appeals	0	0	0
*Note - withdrawn or migrated applications are not accounted for in this table.			



PLANNING DIVISION

FEATURE

2025 Q3

SINCLAIR GAS, SPACE AGE & SUPERIOR POOL COVERS

New fueling stations were a theme of new development projects. These included occupancy for a new fueling station on W Main ST, building permit approvals to revive a previously establish gas station on E Main ST, and a development code amendment that would allow fueling stations in the C-1 central commercial zone with the exception of a corridor along Main ST between Hart Ave and Grange Ave. Additional development projects included 15 building permit authorization approvals, two partition application, and 13 miscellaneous approvals. The City has also seen a drastic uptick in inquiries and pre-application meetings suggesting 2026 could be a robust year for new development in Molalla.





PLANNING DIVISION



LONG RANGE PLANNING

The Planning Division is Currently engaged in multiple long-range planning initiatives to ensure the City's historic growth is managed in the best possible way allowed by state law. Through these processes, city staff endeavors to preserve the small town feel of the community while simultaneously ensuring the people of Molalla reap the maximum benefits of managed growth.

UGB & HPS

2025 Quarter 3 was a transition period for Molalla's Urban Growth Boundary workplan. The City finalized and submitted its Goal 14 analysis to the Oregon Department of Land Conservation and Development (DLCD). This study considered the City's abutting lands for potential urban growth boundary expansion within the context of the State's prioritization laws. The bulk of this study focused on the "exception lands" situated south of the City because the state's prioritization framework would require that those lands be considered first. In response to concerns from the community and City Council and with support from the Governor's Office regarding the on the ground suitability and financial practicality of expanding to the exception lands, the City submitted a grant to DLCD perform subsequent analysis on the relative financial constrains for expanding to the exception lands vs. Exclusive Farming Use (EFU) lands situated to the north and west of the City. The grant application was approved in early Q4, 2025. This analysis will serve as an addendum to the Goal 14 analysis completed in Q3 and new opportunities for engagement will arise in Q4 of 2025 and Q1 of 2026. These opportunities and more can be accessed at our Molalla Current Urban Growth Boundary page: <https://current.cityofmolalla.com/urban-growth-boundary>.

In addition to this funding the City received additional funding from DLCD to complete its Housing Production Strategies document.



P

PLANNING DIVISION
LONG RANGE



PLANNING DIVISION



LONG RANGE PLANNING

STORMWATER MASTER PLAN

The plan is in its final stages, the consultant is currently working to finalize the 20 year capital plan. A final draft of the plan is expected to be reviewed by the Planning Commission and the City Council circa January 2026.



P

PLANNING DIVISION
LONG RANGE

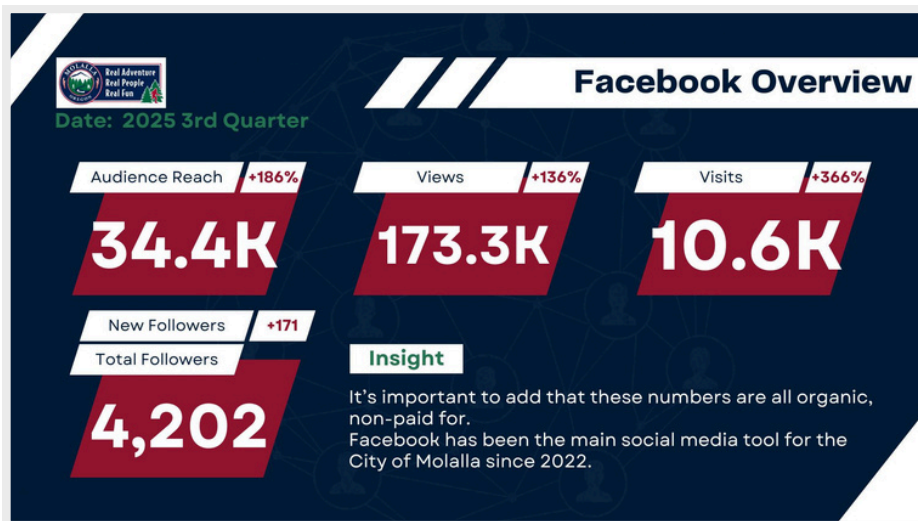


PLANNING DIVISION

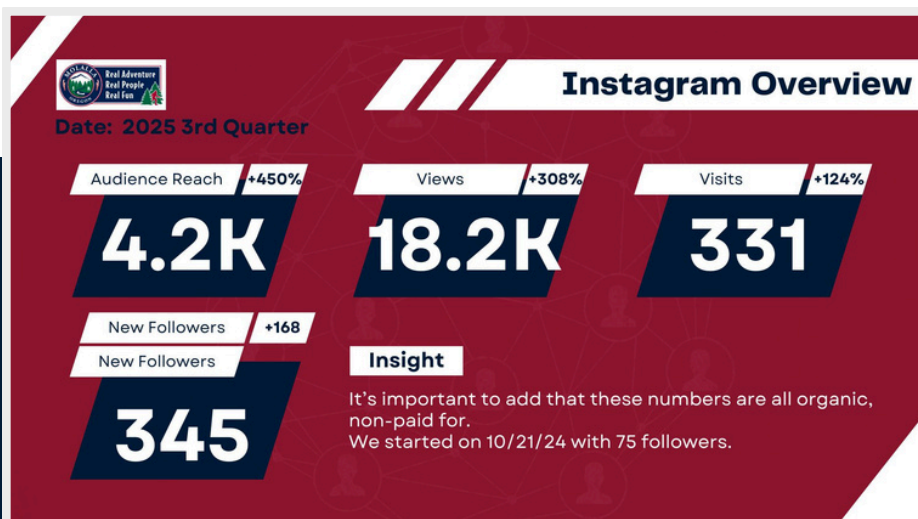
PUBLIC ENGAGEMENT

FEATURE

CITY OF MOLALLA REACHING MORE CITIZENS THAN EVER BEFORE!



The images to the left show how our social media platforms, Facebook and Instagram have performed the past quarter as well as **IN RED** the increase in each category since the previous quarter.



PE

PLANNING DIVISION
PUBLIC ENGAGEMENT

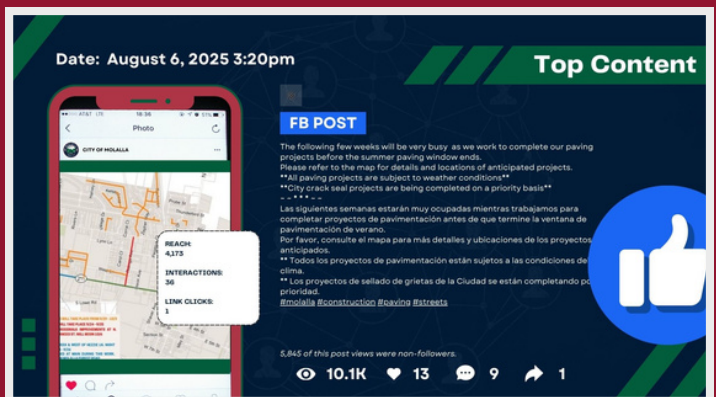
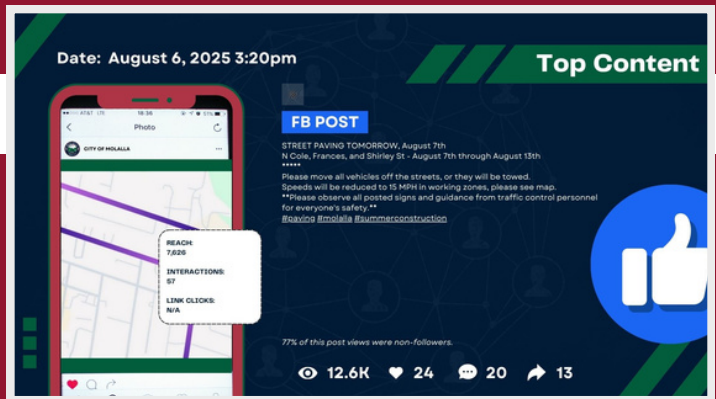
PLANNING DIVISION

PUBLIC ENGAGEMENT



TOP CONTENT

These images show the top 3 performing content posts and their insight for Facebook for the past quarter.



City of Molalla: on Facebook
@cityofmolalla



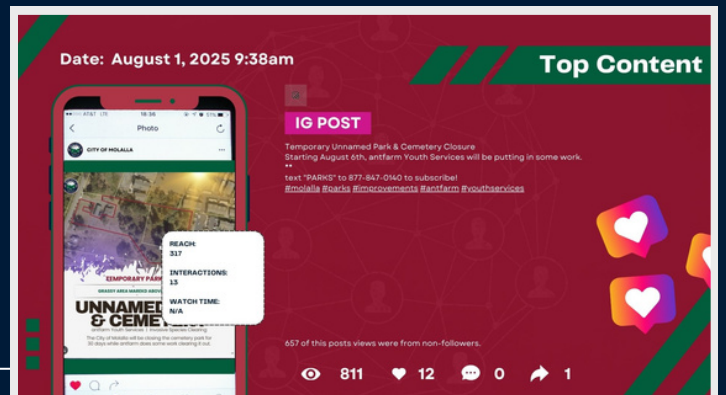
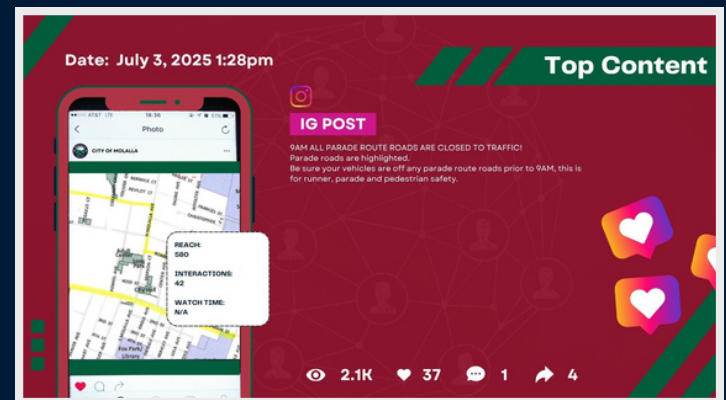
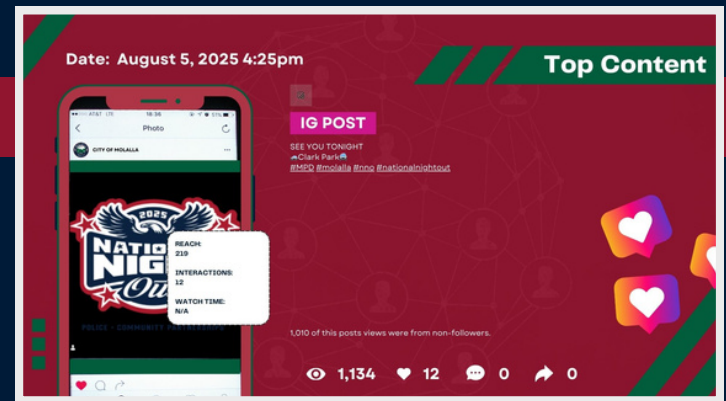
PLANNING DIVISION

PUBLIC ENGAGEMENT



TOP CONTENT

These images show the top 3 performing content posts and their insight for Instagram for the past quarter.



City of Molalla: on Instagram
@cityofmolalla



PLANNING DIVISION

PUBLIC ENGAGEMENT



NEW SUBSCRIPTIONS - PER TOPIC



City of Molalla: on govDELIVERY
Bulletin's sent: 39 (total delivered: 17,915)



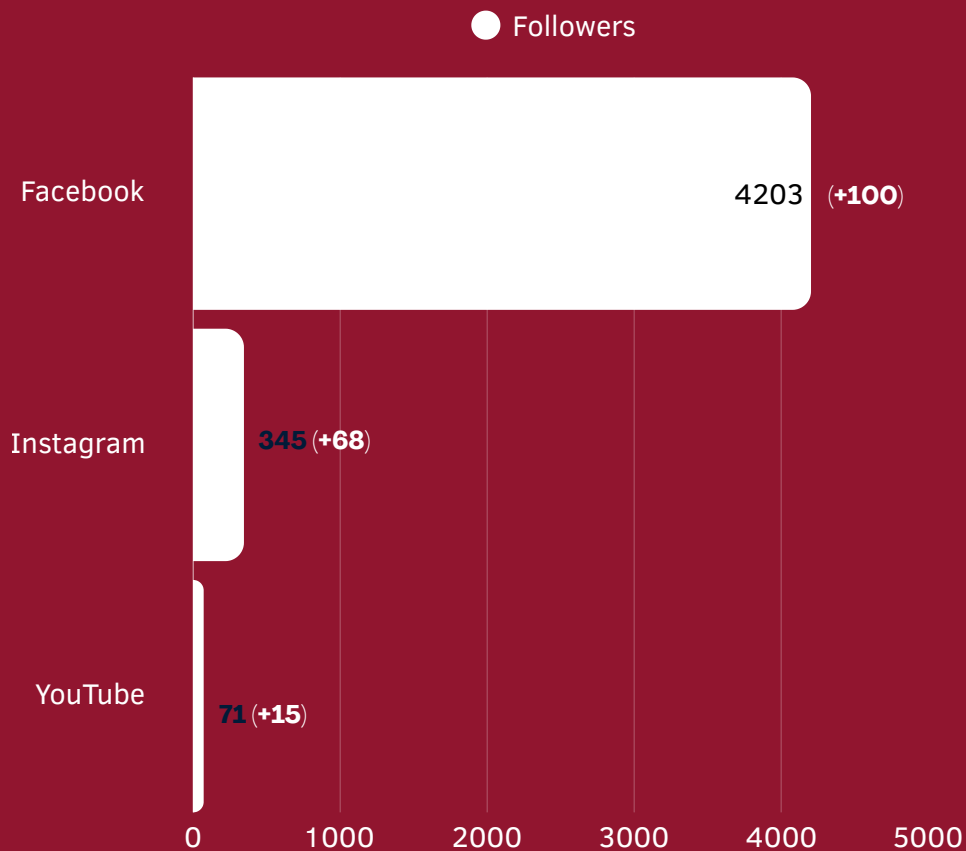
PLANNING DIVISION

PUBLIC ENGAGEMENT



NEW FOLLOWERS

New Social Media Followers

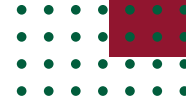


City of Molalla: on Social Media



PLANNING DIVISION

ECONOMIC DEVELOPMENT



SUMMER/FALL SCHEDULE
Every Saturday
12-4pm



WINTER MARKET
Starting October 9th
Every other Thursday
3-7pm



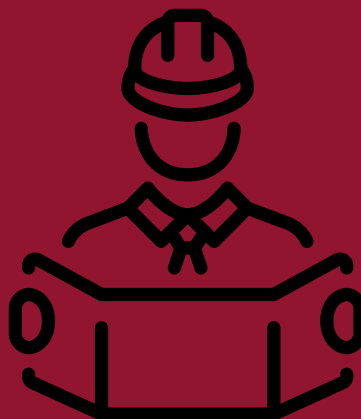
4th Friday of the month
Year-round
5-7pm

**participating businesses
downtown Molalla*



The City of Molalla offers grants
of up to \$10,400 to assist in:
New Construction, Repair, or
Replacement of Sidewalk, Curb
& Gutter, or ADA ramps!

*See the Program Summary in the
Important Documents section to
determine project eligibility, funding
levels, and how to apply.*



ED

PLANNING DIVISION
ECONOMIC
DEVELOPMENT

PUBLIC WORKS DIVISION

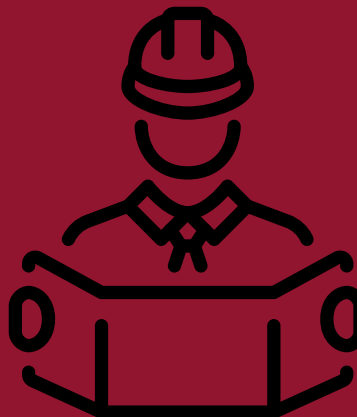


WATER QUALITY SECTION

The Public Works Division is comprised of the Engineering Section, Public Works Maintenance Section, Water Treatment Plant Section, and Wastewater Treatment Plant Section.

Together, these sections are responsible for:

- Capital Improvement
- Maintenance
- Operations
 - City's Water System
 - Wastewater System
 - Stormwater System
 - Transportation System
 - Parks System.



PW

PUBLIC WORKS
DIVISION
WATER QUALITY

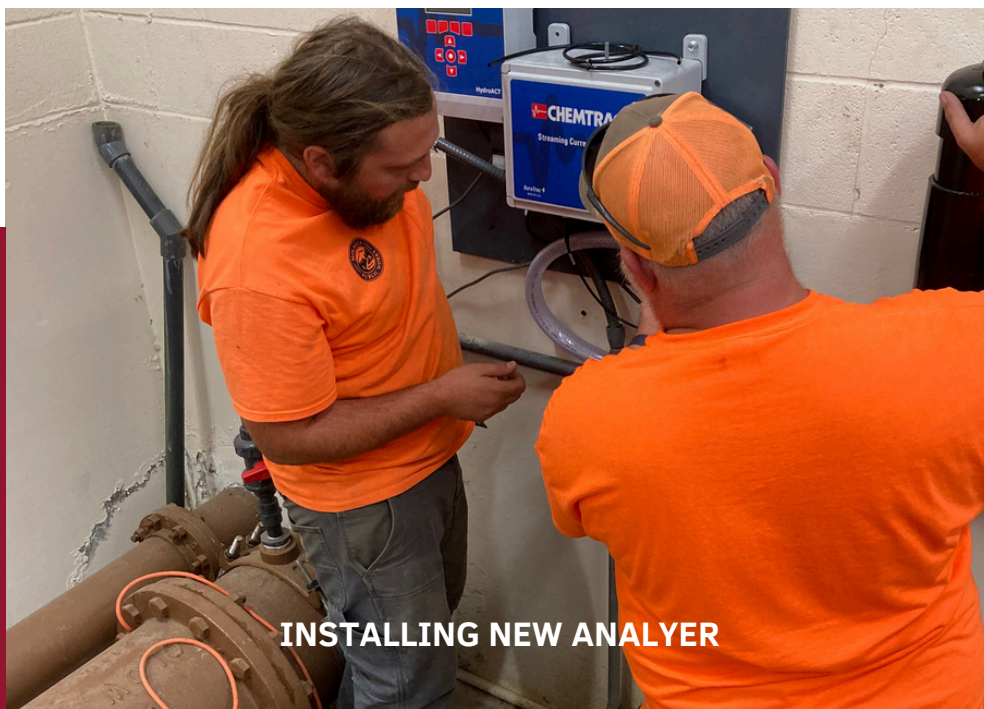
PUBLIC WORKS DIVISION

WATER QUALITY SECTION

WASTEWATER TREATMENT PLANT

PROJECT PROGRESS

- The Wastewater Treatment Plant Upgrade continues. All the floor slabs have been poured for the control building and the sequencing batch reactor and the aerobic digester. Half of the Equalization Basin floor has been poured. One-third of the walls have been poured and the treatment tanks, the masonry for the biosolids handling area is up and the framing for the remainder of the control building has been placed. The Electrical runs in the grounds are almost finished. Most of the underground plumbing has been placed. Trusses are placed with siding, roofing, plumbing, and electrical runs inside the control building to begin soon.
- The city should receive its new permit soon as the public comment period ended on September 19th. City staff are optimistic about the product of the permit. This new permit will give the city the potential to realize the full economic benefits for community and the ability to stay in compliance for the foreseeable future to include the 20-year forecasted growth.



INSTALLING NEW ANALYER



PW

PUBLIC WORKS
WASTEWATER
TREATMENT PLANT

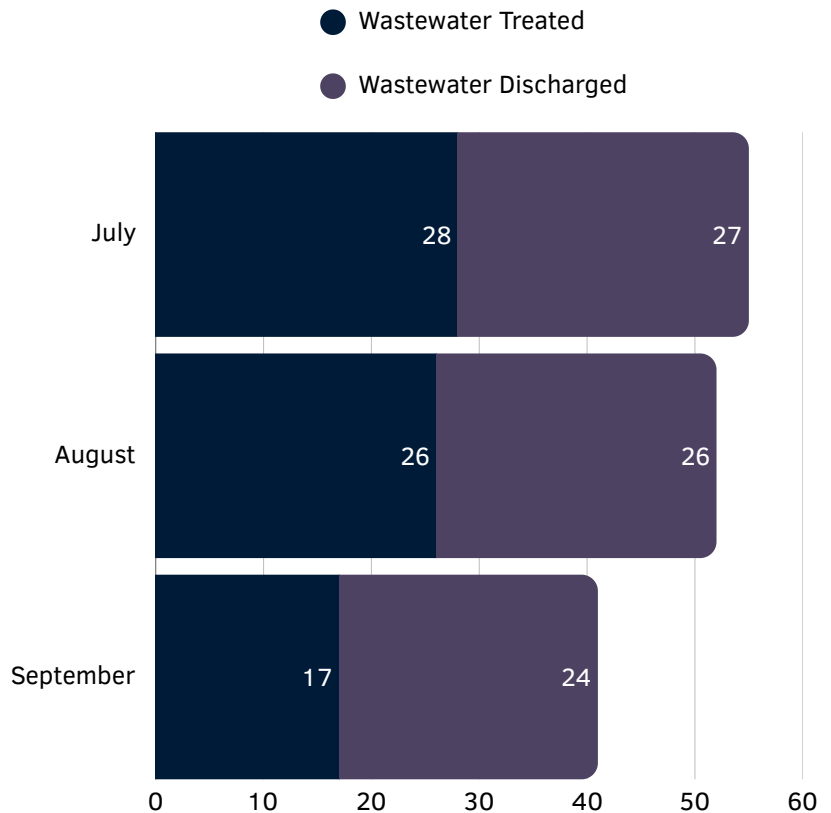
PUBLIC WORKS DIVISION

WATER QUALITY SECTION

WASTEWATER TREATMENT PLANT

Staff continued Recycled Water application through this quarter

- **July** – Received 27 million gallons of sewage, Discharge to the recycled water fields 28 million gallons of cleaned effluent.
- **August** - Received 26 million gallons of sewage, Discharge to the recycled water fields 26 million gallons of cleaned effluent.
- **September** - Received 24 million gallons of sewage, Discharged to recycled water fields 17 million gallons of cleaned Effluent.



CONTROL BUILDING



PW

PUBLIC WORKS
WASTEWATER
TREATMENT PLANT

PUBLIC WORKS DIVISION

WATER QUALITY SECTION



WATER TREATMENT PLANT

Intake Project Progress

- The City secured a loan of \$4.65 million from the Infrastructure Finance Authority to fully fund this project! An additional \$2 million grant has been recommended for funding by Representative Bynum. Should that money be approved by Congress, the city will offset the \$4.65 million loan and only have to service \$2.65 million in debt. In either circumstance, the project is funded and moving forward from the pre-design and funding phases to the design phase!

ASR Feasibility Study Announcement

- The Aquifer Storage and Recovery (ASR) Feasibility Study is fully funded by 2 grants, one from Business Oregon and one from the Oregon Water Resources Department. This study kicked off on October 17, 2025 with work projected to continue for approximately 1-year. The purpose of this study is to determine whether Molalla has viable groundwater wells that can be used as a secondary water source for the city. The crux of ASR's is that the city can pump in water during the wet season using our additional water rights. The water can then be stored there until a need arises, and the city can withdraw and distribute up to 90% of what was pumped in. This provides a secondary drinking water source and has a very positive impact on the groundwater table.



PW

PUBLIC WORKS
WATER
TREATMENT PLANT

PUBLIC WORKS DIVISION

WATER QUALITY SECTION



OPERATIONS & MAINTENANCE

WTP Emergency Generator Repair

- The emergency generator at the water treatment plant got so much needed repairs so that it can continue to serve the community's needs.

Backwash Pond Solids removal

- Needed for continued operations and compliance



BACKWASH POND SOLIDS REMOVAL



PW

PUBLIC WORKS
WATER
TREATMENT PLANT



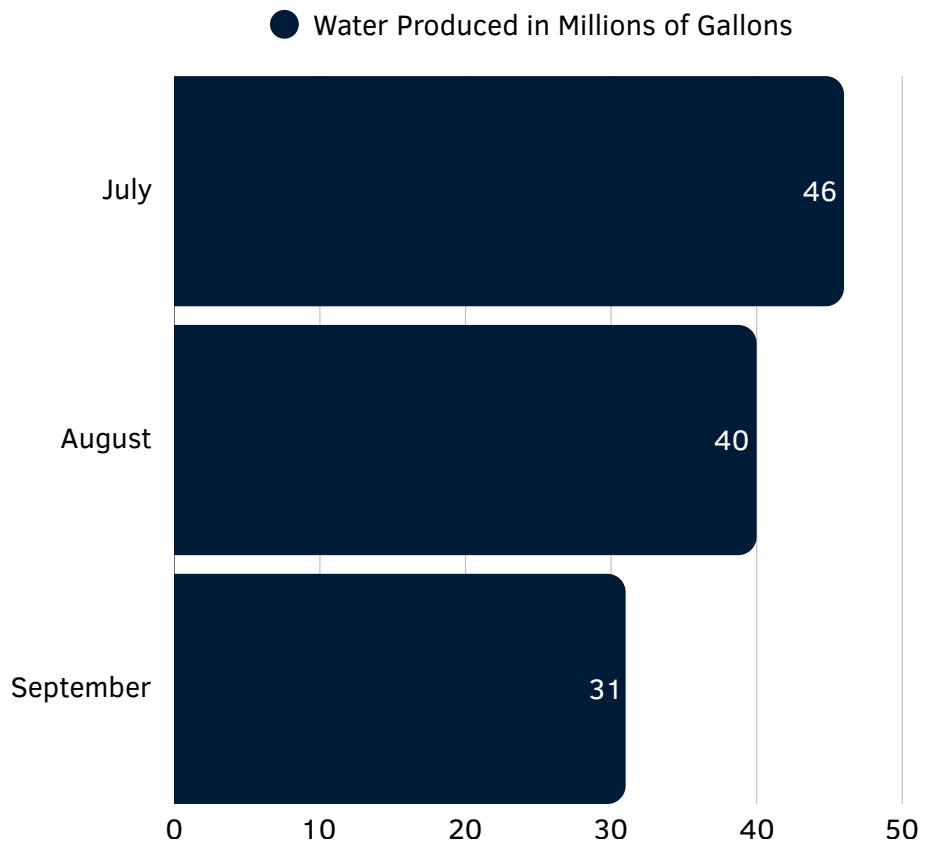
PUBLIC WORKS DIVISION

WATER QUALITY SECTION

WATER TREATMENT PLANT

TREATED WATER

The water Treatment Plant treated and provided the following drinking water quantities this past quarter.



WASTE WATER TREATMENT PLANT



PW

PUBLIC WORKS
OPERATIONS
WTP

PUBLIC WORKS DIVISION



ENGINEERING SECTION



The Engineering Section manages all public projects, civil portions of private projects, civil development reviews, Capital Planning for infrastructure systems, and Master Planning for infrastructure development. Additionally, the Engineering Section is responsible for the City's facilities maintenance program.

COMPLETED PROJECTS IN Q3

- 22-22 - Grid & Inlay of Streets (Shirley, Frances, N Cole & Ridings Ave.)
- 21-09 – Chief Yelkus Park - Phase 1
- 23-03 - 710 W Main St (Molalla Petroleum)



GRIND & INLAY



PW
PUBLIC WORKS
ENGINEERING
SECTION

PUBLIC WORKS DIVISION



ENGINEERING SECTION



ACTIVE PUBLIC & PRIVATE INFRASTRUCTURE PROJECTS

- 21-10 – Phase VIII – AV Upgrades
- 21-12 – New PD Facility
- 22-14 – Molalla / ODOT Curb Ramps ADA Ph 1 & 2
- 22-24 – Water Distribution System Pressure Zoning / PRV Installation
- 22-28 – Wellhead Aquifer Storage and Recover (ASR) Feasibility Study
- 22-29 – Water Intake Structure Reconstruction
- 22-31 – Stormwater Master Plan
- 22-33 – Clark Park Sports Fields
- 24-05 – Lola Sewer & Water Replacement
- 24-07 – Park Cameras
- 24-12 – N Molalla ADA Crosswalks
- 25-01 – S Molalla Lift Station Upgrade and Bear Culvert Replacement
- 25-03- PFAS Study
- 25-08 – Crack & Slurry
- 25-12- City Hall Remodel Ph. 5
- 22-09 - 1000 W Main (Bear Creek Apartments) Ph. 1

(CONTINUED)



PW
PUBLIC WORKS
ENGINEERING
SECTION

PUBLIC WORKS DIVISION



ENGINEERING SECTION

ACTIVE PUBLIC & PRIVATE INFRASTRUCTURE PROJECTS

(CONTINUED)

- 23-06 - 105 Ona Way (Bear Creek Apartments) Ph. 2
- 24-01 - Leza Estates Subdivision
- 24-03 - 370 Metzler Ave (Multi Family)
- 24-11 - Industrial Park Waterline Improvements
- 24-13 - ODF Storm Drain Improvements
- 25-04- 721 W Main / Superior Pool Covers
- 25-07 - 535 W Main / Industrial Subdivision
- 25-09 - Dean Leasing LLC, Site Improvements
- 25-13 - Foothills Community Church Site Improvements
- 25-15 - 204 E Main / Site & Frontage Improvements
- 25-17 - Molalla Senior Center
- XX-XX- Molalla River Middle School

RIGHT OF WAY PROJECTS

- 83 Active ROW Permits
- 14 Closed out ROW Permits



PW
PUBLIC WORKS
ENGINEERING

PUBLIC WORKS DIVISION

MAINTENANCE SECTION



WORK ORDERS COMPLETED BY FUND

UTILITY LOCATES COMPLETED	246
BUILDING MAINTENANCE	14
PARKS	146
WATER	53
SEWER	28
STORM	23
CATCHBASIN CLEANOUTS	218
STREET	39
TOTAL MILES SWEPT	308
FLEET	18
GENERAL	2
TOTAL	567



PW

PUBLIC WORKS
MAINTENANCE

PUBLIC WORKS DIVISION

MAINTENANCE SECTION



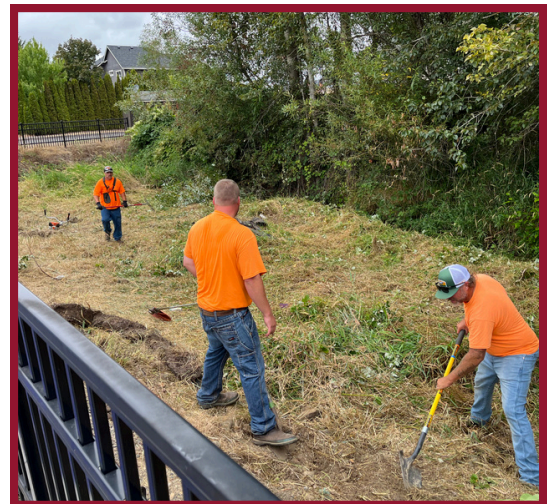
MAINTENANCE & STAINING PROJECTS



ABOVE: SPREADING CHIPS AT CHIEF YELKUS PARK

RIGHT: STORM SWALE MAINTENANCE

BELOW: LIFT STATION MAINTENANCE



LIFT STATION MAINTENANCE

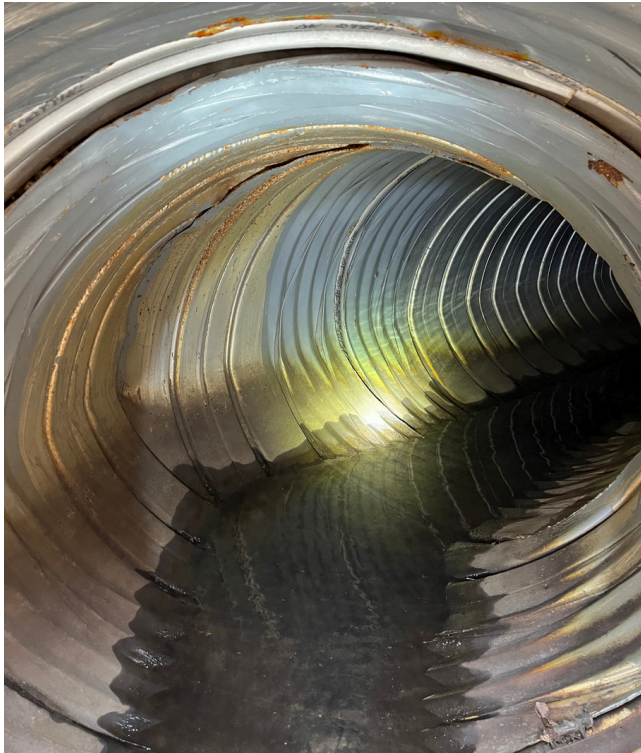


PW

PUBLIC WORKS
MAINTENANCE

PUBLIC WORKS DIVISION

MAINTENANCE SECTION



L:
**36-INCH STORM
LINE INSPECTION**



L & ABOVE:
**CREW POURING &
FINISHING CONCRETE
AT THE CITY SHOPS**

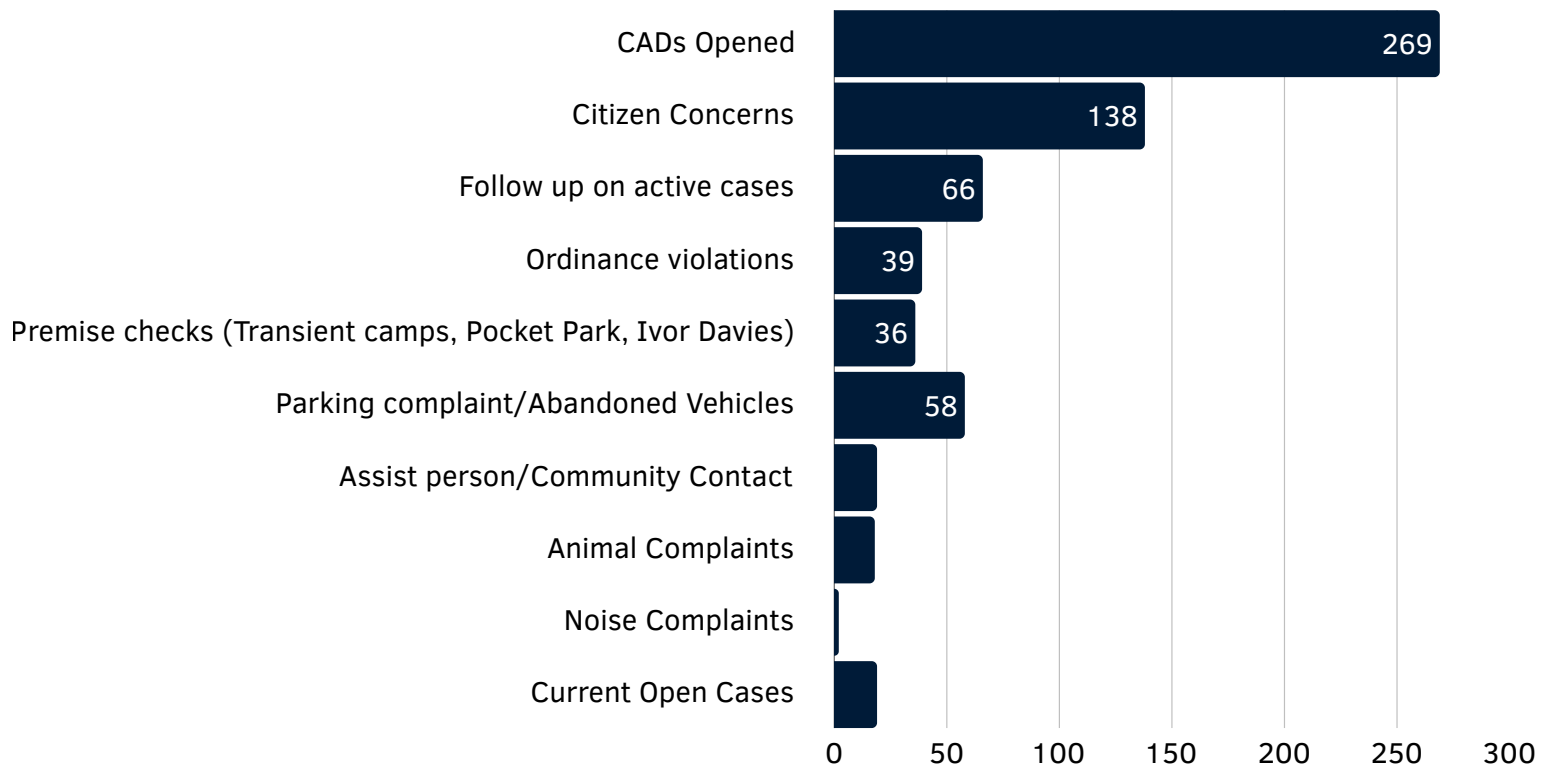


PW
**PUBLIC WORKS
MAINTENANCE**

COMMUNITY DEVELOPMENT

CODE COMPLIANCE SECTION

CASES OPENED



Code Compliance is working to revise the RV and trailer parking ordinance and the park exclusion ordinance for repeat offenders. After the new RV and trailer parking ordinance language is finalized and adopted, Code Compliance will begin the public outreach and education process

Code Compliance Specialist recently completed crisis intervention training (CIT) with the Clackamas County Crisis Negotiation Team. Many people experiencing houselessness suffer from neurological illnesses and this training better equips our Code Compliance Specialist to interact with people who may be experiencing a crisis and continue acting as the houseless liaison for the city.



CODE
COMPLIANCE



CITY OF MOLALLA

Staff Report

Agenda Category: PRESENTATIONS, PROCLAMATIONS, CEREMONIES

Agenda Date: Wednesday, November 12, 2025

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Pudding River Watershed Council

ATTACHMENTS:

[Presentation_PuddingRiverWatershedPartnership.pdf](#)



CITY OF MOLALLA

117 N. Molalla Avenue
PO Box 248
Molalla, OR 97038

Staff Report

Agenda Category: Presentations

November 12, 2025

From: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: City Partnership with Pudding River Watershed Council/Plans for “Cemetery Park”.

FISCAL IMPACT: N/A

RECOMMENDATION/RECOMMEND MOTION: N/A

BACKGROUND: The City of Molalla and the Pudding River Watershed Council (PRWC) have a long history of cooperation and partnership. Approximately 2.5 years ago, the PRWC came under the leadership of current Executive Director, Kurt Berning. Kurt reached out to the City to see what partnership opportunities might be viable now or in the future, and a new era of active partnership began.

The first project PRWC and the City partnered on was educational signage at Chief Yelkus Park. PRWC provided technical narration and some of the images for the educational signage there. Next, PRWC partnered with the City to restore the riparian area of Creamery Creek in the 700 block of E Main Street after a property owner unlawfully installed a culvert and backfilled the creek.

Since then, City staff and the PRWC have been working together to identify new opportunities for PRWC to support the City’s riparian management and compliance efforts, and in so doing to support PRWC’s mission to protect the Pudding River Watershed.

Recently, this collaboration has produced two new initiatives that City staff felt were appropriate to highlight for the City Council:

1. **Invasive species mitigation in the wetlands at Chief Yelkus Park.** This is the lead end of the Phase II development of that park and includes the wetland areas on both the west side and east side of Molalla Forest Road.
2. **Invasive species mitigation, Riparian restoration, and natural development of “Cemetery Park”.** The PRWC has the specialized knowledge, resources, and certifications necessary to complete mitigation and restoration at Cemetery Park.

Year 1: July 1 to Dec 2025

- Blackberry cut at Lowe Park (Ant Farm) – **Complete.**

[Continued on next page]

Year 2, 2026 - Pudding River Takes over:

- Spring: Recut all blackberry in park in May
- Rough Design of Trails, Existing Tree Inventory and Assessment, Planting Plan
- Fall: Spray all blackberry
- Winter: Removal of undesirable or dead/hazardous trees
 - There are several Ash trees currently infected by the Emerald Ash Borer
- Winter: Initial planting in least blackberry dense areas

Year 3, 2027:

- Spring: Planting Maintenance and BB mechanical treatment across site
 - Begin installation of natural trail system and minimal fixtures (e.g. trash cans, benches)
- Summer: Planting Maintenance and BB mechanical treatment across site
- Fall: Planting Maintenance and BB mechanical treatment across site
 - Complete installation of natural trail system and fixtures
- Winter: Large planting across site
 - Focus on establishing coniferous cover for easy maintenance down the road:
 - Pine, Doug Fir, Incense Cedar, Grand Fir
 - Also include Oaks, Willow, and Cottonwood closer to the creek

Year 4, 2028:

- **Spring: Park Opens to Public – Soft Opening**
- Spring: Maintenance - all park areas and especially newly planted sites
- Summer: Maintenance - all park areas and especially newly planted sites
- Fall: Maintenance - all park areas and especially newly planted sites
 - Replanting if Needed

Year 5, 2029:

- **Spring: Park Opens to Public - Grand Opening**
- Spring: Maintenance - all park areas and especially newly planted sites
- Summer: Maintenance - all park areas and especially newly planted sites
- Fall: Maintenance - all park areas and especially newly planted sites

Year 6, 2030:

- Spring: Maintenance - all park areas and especially newly planted sites
- Summer: Maintenance - all park areas and especially newly planted sites
- Fall: Maintenance - all park areas and especially newly planted sites

5 Year Budget Estimate: \$85k including trail system and fixtures

***Note:** This partnership includes pursuit of grant opportunities as they occur to help offset costs

Year 7, 2031:

- Public Works takes over park maintenance



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, November 12, 2025

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2025-23: Authorizing an Intergovernmental Agreement with Clackamas County Relating to the Bear Creek Culvert Replacement and Molalla Ave Shoulders Improvement Project and the Transfer of Responsibility for and Jurisdiction over a Portion of South Molalla Avenue

FISCAL IMPACT:

The City project is projected at \$1.815 million estimated project cost which includes a 15% contingency, and up to \$15k for County costs to administer the City project. The County project is projected at \$1.179 million including a 3.5% contingency and 10% construction engineering allowance.

In summary, the City will receive the benefit of the City project and the County project, but will only be financially liable for the City project.

The City has \$750k of its share budgeted for this FY with over \$3 million in sewer contingency and reserves, and over \$1 million in sewer SDC's, for which this project is approximately 40% eligible. If project cash flows meet projections, no supplemental will be required, but the remaining funds are fully available when needed.

RECOMMENDATION/RECOMMENDED MOTION:

I move to approve Resolution No. 2025-23, Authorizing an Intergovernmental Agreement with Clackamas County Relating to the Bear Creek Culvert Replacement and Molalla Ave Shoulders Improvement Project

BACKGROUND:

The City's 2018 Wastewater Facility and Collection System Master Plan lists the S Molalla Ave lift station upgrade as a High Priority project:

"The South Molalla Pump Station is old and approaching the end of its design life. Continuing to operate the pump station in its current condition presents excessive risk of failure and sewage overflows. Installing a new submersible pump station is recommended. Improvements to the South Molalla Pump Station are classified as Phase I, and scheduled to occur within the next five years."

Additionally, S Molalla Ave is currently prone to flooding at the Bear Creek Culvert which is in Clackamas County Jurisdiction. The city has been in protracted talks with the County for at least the last 10-years to take over S Molalla Ave from Molalla Forest Road to the City limits. One of the main obstacles to that transfer has been the need to expand the Bear Creek Culvert to prevent flooding. As part of this project, Clackamas County will be expanding the culvert, and providing for modern stormwater facilities adjacent to the City's S Molalla lift station project.

This project represents a continuation of Molalla's cooperative approach to public improvements that provides for expanded capacity and reduced costs. The project reduces costs by deferring the procurement process largely to Clackamas County. The project represents expanded capacity in that the City does not have the manpower to

pursue this project at this time without the County's cooperation.

ATTACHMENTS:

[Res2025-23_IGA_SMolalla.pdf](#)

[Exhibit 1 - Bear Creek Bridge & Molalla Ave Shoulders IGA \(Final\).pdf](#)



RESOLUTION NO. 2025-23

A RESOLUTION OF THE CITY OF MOLALLA, OREGON AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT WITH CLACKAMAS COUNTY RELATING TO THE BEAR CREEK CULVERT REPLACEMENT AND MOLALLA AVE SHOULDERS IMPROVEMENT PROJECT AND THE TRANSFER OF RESPONSIBILITY FOR AND JURISDICTION OVER A PORTION OF S MOLALLA AVENUE.

WHEREAS, S Molalla Ave from the City limits south to Molalla Forest Road is currently under the jurisdiction of Clackamas County; and

WHEREAS, S Molalla Ave from the City limits south to Molalla Forest Road has been identified as being suitable for transfer to the City of Molalla upon completion of certain improvements; and
WHEREAS, the improvements necessary to render the road suitable for transfer are contemplated by the proposed agreement; and

WHEREAS, ORS 190 authorizes the City of Molalla and the County of Clackamas to enter into agreements to perform public functions and transfer responsibilities as needed.

Now, Therefore, the City of Molalla Resolves:

Section 1. The Intergovernmental Agreement attached hereto as Exhibit 1 is made a part of this resolution by reference, approved by the City Council, and authorized for signature by the Mayor.

Section 2. Effective Date. This Resolution shall be effective upon adoption.

Signed this 12th day of November 2025.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF MOLALLA AND
CLACKAMAS COUNTY RELATING TO THE BEAR CREEK CULVERT
REPLACEMENT AND MOLALLA AVE SHOULDERS IMPROVEMENT PROJECT
AND THE TRANSFER OF RESPONSIBILITY FOR AND JURISDICTION OVER A
PORTION OF S MOLALLA AVENUE**

This Agreement is made between the City of Molalla, a municipal corporation of the State of Oregon (the “City”), and Clackamas County, a political subdivision of the State of Oregon (the “County”), collectively referred to as the “Parties” and each a “Party.”

RECITALS

1. ORS 190.010 authorizes local governments to enter into intergovernmental agreements for the performance of any or all functions and activities that a local government or its officers or agencies have the authority to perform.
2. S Molalla Avenue, currently labeled as county road no. 42045, is a county road, as defined in ORS 368.001.
3. The County is currently undertaking the Bear Creek Culvert Replacement and Molalla Ave Shoulders Improvement Project, which will replace the Bear Creek culvert and improve the shoulders along S Molalla Avenue from S Sawtell Road to the City’s boundary (the “County Project”);
4. The City is currently undertaking the S Molalla Pump Station Upgrade Project (#2501), which will replace the existing City sanitary pump station located along S Molalla Avenue north of Bear Creek (the “City Pump Station Upgrade Project”).
5. Both the County Project and the City Pump Station Upgrade Project are within the area depicted on Exhibit “C,” attached hereto and incorporated herein by this reference.
6. The County is willing to cooperate with the City and to incorporate the City Pump Station Upgrade Project into the County Project subject to the terms of this Agreement.
7. The City has also completed the S Molalla Avenue Waterline Extension Project, which replaced and extended the water main and service connections on S Molalla Avenue from 5th Street to S Molalla Forest Road (the “City Waterline Project”).
8. In light of the City Waterline Project, and upon completion of the County Project and the City Pump Station Upgrade Project, the City is best suited to acquire permitting and maintenance responsibility for the portion of S Molalla Avenue described in Exhibit “A” and depicted in Exhibit “B” attached hereto and incorporated herein by this reference (the “Transfer Area”).
9. The City is best suited to acquire jurisdiction over the Transfer Area once it is annexed into the City’s boundary.

10. ORS 373.270 provides a mechanism for a county to surrender jurisdiction over a county road within a city to the city, provided the city requests or accepts such jurisdiction.

AGREEMENT

The Parties agree as follows:

1. **Term.** This Agreement shall be effective on the last day of signature by a Party indicated below and shall expire automatically at the time the City accepts jurisdiction over the Transfer Area pursuant to ORS 373.270.

2. **City Responsibilities.**

- A. **County Project and City Pump Station Upgrade Project.**

- i. **Plan Submittal and Bid Document Certification.** The City shall submit to the County final signed and stamped plans, special provisions, and a bid schedule for the City Pump Station Upgrade Project. The City shall review the bid documents produced by the County in connection with the County Project to identify any changes required to meet the City's needs for the City Pump Station Upgrade Project. The City shall certify in writing that the bid documents produced by the County are satisfactory in all respects, which certification shall not be unreasonably withheld.
 - ii. **Bidding Assistance.** The City shall assist the County when necessary in developing bid and contract documents and in responding to requests for information from bidders and contractors. The City shall provide comments and information, as requested by the County, for purposes of carrying out this Agreement.
 - iii. **Unacceptable Bids.** The City shall be bound by the winning bid resulting from the County's procurement process unless the County determines that the winning bid is unacceptable. Bids that exceed the cost estimate shown in Exhibit "D," attached hereto and incorporated herein by this reference, by 20% or more are deemed to be unacceptable unless the Parties mutually agree to proceed with those bids.
 - iv. **Inspections and Testing.** The City shall be responsible for contractor submittal reviews, field inspections, and material testing related to the City Pump Station Upgrade Project. The City shall track quantities for payment and take daily inspection notes for each day the contractor completes City Pump Station Upgrade Project work. The City shall provide copies of its inspection notes to the County on a weekly basis. It is estimated that the City Pump Station Upgrade Project elements will require a minimum of 12 weeks to complete and that the City inspector will be present 80% of this time. The City and the County shall jointly participate in a final walkthrough and generation of punch list items.

- v. **As-Built Drawings.** The City shall provide construction as-built drawings of the City Pump Station Upgrade Project to reflect changes made during construction. The as-built drawings shall be generated from contractor and inspector notes. A new survey shall not be completed. The City shall provide digital CAD and PDF files to the County.
- vi. **Project Cost.** The City shall be responsible for paying sixty-one percent (61%) of the winning bid value excluding Extra Work as Authorized for change orders and overruns related to the City Pump Station Upgrade Project. The City shall also be responsible for all administrative costs the County incurs in connection with the City Pump Station Upgrade Project, not to exceed Fifteen Thousand Dollars (\$15,000.00). Where the contractor requests a change order, the City shall be responsible for additional costs associated with the change order as determined by the County.
- vii. **Payments.** The City shall pay the County within thirty (30) days of receiving an invoice from the County.

B. Transfer of Responsibility.

- i. Once the County Project and the City Pump Station Upgrade Project are completed, the City shall assume responsibility for Road Authority activities (described in Section 2.B.v below) within the Transfer Area.
- ii. The City shall carry out Road Authority activities within the Transfer Area in a manner that is similar to other roads with similar features, functions, and characteristics under the City's jurisdiction.
- iii. The City shall be solely responsible for all costs associated with Road Authority activities within the Transfer Area.
- iv. **Road Authority Activities.** For purposes of this Agreement, "Road Authority activities" include, but are not necessarily limited to, the following:
 - 1. Construction and reconstruction (including capital improvements);
 - 2. Improvement, repair, and maintenance;
 - 3. Repair and maintenance of related facilities within the roadway, including, but not limited to, storm water drainage facilities, traffic control devices, street lights, and roadside barriers;
 - 4. Timely repair or mitigation of known hazards to road users;
 - 5. Issuance of permits for work;
 - 6. The establishment of roadway standards for the Transfer Area; and

7. All other responsibilities the County has under ORS chapter 368 with respect to the Transfer Area which may be assumed by the City under state law.

C. Transfer of Jurisdiction.

- i. Once the Transfer Area is annexed into the City's boundary, the City shall carry out the procedures set forth in ORS 373.270 to determine whether it is necessary, expedient, or for the best interests of the City to acquire jurisdiction over the Transfer Area, and, if so, to adopt appropriate municipal legislation requesting such jurisdiction. The City shall complete the process to request jurisdiction within 60 days of such annexation.
- ii. The City shall accept jurisdiction over the Transfer Area in the event that the governing body of the City and the governing body of the County determine that it is necessary, expedient, or for the best interests of their respective jurisdictions to transfer such jurisdiction, and if the County adopts an order surrendering such jurisdiction.

3. County Responsibilities.

A. County Project and City Pump Station Upgrade Project.

- i. **Bid Document Certification.** Before soliciting bids for construction of the improvements contemplated by the County Project, the County shall obtain the City's written certification of the bid documents produced by the County incorporating the City Pump Station Upgrade Project into the County Project.
- ii. **Renegotiation of County Project.** If the winning bid is deemed unacceptable, and the County contracts for the construction of the County Project without the City Pump Station Upgrade Project, the County shall renegotiate, in good faith, an agreement with the City on the scope of work and associated costs of the County Project, as related to public water infrastructure.
- iii. **Rebid Solicitation.** If the winning bid is deemed unacceptable, and the County determines to undergo a subsequent rebid solicitation, the County shall inform the City of the County's intention without unreasonable delay. The County agrees to renegotiate, in good faith, with the City and to amend this Agreement as deemed necessary for the subsequent rebid solicitation.
- iv. **Project Management.** The County shall manage the County Project, including the City Pump Station Upgrade Project, and administer the associated construction contract. The County shall consult with the City on any change orders requested by the contractor.

- v. **Project Cost.** The County shall be responsible for paying thirty-nine percent (39%) of the winning bid value excluding Extra Work as Authorized for change orders and overruns related to the County Project. Where the contractor requests a change order, the County shall determine, in consultation with the City, whether any additional costs associated with the change order should be paid by the City, by the County, or by both, and in what proportions.
- vi. **Invoices.** The County shall invoice the City within thirty (30) days of receiving a progress payment request from the contractor.

B. Transfer of Jurisdiction.

- i. Once the City completes the process to request jurisdiction over the Transfer Area, the County shall give notice and carry out the procedures set forth in ORS 373.270 to determine whether it is necessary, expedient, or for the best interests of the County to surrender such jurisdiction, and, if so, to adopt an order surrendering such jurisdiction. The County shall complete the process to surrender jurisdiction within 120 days of the date that the City requests such jurisdiction. This obligation shall terminate in the event the governing body of the City fails to find that it is necessary, expedient, or for the best interests of the City to acquire such jurisdiction.
- ii. Within thirty (30) days of completing the process to surrender jurisdiction over the Transfer Area, the County shall provide all as-builts and records related to the Transfer Area to the City.

4. Termination.

- A. The Parties, by mutual written agreement, may terminate this Agreement at any time.
- B. Either Party may terminate this Agreement in the event of a breach by the other Party. Prior to such termination, however, the Party seeking the termination shall give the other Party written notice of the breach and of the Party's intent to terminate. If the breaching Party has not completely cured the breach within thirty (30) days of deemed or actual receipt of the notice, then the Party giving notice may terminate this Agreement any time thereafter by giving written notice of termination stating the effective date of the termination. If the breach is of such a nature that it cannot be completely cured within such thirty (30) day period, then the Party giving notice may not terminate this Agreement due to the breach if the breaching Party begins curing the breach within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to completely cure the breach as soon as practicable. The Party giving notice shall not be required to give more than one (1) notice for a similar breach in any twelve (12) month period.
- C. Any rights or obligations accrued to the Parties prior to termination shall survive such termination.

5. Indemnification.

- A. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, the County agrees to indemnify, save harmless, and defend the City and its officers, elected officials, agents, and employees from and against all costs, losses, damages, claims, or actions, and all expenses incidental to the investigation and defense thereof (including legal and other professional fees), arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the County or its officers, elected officials, owners, employees, agents, or subcontractors, or anyone whom the County has a right to control.
- B. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, the City agrees to indemnify, save harmless, and defend the County and its officers, elected officials, agents, and employees from and against all costs, losses, damages, claims, or actions, and all expenses incidental to the investigation and defense thereof (including legal and other professional fees), arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the City or its officers, elected officials, owners, employees, agents, or subcontractors, or anyone whom the City has a right to control, including negligent or willful acts in connection with Road Authority activities in the Transfer Area.

6. Party Contacts.

- A. Macahan Corthell or his designee shall act as liaison for the City for this Agreement.

Contact Information:

Macahan Corthell
City of Molalla
315 Kennel Avenue
Molalla, OR 97038
503-759-0243
mcorthell@cityofmolalla.com

- B. Jordan Cools or his designee shall act as liaison for the County for this Agreement.

Contact Information:

Jordan Cools
Clackamas County Department of Transportation and Development
150 Beaver Creek Road
Oregon City, OR 97045
971-288-8136
jcools@clackamas.us

7. General Provisions.

- A. **Oregon Law and Forum.** This Agreement shall be construed according to the laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.
- B. **Applicable Law.** The Parties shall comply in all ways with applicable local, state, and federal ordinances, statutes, laws, and regulations.
- C. **Non-Exclusive Rights and Remedies.** Except as otherwise expressly provided herein, the rights and remedies expressly afforded under the provisions of this Agreement shall not be deemed exclusive and shall be in addition to and cumulative with any and all rights and remedies otherwise available at law or in equity. The exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or a different time, of any other remedies for the same breach, or for any other breach, by the other Party.
- D. **Retention of Records.** All payroll and financial records pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible. Such records and documents should be retained for a period of three (3) years after receipt of final payment under this Agreement; provided that any records or documents that are the subject of audit findings shall be retained until such audit findings are resolved.
- E. **Access to Records.** Each Party, the federal government, and their duly authorized representatives shall have access to each Party's books, documents, papers, and records which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcripts for a period of three (3) years after final payment. Copies of applicable records shall be made available upon request. The cost of such inspection shall be borne by the inspecting Party.
- F. **Debt Limitation.** This Agreement is subject to the county debt limitation set forth in Article XI, section 10, of the Oregon Constitution, and is contingent upon funds being appropriated to carry out its provisions.
- G. **Severability.** If any provision of this Agreement is found to be unconstitutional, illegal, or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The court or other authorized body finding such provision unconstitutional, illegal, or unenforceable shall construe this Agreement without such provision to give effect, to the maximum extent possible, to the intentions of the Parties.
- H. **Integration, Amendment, and Waiver.** Except as otherwise set forth herein, this Agreement constitutes the entire agreement between the Parties on the matter of the County Project, the City Pump Station Upgrade Project, and the transfer of responsibility for and jurisdiction over the Transfer Area. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification, or change to the terms of this Agreement shall bind either

Party unless it is in writing and signed by both Parties, and unless all necessary approvals have been obtained. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by such Party of that or any other provision. A waiver as to one breach shall not be deemed a waiver as to any other breach not expressly identified, even though the other breach is of the same nature as the one waived.

- I. **Interpretation.** The titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- J. **No Partnership.** No representative, agent, employee, or contractor of one Party shall be deemed to be a representative, agent, employee, or contractor of the other Party for any purpose, except to the extent specifically provided herein. Nothing herein is intended, nor shall it be construed, to create between the Parties any relationship of principal and agent, partnership, joint venture, or any similar relationship, and each Party specifically disclaims any such relationship.
- K. **No Third-Party Beneficiary.** Neither Party intends that this Agreement benefit, or create any right or cause of action in, or on behalf of, any person or entity other than the Parties.
- L. **No Assignment.** Neither Party shall have the right to assign its interest in this Agreement (or any portion thereof) without the prior written consent of the other Party, which consent may be withheld for any reason. The benefits conferred by this Agreement, and the obligations assumed hereunder, shall inure to the benefit of and bind the successors to the Parties.
- M. **Nonwaiver of Government Rights.** By making this Agreement, the County is specifically not obligating itself or any other governmental entity with respect to any discretionary governmental action relating to the County Project, the City Pump Station Upgrade Project, or the development, operation, or use of the improvements to be constructed in connection therewith, including, but not limited to, condemnation, comprehensive planning, rezoning, variances, environmental clearances, or any other governmental approvals that are or may be required.
- N. **Counterparts.** This Agreement may be executed in any number of counterparts (electronic, facsimile, or otherwise), all of which, when taken together, shall constitute one agreement binding on both Parties, notwithstanding that both Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.
- O. **Authority.** Each Party represents that it has the authority to enter into this Agreement, and each individual signatory for a Party represents that it has been authorized by that Party to execute and deliver this Agreement.

P. **Necessary Acts.** Each Party shall execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out this Agreement.

CLACKAMAS COUNTY

CITY OF MOLALLA

Craig Roberts, Chair

Scott Keyser, Mayor

Date

Date

Recording Secretary

Recording Secretary

Exhibit "A"

SE Molalla Avenue Transfer of Jurisdiction

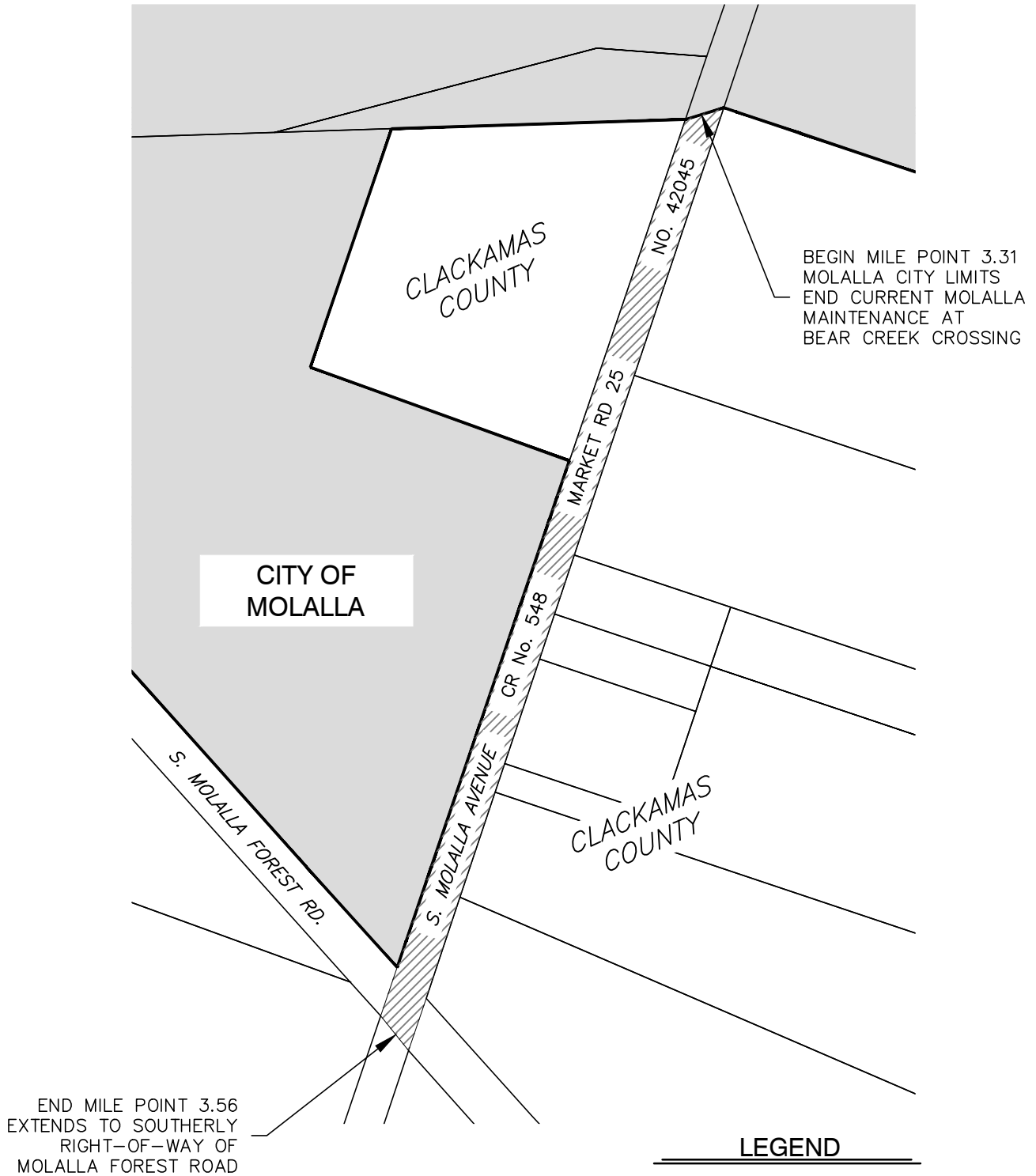
Clackamas County to City of Molalla

Description

All of that portion of S. Molalla Avenue, Market Road 25, County Road No. 548, Department of Transportation and Development Maintenance No. 42045; Situated in the northeast 1/4 of Section 17, T. 5 S., R. 2 E., W.M., lying south of the current city limits and jurisdiction, said point also being the culvert crossing at Bear Creek (mile point 3.31) and north of the southerly right-of-way of S Molalla Forest Road, Public Road No. P-5042 (mile point 3.56), as shown on Exhibit "B", attached hereto, and by this reference a part hereof. Total length being approximately 1,320 feet long.

Contains 79,000 square feet, more or less.

EXHIBIT "B"



LEGEND



TRANSFERED AREA
79,200 Sq. Ft.

LOCATED IN THE NORTHEAST 1/4 OF SECTION 17,
T. 5 S., R. 2 E., W.M.
CLACKAMAS COUNTY, OREGON



NTS

DEPARTMENT OF TRANSPORTATION
AND DEVELOPMENT
150 BEAVERCREEK ROAD
OREGON CITY, OR 97045



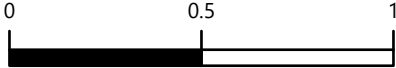
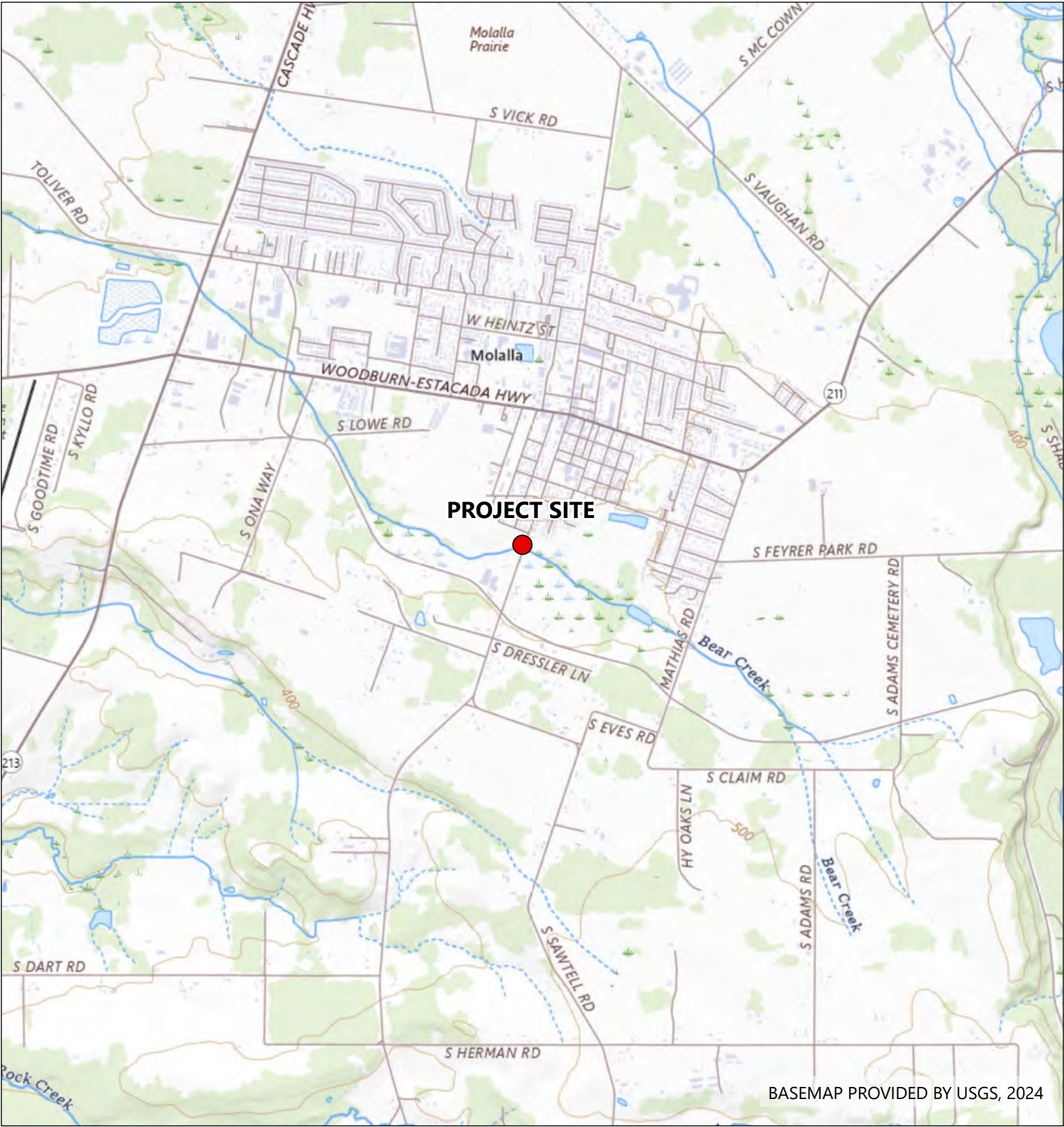
BY: R. MAXWELL

DATE: 10/30/2025

JURISDICTIONAL TRANSFER
SOUTH MOLALLA AVENUE
COUNTY ROAD NO. 548

SHEET

1 OF 1



1 INCH = 0.5 MILES



RS&H
BEAR CREEK CULVERT

VICINITY MAP

Exhibit "D"

Clackamas County-City of Molalla IGA

11/3/2025

County Project Engineer's Estimate

Bear Creek Culvert and Molalla Ave Shoulders Project

Total Estimate	\$	1,179,030.03
Less Contingency (3.5%)	\$	(39,870.58)
Less Allowance for Construction Engineering (10%)	\$	(103,559.95)
Less Extra Work as Authorized	\$	(50,000.00)

County Project Value for Cost Sharing:	\$	985,599.50
--	----	------------

County Cost Share:	39%
--------------------	------------

City Project Engineer's Estimate

S. Molalla Pump Station Replacement

Total Estimate	\$	1,800,000.00
Less Contingency (15%)	\$	(234,900.00)

City Project Value for Cost Sharing:	\$	1,565,100.00
--------------------------------------	----	--------------

City Cost Share:	61%
------------------	------------

Combined Project Value for Cost Sharing:	\$	2,550,699.50
--	----	--------------

100%

Bear Creek Culvert and Molalla Ave Shoulders Project
Bridges & Structures
Clackamas

Engineer's Opinion of Cost (Final)

Spec. No.	Item No.	Item	Bid Unit	Est. Unit	Quantity	Unit Price	Total Price
00100 General Conditions							
00180	10	Workplace Harassment Prevention Plan	Lump Sum	Lump Sum	1	\$ 1,500.00	\$ 1,500.00
00196	20	Extra Work as Authorized	Lump Sum	Lump Sum	1	\$ 50,000.00	\$ 50,000.00
00200 Temporary Features and Appurtenances							
00210	30	Mobilization	Lump Sum	Lump Sum	1	\$ 85,000.00	\$ 85,000.00
00221	40	Temporary Work Zone Traffic Control, Complete	Lump Sum	Lump Sum	1	\$ 45,000.00	\$ 45,000.00
00245	50	Temporary Water Management	Lump Sum	Lump Sum	1	\$ 10,000.00	\$ 10,000.00
00280	60	Erosion Control	Lump Sum	Lump Sum	1	\$ 4,000.00	\$ 4,000.00
00280	70	Inlet Protection, Type 4	Each	Each	12	\$ 120.00	\$ 1,440.00
00280	80	Sediment Barrier, Type 3	Foot	Foot	680	\$ 4.00	\$ 2,720.00
00280	90	Check Dam, Type 3	Each	Each	47	\$ 150.00	\$ 7,050.00
00280	100	Concrete Washout	Each	Each	1	\$ 1,500.00	\$ 1,500.00
00290	110	Pollution Control Plan	Lump Sum	Lump Sum	1	\$ 1,000.00	\$ 1,000.00
00290	120	Turbidity Monitoring	Lump Sum	Lump Sum	1	\$ 6,000.00	\$ 6,000.00
00294	130	Contaminated Soil Disposal	Ton	Ton	27	\$ 90.00	\$ 2,430.00
00300 Roadway							
00305	140	Construction Survey Work	Lump Sum	Lump Sum	1	\$ 9,000.00	\$ 9,000.00
00310	150	Removal of Structures and Obstructions	Lump Sum	Lump Sum	1	\$ 6,000.00	\$ 6,000.00
00320	160	Clearing and Grubbing	Acre	Acre	1.29	\$ 15,000.00	\$ 19,350.00
00330	170	General Excavation	Cu Yd	Cu Yd	320	\$ 60.00	\$ 19,200.00
00350	180	Riprap Geotextile, Type 1	Sq Yd	Sq Yd	34	\$ 16.00	\$ 544.00
00390	190	Loose Riprap, Class 100	Ton	Ton	26	\$ 140.00	\$ 3,640.00
00400 Drainage and Sewers							
00405	200	Trench Excavation	Cu Yd	Cu Yd	59	\$ 130.00	\$ 7,670.00
00415	210	Mainline Video Inspection	Foot	Foot	521	\$ 10.00	\$ 5,210.00
00445	220	12 Inch Storm Sewer Pipe, 5 Ft depth	Foot	Foot	375	\$ 100.00	\$ 37,500.00
00445	230	18 Inch Storm Sewer Pipe, 5 Ft depth	Foot	Foot	94	\$ 145.00	\$ 13,630.00
00445	240	12 Inch Ductile Iron Pipe, 5 Ft depth	Foot	Foot	34	\$ 150.00	\$ 5,100.00
00445	250	36 Inch Arch Type Pipe, 5 Ft depth	Foot	Foot	8	\$ 650.00	\$ 5,200.00
00470	260	Concrete Storm Sewer Manholes	Each	Each	1	\$ 10,000.00	\$ 10,000.00
00470	270	Concrete Inlets, Type G-2	Each	Each	2	\$ 5,000.00	\$ 10,000.00
00490	280	Extra for Manholes Over Existing Sewers	Each	Each	1	\$ 2,500.00	\$ 2,500.00
00490	290	Connect Culvert to Existing Pipe	Each	Each	1	\$ 2,000.00	\$ 2,000.00
00490	300	Filling Abandoned Structures	Each	Each	5	\$ 500.00	\$ 2,500.00
00490	310	Minor Adjustment Of Manholes	Each	Each	1	\$ 2,500.00	\$ 2,500.00
00490	320	Trench Resurfacing	Sq Yd	Sq Yd	52	\$ 95.00	\$ 4,940.00
00500 Bridges							

Bear Creek Culvert and Molalla Ave Shoulders Project
Bridges & Structures
Clackamas

Engineer's Opinion of Cost (Final)

00350	330	Subgrade Geotextile	Sq Yd	Sq Yd	200	\$	5.50	\$	1,100.00
00510	340	Structure Excavation	Lump Sum	Cu Yd	565	\$	34.00	\$	19,210.00
00510	350	Granular Wall Backfill	Lump Sum	Cu Yd	260	\$	75.00	\$	19,500.00
00510	360	Granular Structure Backfill	Lump Sum	Cu Yd	70	\$	120.00	\$	8,400.00
00552	370	Precast Wingwall and Headwall Systems for Culvert	Lump Sum	Lump Sum	1	\$	62,000.00	\$	62,000.00
00552	380	Precast Reinforced Concrete Three-Sided Structure Footings	Lump Sum	Foot	133	\$	1,200.00	\$	159,600.00
00592	390	Rolled Waterproof Membrane	Sq Ft	Sq Ft	1,110	\$	5.00	\$	5,550.00
00595	400	Precast Reinforced Concrete Three-Sided Structures	Foot	Foot	64	\$	2,100.00	\$	134,400.00
00596C	410	Retaining Wall, Cast-In-Place Concrete Semi-Gravity Cantilever	Lump Sum	Sq Ft	64	\$	220.00	\$	14,080.00
00842	420	Facility Identification Markers	Each	Each	1	\$	200.00	\$	200.00
01050	430	4 Foot Type B Protective Fence	Foot	Foot	74	\$	75.00	\$	5,550.00
00600 Bases									
00620	440	Cold Plane Pavement Removal, 2 Inches Deep	Sq Yd	Sq Yd	233	\$	45.00	\$	10,485.00
00620	450	Cold Plane Pavement Removal, 9 Inches Deep	Sq Yd	Sq Yd	89	\$	80.00	\$	7,120.00
00640	460	Aggregate Shoulders	Ton	Ton	800	\$	60.00	\$	48,000.00
00640	470	Aggregate Base	Ton	Ton	113	\$	60.00	\$	6,780.00
00700 Wearing Surfaces									
00744	480	Level 3, 1/2 Inch ACP Mixture	Ton	Ton	104	\$	200.00	\$	20,800.00
00800 Permanent Traffic Safety and Guidance Devices									
00865	490	Thermoplastic, Extruded, Surface, Non-Profiled	Foot	Foot	345	\$	5.00	\$	1,725.00
00900 Permanent Traffic Control and Illumination Systems									
00905	500	Signs, Standard Sheeting, Sheet Aluminum	Sq Ft	Sq Ft	27	\$	40.00	\$	1,080.00
00905	510	Remove and Reinstall Existing Signs	Lump Sum	Lump Sum	1	\$	5,000.00	\$	5,000.00
00920	520	Sign Support Footings	Lump Sum	Lump Sum	1	\$	6,500.00	\$	6,500.00
01000 Right of Way Development and Control									
01011	530	Bioretention Pond, _____	Lump Sum	Lump Sum	1	\$	45,000.00	\$	45,000.00
01030	540	Native Plant Seeding	Acre	Acre	1	\$	8,000.00	\$	6,000.00
01040	550	Shrubs, #5 Container	Each	Each	19	\$	37.50	\$	712.50
01040	560	Shrubs, #2 Container	Each	Each	10	\$	27.50	\$	275.00
01040	570	Shrubs, #1 Container	Each	Each	57	\$	19.00	\$	1,083.00
01040	580	Wetland Plants, Plugs	Each	Each	2,185	\$	5.00	\$	10,925.00
01070	590	Remove and Reinstall Mailbox Supports	Each	Each	17	\$	1,000.00	\$	17,000.00
01070	600	Standard Mailbox, Size 1.5	Each	Each	1	\$	300.00	\$	300.00
01091	610	Streambed Excavation	Cu Yd	Cu Yd	35	\$	60.00	\$	2,100.00
01091	620	Engineered Streambed Material	Cu Yd	Cu Yd	110	\$	230.00	\$	25,300.00
01091	630	Fish Rocks, Type 1	Each	Each	19	\$	300.00	\$	5,700.00

SUB-TOTAL OF ITEMS \$ 1,035,599.50
Allowance for CE (10%) \$ 103,559.95

Engineer's Opinion of Cost (Final)

TOTAL ESTIMATE:	\$ 1,139,159.45
Contingency @ 3.5%	\$ 39,870.58
TOTAL:	\$ 1,179,030.03

City of Molalla, OR

9/8/2025

S. Molalla Pump Station Replacement**Engineer's Estimate of Probable Construction Cost**

Item	Description	Unit	Quantity	Unit Cost	Item Cost
1	Const. Facilities & Temporary Controls	LS	1	\$165,000	\$165,000
2	Temporary Protection and Direction of Traffic	LS	1	\$25,000	\$25,000
3	Demolition & Site Preparation	LS	1	\$65,000	\$65,000
4	Site Grading and Drainage	LS	1	\$25,000	\$25,000
5	Concrete Wet Well (8-ft Dia. with Lid and Hatch)	LS	1	\$150,000	\$150,000
6	Sanitary Sewer Manholes	EA	3	\$10,000	\$30,000
7	Sanitary Sewer Lines (8-inch Dia. Gravity)	LF	70	\$200	\$14,000
8	Sanitary Sewer Force Main (6-inch Dia.)	LF	100	\$200	\$20,000
9	Aggregate Base	TONS	300	\$60	\$18,000
10	Asphaltic Concrete Pavement	TONS	77	\$300	\$23,100
11	Fencing and Gates	LS	1	\$40,000	\$40,000
12	New Water Service & Backflow Preventer	LS	1	\$15,000	\$15,000
13	Cast-in-Place Concrete (foundations, slabs, misc.)	LS	1	\$65,000	\$65,000
14	Concrete Masonry Building	LS	1	\$70,000	\$70,000
15	Submersible Non-Clog Pumps	EA	2	\$95,000	\$190,000
16	Mechanical Piping, Valves and Appurtenances)	LS	1	\$150,000	\$150,000
17	Davit Crane	LS	1	\$10,000	\$10,000
18	Wet Well Aeration System	LS	1	\$20,000	\$20,000
19	HVAC Systems	LS	1	\$15,000	\$15,000
20	New Electrical Power Service	LS	1	\$25,000	\$25,000
21	Diesel Generator (enclosure, fuel tank, ATS, canopy)	LS	1	\$85,000	\$85,000
22	General Site Electrical and Lighting	LS	1	\$100,000	\$100,000
23	Motor Control Panels, Controls and SCADA	LS	1	\$225,000	\$225,000
24	Instrumentation (level trans., floats, mag meter, etc.)	LS	1	\$20,000	\$20,000
		Subtotal			\$1,565,100
		Contingency (~15%)			\$234,900
		Total Estimated Cost			\$1,800,000



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, November 12, 2025

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2025-25: Approving a Contract for Water Intake Design Services and Authorizing the City Manager to Prepare and Execute the Necessary Agreements

FISCAL IMPACT:

\$1,019,550.00 cash flowed over FY25/26 and FY26/27. There is currently \$815,000 budgeted for FY 25/26, a supplemental will only be required if the project proceeds at a quicker pace than projected (unlikely). This does not impact the overall budget projection and availability of funds for this project.

RECOMMENDATION/RECOMMENDED MOTION:

I move the City of Molalla Adopt Resolution 2025-25, A RESOLUTION OF THE CITY OF MOLALLA, OREGON APPROVING A CONTRACT FOR WATER INTAKE DESIGN SERVICES AND AUTHORIZING THE CITY MANAGER TO PREPARE AND EXECUTE THE NECESSARY AGREEMENTS.

BACKGROUND:

A new Molalla River Water Intake is identified as the #1 priority facility project in the City's current Water Master Plan, and was approved as a project in the City's current 5-year Capital Improvement Plan 2022-2026 (Res 2022-03).

The City completed procurement for engineering services related to this project in August '24 with a contract award to Tetra Tech, Inc. The pre-design report recommended a slope screen intake as the style to be designed and constructed for this project, that report was adopted by the Council in July '25 (Res 2025-20).

In October '25 City Staff procured a loan of approximately \$4.6 million from the Infrastructure Finance Authority to Design and Construct this project. These funds combined with funding already on-hand, represent full funding for the project.

ATTACHMENTS:

[Res2025-25_WaterIntakeDesignContract.pdf](#)

[Res2025-25_ExhibitA_DesignScope.pdf](#)



RESOLUTION NO. 2025-25

A RESOLUTION OF THE CITY OF MOLALLA, OREGON APPROVING A CONTRACT FOR WATER INTAKE DESIGN SERVICES AND AUTHORIZING THE CITY MANAGER TO PREPARE AND EXECUTE THE NECESSARY AGREEMENTS

WHEREAS, The City of Molalla conducted formal procurement for Engineering Services for a new Molalla River Water Intake (the project), in March through May of 2024; and

WHEREAS, The scope of the procurement included pre-design, design, and construction management for the project; and

WHEREAS, Tetra Tech, Inc. was the winning bidder, has completed the pre-design report, and has now submitted a scope of work and Fee Estimate for the Design Phase of the project; and

WHEREAS, The City's Water Master Plan and 5-Year Capital Plan both list the project as a high priority facilities project.

Now, Therefore, the City of Molalla Resolves:

Section 1. The Scope of Work for the Design Phase of the project is attached hereto as Exhibit A and is made a part hereof by reference.

Section 2. The City Manager is hereby authorized to prepare and execute the necessary agreements to contract Tetra Tech, Inc., under terms consistent with the scope provided in Exhibit A, and at a cost not to exceed \$1,019,550.00.

Section 3. Effective Date. This Resolution shall be effective upon adoption.

Signed this 12th day of November 2025.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder

CITY OF MOLALLA WATER INTAKE DESIGN

SCOPE OF WORK

Scope of Work: The scope of work will be for design and permitting assistance for improvements at the water intake that includes the following elements:

1. Demolition of the existing concrete structure at the 1992 intake location.
2. A new sloped intake screen and concrete structure at the 1992 intake location. This will be sized for 7 cfs.
3. A support building near the intake structure that houses the air burst system for cleaning the new screen and the existing screen. The building will be approximately 20' by 20', CMU block, standing seam metal roof, fans and heater for HVAC, and the floor raised above the flood elevation.
4. New air burst system for the new screen, and new piping to the existing air burst system at the existing intake screen.
5. New gravity pipe from the new intake to the existing gravity pipe that runs from the existing screen to the booster pump station.
6. Extend the electrical system from the booster pump station to the new support structure housing the air burst equipment.
7. Hydro-modifications in the river to replace the temporary rock weir. Whether this gets constructed will depend upon the environmental permitting requirements.
8. Restoration of the river bank and other riparian improvements along the river bank on the City property.
9. Environmental and land use permitting. This includes supporting hydrologic modeling.
10. A value engineering study at approximately 15% to 30% design.

Items not included in this phase of the improvements include: booster pump station upgrades, gravity pipe or force main upgrades, power improvements to the pump station, or access road improvements.

Project Assumptions:

- No additional survey is anticipated to be required.
- The existing intake screen will remain in place, but no improvements will be done except for the air burst system.
- Additional geotechnical investigation is required for the building and the screen structure.
- Except as noted in task 2, funding administration is assumed to be provided by the City.
- No property acquisition or easements are required.

- Water right transfers or other tasks associated with water rights are not part of the design scope.
- The City will provide any outreach to citizens required.
- The City will pay directly for any permit fees such as the OHA plan review, land use and environmental permitting.
- The Project Area is entirely located within Clackamas County's Exclusive Farm Use (EFU) zone and is subject to the standards and requirements of the Clackamas Zoning and Development Ordinance (ZDO). CES assumes the Project would be considered a "Utility facility necessary for public service" under the ZDO and the following land use permits are required for the Project:
 - o Type II Land Use Permit – Per ZDO Section 1307.04.A.2, the Type II land use procedure is an administrative review process with permit determination made by the County Planning Director.
 - o Floodplain Development Permit, pursuant to ZDO Section 703.07, also a Type II land use procedure.
- No noise, visual, or glare analysis is included in this scope and budget.
- No Traffic Impact Analysis is included in this scope and budget.
- No legal parcel determination to confirm all properties impacted by the Project were legally created by County standards will be required for a Type II application.
- An infiltration test is not included, and continuous groundwater monitoring will not be done.
- Specific shoring and dewatering plans will be developed by the contractor.
- The VE study would be an in-person meeting. The cost includes travel, food and lodging.

Items that the City will provide:

- Record drawings.
- Participation as required in the Land Use Permitting.
- Participation in design review.
- Participate in permit application reviews.
- Participate and facilitate a site visit.
- Attend agency meetings as required such as the land use pre-application conference.
- Pay all permit fees directly including land use, environmental, OHA and others as required.
- Provide Tax Lot Cards and Warranty Deeds for Project properties.

Schedule

The design is anticipated to begin October 2025 and is a twelve-month period. Land use permitting will begin after the 30% design has been accepted and is anticipated to take six months. The environmental permitting is anticipated to take 1 to 2 years depending upon agency availability. Due to some of the lay-offs occurring in the Federal regulatory agencies, the permitting schedule may be extended. Final design and OHA review cannot occur until the environmental permits are obtained as permit conditions will need to be incorporated.

Fee

The proposed fee is \$1,019,550 as shown on the attached proposal.

TASK 1 — PROJECT MANAGEMENT

- 1.1 Project Management.** This will include internal project management such as directing staff, subconsultant coordination, tracking the budget and schedule. Project Management under this task will occur from design through completion of construction. There will also be periodic communications by phone, email, and written material.
- 1.2 Start-up and Progress Meetings.** Facilitate the start-up meeting with the City where we will review the scope, schedule, and key issues of the proposed work. Also facilitate a preliminary brainstorming session to identify opportunities, limitations and options. There will be three design review meetings which will be at the 30%, 60% and 90% submittals. Attendance at one City Council meeting.

There will also be periodic communications by phone, email, and written material.
- 1.3 Site Visit and Meetings.** After the start-up meeting, data transfer and initial data review, a site visit will be scheduled. Meeting with regulatory/ permitting agencies as required for determining permitting requirements. It is assumed that this would include a meeting with the land use planning department. Other agencies, such as Oregon Health Authority (OHA) and Oregon Water Resources Department (OWRD), would be contacted through phone conversations.
- 1.4 Progress Reports and Billings.** Prepare monthly invoices with a cover letter providing a brief status report.
- 1.5 Quality Assurance.** Provide quality control reviews of deliverables that entail review by a senior engineer who is not involved with the work effort.

Purpose: To keep the project running smoothly.

Products: Meeting agendas and summaries, monthly invoices, a status report, and QC reviews.

TASK 2 — FUNDING SUPPORT

The funding activities will be led by the City, and Tetra Tech will assist as requested.

- 2.1 Support Activities.** Tasks that are anticipated to be required for support on funding applications include items such as: meetings with City staff, meetings with funding agencies, development of project description and schedule, mapping and figures, project budget, and assistance filling out funding application forms.

Purpose: Assist the City obtaining funding for the construction project.

Products: Project description, schedules, figures, maps, budgets and other miscellaneous items as required.

TASK 3 — VALUE ENGINEERING STUDY

- 3.1 VE.** Provide a value engineering study at approximately 15% to 30% design to determine if there are value propositions that could enhance quality of the project or save costs. This may include alternative design approaches, modifications to the design, or additions to the design. The study will be conducted by senior engineers not involved with design, in concert with the City and design team. The study would include in-person meetings with the City.

The VE study will be a two-day effort with a follow-up report. The first day the project and design to that point will be presented to the VE team, and the VE team will have the opportunity to ask questions. The VE team will then evaluate the project. On the final second day the VE team will present the value propositions.

Purpose: To determine if there are alternative ways to obtain the same outcome in a more efficient manner, and to determine if there are additional improvements recommended to increase the project quality.

Products: A VE study.

TASK 4 — DESIGN

4.1 Generator Technical Support. Provide continuing technical support to City staff with regard to replacing the stand-by generator at the booster pump station. This may include calculations to support sizing, review of equipment, and other support as requested. This does not include design.

4.2 Geotechnical Investigation. This will be an addition to the geotechnical work that has already been done. Review the area for the location of the boring. A representative of the City who has knowledge of the underground utilities should be present to assist with the placement of the boring.

A 30-foot boring will be done near the location of the new intake structure and the new building. Laboratory tests will be completed to characterize subsurface conditions. A report will be developed characterizing the regional and local geologic conditions, site seismicity, seismic and geologic hazards, subsurface conditions, and the impact to construction with regard to foundation design, trenching, dewatering, structural fill, bank restoration, wet weather conditions and work in the river.

4.3 Prepare 30% Design. Prepare 30% design documents including plans, specifications and cost estimate based upon the predesign report. Provide four hard copies (half sized plans) and a PDF.

It is assumed that the design would include the following sheet list.

1	G1	Cover & Vicinity Map	30%
2	G2	Existing Site Plan	30%
3	G3	General Site Plan & Work Limits	30%
4	G4	Flow Schematic & Design Data	30%
5	G5	Hydraulic Profile	30%
6	G6	Erosion control Plan	
7	G7	Phased Erosion Control	
8	G8	Phases Erosion Control	
9	G9	Erosion Control Notes	
10	G10	Erosion Control Details	
11	C1	General Civil Notes, Symbols and Abbreviations	30%
12	C2	Demolition Site Plan	30%
13	C3	Demolition Plan and Sections	
14	C4	Construction Sequencing & Dewatering	
15	C5	Construction Sequencing & Dewatering	

16	C6	Site Layout Plan	30%
17	C7	Site Grading & Restoration Plan	
18	C8	Site Piping Plan	30%
19	C9	Pipe Plan & Profile	
20	C10	River Grading Plan	
21	C11	River Sections	
22	C12	River Restoration Plan	
23	C13	River Restoration Schedule	
24	C14	River Restoration Details	
25	C15	River Restoration Planting Plan	
26	C16	River Restoration Planting Details	
27	C17	Civil Details	
28	C18	Civil Details	
29	M1	Process Legend, Abbreviations & Notes	30%
30	M2	Piping, Equipment & Gates Schedule	
31	M3	Typical Pipe Penetration Details	30%
32	M4	Typical Pipe Support Details	30%
33	M5	Intake Screen Plan	30%
34	M6	Intake Screen Sections	
35	M7	Intake Screen Details 1	
36	M8	Intake Screen Details 2	
37	M9	Mechanical Details	
38	M10	Mechanical Building Plan	30%
39	M11	Mechanical Building Details	
40	M12	Mechanical Building HVAC & Plumbing	
41	M13	Mechanical Building Schedules	
42	A1	Building Code sheet	30%
43	A2	Building floor & roof Plan	30%
44	A3	Building Sections/details/schedules	
45	A4	Building platform & stair Details	

46	S1	General Structural Notes	30%
47	S2	Special Inspection Notes	30%
48	S3	Typical Structural Details	30%
49	S4	Typical Structural Details	30%
50	S5	Structural Site Plan	30%
51	S6	Overall Bottom Plan	
52	S7	Overall Top Plan	
53	S8	Intake Sections	
54	S9	Intake Sections	
55	S10	Intake Details	
56	S11	Mechanical Building Foundation	
57	S12	Mechanical Building Roof Plan	
58	S13	Mechanical Building Sections	
59	S14	Structural Details	
60	S15	Structural Details	
61	S16	Structural Details	
62	E1	Electrical Symbols, Abbreviations and Notes	30%
63	E2	Electrical Site Plan	30%
64	E3	Electrical One-Line Diagram	
65	E4	Electrical Mechanical Building	
66	E5	Electrical Schedules	
67	E6	Electrical Schedules	
68	E7	Electrical Details	
69	E8	Electrical Details	
70	P1	P&ID Symbols and Notes	30%
71	P2	P&ID Intake	30%
72	P3	Instrumentation & Control Details	
73	P4	Control Panel Elevations	

74	P5	Control Panel Schematics
75	P6	Control Panel PLC I/O
76	P7	Equipment Schematics

Specifications will be a table of contents.

- 4.4 Prepare 60% Design.** Prepare 60% design documents including plans, specifications and cost estimate based upon the comments from the 30% design and land use permit requirements. Provide four hard copies (half sized plans) and a PDF.
- 4.5 Prepare 90% Design.** Prepare 90% design documents including plans, specifications and cost estimate based upon the comments from the 60% design. Provide four hard copies (half sized plans) and a PDF. These will be submitted to OHA for review.
- 4.6 Prepare Final Design.** Prepare final design documents including plans, specifications and cost estimate based upon the comments from the 90% design, OHA comments and permit requirements. Provide four hard copies (half sized plans) and a PDF.

Purpose: To develop bid ready documents.

Products: Completed plans, specifications and cost estimate.

TASK 5 — PERMITTING

- 5.1 Land Use Permitting** – Prepare the Project land use applications and floodplain permit for submittal to Clackamas County. This will include a Type II land use permit per ZDO section 1307.04.A.2, principal river conservation, and a floodplain development permit per ZDO section 703.07.
 - a) **Agency Coordination** - This task includes consultation with Clackamas County Departments, which may include the following to support development of the land use applications and floodplain permit: the Planning and Zoning, Development Engineering, Development Services, Transportation and Development, Water Environment Services, and Building Codes.
 - b) **Pre-application Conference** - prepare materials for a pre-application conference with Clackamas County. This scope assumes three Type II land use applications will be required for the Project: a General Land Use Review for the Project (Task 2.2), a Principal River Conservation Area Review (Task 2.3) and the Floodplain Development Permit (Task 2.4). Scope assumes these applications will be submitted to the County at the same time and that the County will review them concurrently.

Prepare a pre-application conference package with a supporting project description and general site plan identifying the site boundary and list of initial questions. Attend an in-person pre-application meeting with City of Molalla staff and Clackamas County Planning staff. Provide a meeting agenda and materials for this meeting unless the County requests or prefers otherwise. Take and provide meeting notes.

c) **Type II Application** - Submit a land use application to Clackamas County. This includes the application form, narrative demonstrating how the projects meet applicable criteria, site plan of the proposed improvements, title report, legal description, owner information, and narrative of the proposed improvements.

d) **Principal River Conservation Application** - Submit a land use application to Clackamas County. This includes the application form, narrative demonstrating how the projects meet applicable criteria, site plan of the proposed improvements, elevations, exterior material, vegetation and restoration, title report, legal description, owner information, and narrative of the proposed improvements.

e) **Floodplain Development Application** - Submit a land use application to Clackamas County. This includes the application form, narrative demonstrating how the projects meet applicable criteria, site plan of the proposed improvements, elevations, materials, loads & forces, channel work, vegetation and restoration, title report, legal description, owner information, flood proofing certificate or elevation certificate, and narrative of the proposed improvements.

Purpose: To develop land use application permits and obtain permits.

Products: Draft and final pre-applications package, meeting notes, Type II application, Principal River application, and Floodplain Development application.

5.2 Environmental Permitting – Develop and submit environmental permit applications for the anticipated federal, state and local environmental permits. This includes conducting regulatory meetings and on-going agency check-ins. The applications would include permitting for on-going maintenance in the river.

a) **ESA Section 7 Consultation** – It is assumed that this project will require a formal consultation under the Endangered Species Act (ESA). This review is typically coordinated by the U.S. Army Corps of Engineers (USACE) in consultation with NOAA Fisheries (NMFS), and the U.S. Fish and Wildlife (USFWS). We will prepare a Biological Assessment and cover letter to initiate consultation.

b) **Clean Water Act Compliance** – This includes developing application material for the Section 401 Water Quality Permit, Joint permit application and the Section 404 permit application. A pre-application meeting will be conducted to verify the applicability of the Nationwide Permit and determine agency information required. The wetland delineation completed in the pre-design study along with project design will be used to develop the applications. A conceptual mitigation plan will be developed to submit with the application as it is anticipated to be required. The potential mitigation options will be developed in coordination with the City.

c) **Oregon Fish Passage Approval** – Prepare an application package for the Oregon Department of Fish and Wildlife (ODFW) for fish passage approval for in-stream structures as required by ORS 509.580 through 910 and OAR 635 division 412.

d) **Optional Task for the permanent weir structure** – If the City wishes to move forward with permanent weir structure in the river, then an individual permit from the USACE would be required. This would require compliance with the National Environmental Policy Act (NEPA) which is expected to require an Environmental Assessment (EA). This would include documentation of a no-action alternative, alternatives, probable impacts along with a discussion of biological resources and status.

Purpose: To develop environmental application permits and obtain permits.

Products: Draft and final ESA consultation package including a biological assessment, draft and final Joint Permit Application including section 401, section 404, DSL removal-fill permit and Oregon fish passage permit.

5.3 Modeling Support – This work includes a scour analysis, no rise evaluation and geomorphic assessment. The modeling work will be an extension of the work that was completed in the pre-design study.

a) **Scour Analysis** – The model will be updated from a 1-D to a 2-D model and will be updated to include design features. The model will be used to estimate scour potential, identify where sediment may aggregate or degrade. The model will also be used to estimate channel change scenarios. The results will be documented in a technical report.

b) **Geomorphic Assessment** – The model will be used to inform future adaptive management planning for the intake. This will take into account the 2-D modeling, historical channel alignments, additional site visit to document current geomorphic conditions at the site and at public access points both up and down stream. The results will be provided in a report.

c) **No rise evaluation** – Using the 1-D model as required by Clackamas County a no rise evaluation will be conducted in accordance with the development ordinance 703.05(BB). A no rise certification memo will be produced.

Purpose: Provide modeling results to inform design, long term management potential and land use permitting.

Products: Draft and final technical report, draft and final no rise certificate.

5.4 Optional Weir Permitting – If the City wishes to move forward with permanent weir structure in the river, then an individual permit from the USACE would be required. This would require compliance with the National Environmental Policy Act (NEPA) which is expected to require an Environmental Assessment (EA). This would include documentation of a no-action alternative, alternatives, probable impacts along with a discussion of biological resources and status.

This includes the development of plans for the weir. The plans would be required for the permitting as the agencies would want to see exactly what is proposed.

Purpose: To develop environmental application permits and obtain permits for the weir structure.

Products: Draft and final NEPA and EA. This includes four plan sheets.



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, November 12, 2025

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2025-26: Authorizing a Loan from the Special Public Works Fund by Entering into an Interim Financing Contract with the Oregon Infrastructure Finance Authority

FISCAL IMPACT:

\$4,633,000 in loan funds at an interest rate of 4.12% per annum.

RECOMMENDATION/RECOMMENDED MOTION:

I move to approve Resolution No. 2025-26: Authorizing a Loan from the Special Public Works Fund by Entering into an Interim Financing Contract with the Oregon Infrastructure Finance Authority

BACKGROUND:

A new Molalla River Water Intake is identified as the #1 priority facility project in the City's current Water Master Plan, and was approved as a project in the City's current 5-year Capital Improvement Plan 2022-2026 (Res. No. 2022-03).

The pre-design report for this project was adopted by the Council in July '25 (Res. No. 2025-20), and showed a preliminary cost estimate of \$4.68 million in 2025 dollars without potential legal fees. With inflation assumed at 3% per annum, a 3-year project completion window, and \$50k included for potential legal costs, the project costs out at approximately \$5.2 million. The City has \$800,000 budgeted to begin design work this Fiscal Year.

City staff subsequently submitted an application for financing to the Oregon Business Development Department, commonly known as Business Oregon. In October '25 Assistant City Manager, Mac Corthell, and Water Quality Superintendent, Seth Kelly, presented the New Water Intake Project to the Oregon Infrastructure Finance Board. The Board then voted unanimously to provide the \$4.6 million in funding requested.

ATTACHMENTS:

[Res2025-26_IFA Loan Resolution.pdf](#)

[Exhibit 1 - Contract.pdf](#)



RESOLUTION NO. 2025-26

A RESOLUTION OF THE CITY OF MOLALLA, OREGON AUTHORIZING A LOAN FROM THE SPECIAL PUBLIC WORKS FUND BY ENTERING INTO AN INTERIM FINANCING CONTRACT WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

WHEREAS, recipient is a “municipality” within the meaning of Oregon Revised Statutes 285B.410(9); and

WHEREAS, Oregon Revised Statutes 285B.410 through 285B.482 (the “Act”) authorize any municipality to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department (“OBDD”) to obtain financial assistance from the Special Public Works Fund; and

WHEREAS, recipient has filed an application with OBDD to obtain financial assistance for a “development project” within the meaning of the Act, and OBDD has approved Recipient’s application for financial assistance from the Special Public Works Fund pursuant to the Act; and

WHEREAS, recipient is required, as a prerequisite to the receipt of financial assistance from OBDD, to enter into an Interim Financing Contract with OBDD, number B26003, substantially in the form attached hereto as Exhibit 1. The project is described in Exhibit C to that Financing Contract (the “Project”); and

WHEREAS, notice relating to Recipient’s consideration of the adoption of this Resolution was published in full accordance with Recipient’s charter and laws for public notification.

Now, Therefore, the City of Molalla Resolves:

Section 1. Financing Loan Authorized. The Governing Body authorizes the City Manager (the “Authorized Officer”) to execute on behalf of Recipient the Financing Contract and such other documents as may be required to obtain financial assistance (the “Financing Documents”), including a loan from OBDD, on such terms as may be agreed upon between the Authorized Officer and OBDD, on the condition that the principal amount of the loan from OBDD to Recipient is not in excess of \$4,633,000 and an interest rate of 4.12% per annum. The proceeds of the loan from OBDD will be applied solely to the “Costs of the Project” as such term is defined in the Financing Contract.

Section 2. Sources of Repayment. Amounts payable by Recipient are payable from the sources described in section 4 of the Financing Contract and the Oregon Revised Statutes Section 285B.437(3) which include:

- (a) The revenues of the project, including special assessment revenues;
- (b) Amounts withheld under ORS 285B.449 (1);
- (c) The general fund of Recipient; or
- (d) Any other source.

Section 3. Tax-Exempt Status. Recipient covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by Recipient pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. Recipient may enter into covenants to protect the tax-exempt status of the interest paid by Recipient pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms or other documents as may be required by OBDD or its bond counsel to protect the tax-exempt status of such interest.

Section 4. Effective Date. This Resolution shall be immediately effective upon adoption.

Signed this 12th day of NOVEMBER 2025.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder

SPECIAL PUBLIC WORKS FUND DEVELOPMENT PROJECT
INTERIM FINANCING CONTRACT

Project Name: New Water Intake System

Project Number: B26003

This interim financing contract (“Contract”), dated as of the date the Contract is fully executed, is made by the State of Oregon, acting by and through its Oregon Infrastructure Finance Authority of the Oregon Business Development Department (“OBDD”), and City of Molalla (“Recipient”) for financing of the project referred to above and described in Exhibit C (“Project”). This Contract becomes effective only when fully signed and approved as required by applicable law. Capitalized terms not defined in section 1 and elsewhere in the body of the Contract have the meanings assigned to them by Exhibit A.

This Contract includes the following, listed in descending order of precedence for purposes of resolving any conflict between two or more of the parts:

This Contract less any Exhibits	
Exhibit A	General Definitions
Exhibit B	Loan Security
Exhibit C	Project Description
Exhibit D	Project Budget

SECTION 1 - KEY TERMS

The following capitalized terms have the meanings assigned below.

“Estimated Project Cost” means \$5,484,000.

“Interest Rate” means 4.12% per annum.

“Loan Amount” means \$4,633,000.

“Maturity Date” means the earlier of 3 years after the Project Completion Date or the Project Completion Deadline, whichever comes first, or the receipt of Refunding Proceeds by either party.

“Project Closeout Deadline” means 90 days after the earlier of the Project Completion Date or the Project Completion Deadline.

“Project Completion Date” means the date on which Recipient completes the Project.

“Project Completion Deadline” means 36 months after the date of this Contract.

SECTION 2 - FINANCIAL ASSISTANCE

OBDD shall provide Recipient, and Recipient shall accept from OBDD as financing for the Project a non-revolving loan (the “Loan”) in an aggregate principal amount not to exceed the Loan Amount.

Notwithstanding the above, the aggregate total of Financing Proceeds disbursed under this Contract cannot exceed the Costs of the Project.

SECTION 3 - DISBURSEMENTS

A. Reimbursement Basis. The Financing Proceeds will be disbursed to Recipient on an expense reimbursement or costs-incurred basis. Recipient must submit each disbursement request for the

Financing Proceeds on an OBDD-provided or OBDD-approved disbursement request form (“Disbursement Request”).

- B. Financing Availability. OBDD’s obligation to make, and Recipient’s right to request, disbursements under this Contract terminates on the Project Closeout Deadline.
- C. Payment to Contractors. OBDD, in its sole discretion, may make direct payment to suppliers, contractors and subcontractors and others for sums due them in connection with construction of the Project, instead of reimbursing Recipient for those sums.

SECTION 4 - LOAN PAYMENT; PREPAYMENT

- A. Promise to Pay. Recipient shall repay the Loan and all amounts due under this Contract in accordance with its terms. Payments required under this Contract are, without limitation, payable from the sources of repayment described in the Act and this Contract, including but not limited to Exhibit B, and the obligation of Recipient to make all payments is absolute and unconditional. Payments will not be abated, rebated, set-off, reduced, abrogated, terminated, waived, postponed or otherwise modified in any manner whatsoever. Payments cannot remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of purpose, any change in the laws, rules or regulations of the United States of America or of the State of Oregon or any political subdivision or governmental authority, nor any failure of OBDD to perform any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the Project or this Contract, or any rights of set off, recoupment, abatement or counterclaim that Recipient might otherwise have against OBDD or any other party or parties; provided further, that payments hereunder will not constitute a waiver of any such rights.
- B. Interest. Interest accrues at the Interest Rate on each disbursement from the date of disbursement until the Loan is fully paid. Interest is computed by counting the actual days occurring in a 360-day year.

Recipient authorizes OBDD to calculate interest accrued under the Loan, including as necessary to determine the loan amortization schedule, a loan prepayment, or a loan payoff amount. Absent manifest error, such calculations will be conclusive.
- C. Loan Payment. The entire outstanding balance of the Loan, including all accrued unpaid interest, is due and payable in full on the Maturity Date.
- D. Loan Prepayments.
 - (1) Mandatory Prepayment. The Refunding Proceeds shall be applied to repay the outstanding balance of the Contract. Further, Recipient shall prepay all or part of the outstanding balance of the Loan as may be required by this Contract.
 - (2) Optional Prepayment. Recipient may prepay all or part of the outstanding balance of the Loan on any day except a Saturday, Sunday, legal holiday or day that banking institutions in Salem, Oregon are closed.
- E. Application of Payments. Regardless of any designation by Recipient, payments and prepayments by Recipient under this Contract or any of the Financing Documents will be applied first to any expenses of OBDD, including but not limited to attorneys’ fees, then to unpaid accrued interest (in the case of prepayment, on the amount prepaid), then to the principal of the Loan. In the case of a Loan prepayment that does not prepay all the principal of the Loan, OBDD will determine, in its sole discretion, the method for how the Loan prepayment will be applied to the outstanding principal

payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received.

SECTION 5 - CONDITIONS PRECEDENT

- A. Conditions Precedent to OBDD's Obligations. OBDD's obligations are subject to the receipt of the following items, in form and substance satisfactory to OBDD and its Counsel:
- (1) This Contract duly signed by an authorized officer of Recipient.
 - (2) A copy of the ordinance, order or resolution of the governing body of Recipient authorizing the borrowing and the contemplated transactions and the execution and delivery of this Contract and the other Financing Documents.
 - (3) An opinion of Recipient's Counsel.
 - (4) Such other certificates, documents, opinions and information as OBDD may reasonably require.
- B. Conditions to Disbursements. As to any disbursement, OBDD has no obligation to disburse funds unless all following conditions are met:
- (1) There is no Event of Default.
 - (2) The representations and warranties made in this Contract are true and correct on the date of disbursement as if made on such date.
 - (3) OBDD, in the reasonable exercise of its administrative discretion, has sufficient moneys in the Special Public Works Fund for use in the Project and has sufficient funding, appropriations, limitations, allotments and other expenditure authority to make the disbursement.
 - (4) Recipient has delivered to OBDD (in form and substance satisfactory to OBDD) an estimated schedule of Disbursement Requests for Project design, including anticipated number, submission dates, and amounts and, prior to the beginning of Project construction, an estimated schedule of Disbursement Requests for construction, including anticipated number, submission dates, and amounts.
 - (5) OBDD (a) has received a completed Disbursement Request, (b) has received any written evidence of materials and labor furnished to or work performed upon the Project, itemized receipts or invoices for payment, and releases, satisfactions or other signed statements or forms as OBDD may require, (c) is satisfied that all items listed in the Disbursement Request are reasonable and that the costs for labor and materials were incurred and are properly included in the Costs of the Project, and (d) has determined that the disbursement is only for costs defined as eligible costs under the Act and any implementing administrative rules and policies.
 - (6) Recipient has delivered documentation satisfactory to OBDD that, in addition to the Financing Proceeds, Recipient has available or has obtained binding commitments for all funds necessary to complete the Project.
 - (7) Any conditions to disbursement elsewhere in this Contract or in the other Financing Documents are met.

SECTION 6 - USE OF FINANCIAL ASSISTANCE

- A. Use of Proceeds. Recipient shall use the Financing Proceeds only for the activities described in Exhibit C and according to the budget in Exhibit D. Recipient may not transfer Financing Proceeds among line items in the budget without the prior written consent of OBDD.
- B. Costs of the Project. Recipient shall apply the Financing Proceeds to the Costs of the Project in accordance with the Act and Oregon law, as applicable. Financing Proceeds cannot be used for costs in excess of one hundred percent (100%) of the total Costs of the Project and cannot be used for pre-Award Costs of the Project, unless permitted by Exhibit C.
- C. Costs Paid for by Others. Recipient may not use any of the Financing Proceeds to cover costs to be paid for by other financing for the Project, whether from OBDD or from another State of Oregon agency or any third party.

SECTION 7 - REPRESENTATIONS AND WARRANTIES OF RECIPIENT

Recipient represents and warrants to OBDD:

- A. Estimated Project Cost, Funds for Repayment. A reasonable estimate of the Costs of the Project is shown in section 1, and the Project is fully funded. Recipient will have adequate funds available to repay the Loan, and the Maturity Date does not exceed the usable life of the Project.
- B. Organization and Authority.
 - (1) Recipient is a Municipality under the Act, and validly organized and existing under the laws of the State of Oregon.
 - (2) Recipient has all necessary right, power and authority under its organizational documents and under Oregon law to (a) execute and deliver this Contract and the other Financing Documents, (b) incur and perform its obligations under this Contract and the other Financing Documents, and (c) borrow and receive financing for the Project.
 - (3) This Contract and the other Financing Documents executed and delivered by Recipient have been authorized by an ordinance, order or resolution of Recipient's governing body, and voter approval, if necessary, that was adopted in accordance with applicable law and requirements for filing public notices and holding public meetings.
 - (4) This Contract and the other Financing Documents have been duly executed by Recipient, and when executed by OBDD, are legal, valid and binding, and enforceable in accordance with their terms.
- C. Full Disclosure. Recipient has disclosed in writing to OBDD all facts that materially adversely affect the Project, or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents. Recipient has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading. The information contained in this Contract and the other Financing Documents is true and accurate in all respects.
- D. Pending Litigation. Recipient has disclosed in writing to OBDD all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents.

E. No Events of Default.

- (1) No Events of Default exist or occur upon authorization, execution or delivery of this Contract or any of the Financing Documents.
- (2) Recipient has not violated, and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents.

F. Compliance with Existing Agreements and Applicable Law. The authorization and execution of, and the performance of all obligations required by, this Contract and the other Financing Documents will not: (i) cause a breach of any agreement, indenture, mortgage, deed of trust, or other instrument, to which Recipient is a party or by which the Project or any of its property or assets may be bound; (ii) cause the creation or imposition of any third party lien, charge or encumbrance upon any property or asset of Recipient; (iii) violate any provision of the charter or other document pursuant to which Recipient was organized or established; or (iv) violate any laws, regulations, ordinances, resolutions, or court orders related to Recipient, the Project or its properties or operations.

G. Governmental Consent. Recipient has obtained or will obtain all permits and approvals, and has made or will make all notifications, declarations, filings or registrations, required for the making and performance of its obligations under this Contract and the other Financing Documents, for the financing or refinancing and undertaking and completion of the Project.

SECTION 8 - COVENANTS OF RECIPIENT

Recipient covenants as follows:

- A. Notice of Adverse Change. Recipient shall promptly notify OBDD of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient or the Project related to the ability of Recipient to make all payments and perform all obligations required by this Contract or the other Financing Documents.
- B. Compliance with Laws. Recipient shall comply with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this Contract or the other Financing Documents, and the Project and the operation of the System of which the Project is a component. In particular, but without limitation, Recipient shall comply with the following, as applicable:
 - (1) State procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C.
 - (2) Prevailing Wage Requirements.
 - (a) Recipient shall comply with state prevailing wage law as set forth in ORS 279C.800 through 279C.870, and the administrative rules promulgated thereunder (OAR Chapter 839, Division 25) (collectively, state “PWR”). This includes but is not limited to imposing an obligation that when PWR applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage for workers in each trade or occupation in each locality as determined by the Commissioner of the Bureau of Labor and Industries (“BOLI”) under ORS 279C.815.
 - (b) When the federal Davis-Bacon Act applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage as determined by the United States Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 *et seq.*).

- (c) Notwithstanding (3)(a) and (3)(b) above, when both PWR and the federal Davis-Bacon Act apply to the Project, contractors and subcontractors on the Project must pay a rate of wage that meets or exceeds the greater of the rate provided in (3)(a) or (3)(b) above.
- (d) When PWR applies, Recipient and its contractors and subcontractors shall not contract with any contractor on BOLI's current List of Contractors Ineligible to Receive Public Works Contracts.
- (e) When PWR applies, Recipient shall be responsible for both providing the notice to the BOLI Commissioner required by ORS 279C.835 and the payment of any prevailing wage fee(s) required under ORS 279C.825 and BOLI's rules, including OAR 839-025-0200 to OAR 839-025-0230. For avoidance of any doubt, Recipient contractually agrees to pay applicable prevailing wage fees for the Project rather than OBDD, the public agency providing Financing Proceeds under this Contract.
- (f) Pursuant to ORS 279C.817, Recipient and any contractors or subcontractors may request that the BOLI Commissioner make a determination about whether the Project is a public works on which payment of the prevailing rate of wage is required under ORS 279C.840 (i.e. whether PWR applies).

(3) OAR 123-042-0165 (5) requirements for signs and notifications.

These laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.

C. Project Completion Obligations. Recipient shall:

- (1) Provide OBDD with copies of all plans and specifications relating to the Project, and a timeline for the bidding/award process, at least ten (10) days before advertising for bids.
- (2) Provide a copy of the bid tabulation, notice of award, and contract to OBDD within ten (10) days after selecting a construction contractor.
- (3) Permit OBDD to conduct inspection of the Project at any time.
- (4) Complete the Project using its own fiscal resources or money from other sources to pay for any Costs of the Project in excess of the total amount of financial assistance provided pursuant to this Contract.
- (5) Complete the Project no later than the Project Completion Deadline, unless otherwise permitted by OBDD in writing.
- (6) Obtain and maintain as-built drawings for all facilities constructed as part of the Project.

D. Ownership of Project. During the term of the Loan, the Project is and will continue to be owned by Recipient. The Project will be operated by Recipient or by a person under a management contract or operating agreement with Recipient.

E. Operation and Maintenance of the Project. Recipient shall operate and maintain the Project in good repair and operating condition so as to preserve the long term public benefits of the Project, including making all necessary and proper repairs, replacements, additions, and improvements during term of the Loan. On or before the Project Closeout Deadline, Recipient shall adopt a plan acceptable to OBDD for the on-going operation and maintenance of the Project without reliance on OBDD financing and furnish OBDD, at its request, with evidence of such adoption. The plan must include measures for generating revenues sufficient to assure the operation and maintenance of the Project during the usable life of the Project.

- F. Insurance, Damage. Recipient shall maintain, or cause to be maintained, insurance policies with responsible insurers or self-insurance programs, insuring against liability and risk of direct physical loss, damage or destruction of the Project, at least to the extent that similar insurance is customarily carried by governmental units constructing, operating and maintaining similar facilities. Nothing in this provision precludes Recipient from asserting a defense against any party other than OBDD, including a defense of immunity. If the Project or any portion is destroyed, any insurance proceeds will be paid to OBDD and applied to prepay the outstanding balance on the Loan in accordance with section 4.D.(1), unless OBDD agrees in writing that the insurance proceeds may be used to rebuild the Project.
- G. Sales, Leases and Encumbrances. Except as specifically described in Exhibit D, Recipient shall not sell, lease, exchange, abandon, transfer or otherwise dispose of any substantial portion of or interest in the Project or any system that provides revenues for payment or is security for the Loan, unless worn out, obsolete, or, in the reasonable business judgment of Recipient, no longer useful in the operation of the Project. Nevertheless, OBDD may consent to such disposition if it has received 90 days' prior written notice from Recipient. Such consent may require assumption by transferee of all of Recipient's obligations under the Financing Documents and payment of OBDD's costs related to such assumption. In the case of sale, exchange, transfer or other similar disposition, Recipient shall, within 30 days of receipt of any proceeds from such disposition, prepay the entire outstanding balance on the Loan in accordance with section 4.D.(1), unless OBDD agrees otherwise in writing. If Recipient abandons the Project, Recipient shall prepay the entire outstanding balance of the Loan immediately upon demand by OBDD.
- H. Condemnation Proceeds. If the Project or any portion is condemned, any condemnation proceeds will be paid to OBDD and applied to prepay the outstanding balance of the Loan in accordance with section 4.D.(1).
- I. Financial Records. Recipient shall keep accurate books and records for the revenues and funds that are the source of repayment of the Loan, separate and distinct from its other books and records, and maintain them according to generally accepted accounting principles established by the Government Accounting Standards Board in effect at the time. Recipient shall have these records audited annually by an independent certified public accountant, which may be part of the annual audit of all records of Recipient.
- J. Inspections; Information. Recipient shall permit OBDD and any party designated by OBDD: (i) to inspect, at any reasonable time, the property, if any, constituting the Project; and (ii) at any reasonable time, to inspect and make copies of any accounts, books and records, including, without limitation, its records regarding receipts, disbursements, contracts, investments and any other related matters, and financial statements or other documents related to its financial standing. Recipient shall supply any related reports and information as OBDD may reasonably require. In addition, Recipient shall, upon request, provide OBDD with copies of loan documents or other financing documents and any official statements or other forms of offering prospectus relating to any other bonds, notes or other indebtedness of Recipient that are issued after the date of this Contract.
- K. Records Maintenance. Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Contract, the Project, or the Financing Proceeds until the date that is three years following the later of the final maturity or earlier retirement of all of the bonds (including the final maturity or redemption date of any obligations issued to refund the bonds) or such longer period as may be required by other provisions of this Contract or applicable law. If there are unresolved issues at the end of such period, Recipient shall retain the books, documents, papers and records until the issues are resolved.

- L. Economic Benefit Data. OBDD may require Recipient to submit specific data on the economic development benefits of the Project and other information to evaluate the success and economic impact of the Project, from the date of this Contract until six years after the Project Completion Date. Recipient shall, at its own expense, prepare and submit the data within the time specified by OBDD.
- M. Disadvantaged Business Enterprises. ORS 200.090 requires all public agencies to “aggressively pursue a policy of providing opportunities for disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, veteran-owned businesses and emerging small businesses...” OBDD encourages Recipient in any contracting activity to follow good faith efforts as described in ORS 200.045, available at https://www.oregonlegislature.gov/bills_laws/ors/ors200.html. Additional resources are provided by the Governor’s Policy Advisor for Economic and Business Equity. Also, the Certification Office for Business Inclusion and Diversity at the Oregon Business Development Department maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: <https://oregon4biz.diversitysoftware.com/FrontEnd/SearchCertifiedDirectory.asp?XID=2315&TN=oregon4biz>.
- N. Professional Responsibility. A professional engineer or architect, as applicable, registered and in good standing in Oregon, will be responsible for the design and construction of the Project. All service providers retained for their professional expertise must be certified, licensed, or registered, as appropriate, in the State of Oregon for their specialty. Recipient shall follow standard construction practices, such as bonding requirements for construction contractors, requiring errors and omissions insurance, and performing testing and inspections during construction.
- O. Notice of Default. Recipient shall give OBDD prompt written notice of any Default as soon as Recipient becomes aware of its existence or reasonably believes a Default is likely.
- P. (1) Contributory Liability and Contractor Indemnification—Tort Claims.
- (a) If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 (“Third-Party Tort Claim”) against a party to this Contract (the “Notified Party”) with respect to which the other party may have liability, the Notified Party must promptly notify the other party in writing and deliver a copy of the claim, process, and all legal pleadings related to the Third-Party Tort Claim. Either party is entitled to participate in the defense of a Third-Party Tort Claim, and to defend a Third-Party Tort Claim with counsel of its own choosing. The foregoing provisions are conditions precedent for either party’s liability to the other in regards to the Third-Party Tort Claim.
- If the parties are jointly liable (or would be if joined in the Third-Party Tort Claim), the parties shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable in such proportion as is appropriate to reflect their respective relative fault. The relative fault of the parties shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Each party’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if that party had sole liability in the proceeding. This Section shall survive termination of this Contract.
- (b) Recipient shall take all reasonable steps to require its contractor(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon and its officers, employees and agents (“Indemnitee”) from and against

any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys' fees) arising from a tort (as now or hereafter defined in ORS 30.260) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Recipient's contractor or any of the officers, agents, employees or subcontractors of the contractor ("Contractor Tort Claims"). It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Contractor Tort Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by the contractor from and against any and all Contractor Tort Claims. This Section shall survive termination of this Contract.

(2) Indemnity; Release—Claims Other Than Torts.

(a) Except for Third-Party Tort Claims and Contractor Tort Claims as provided in Section 8P.(1) above, to the extent authorized by law, Recipient shall defend, indemnify, save and hold harmless and release the State, OBDD, and their officers, employees and agents from and against any and all claims, demands, suits, actions, proceedings, losses, damages, liability and court awards including but not limited to costs, expenses, and reasonable attorneys' fees incurred (collectively, "Non-Tort Claims"), related to any actual or alleged act or omission by Recipient, or its officers, employees, contractors, or agents in connection with this Contract, the Project, PWR or Davis-Bacon Act requirements, including without limitation, any expenses incurred or amounts paid in connection with an inquiry, investigation, audit or similar proceeding by BOLI, the U.S. Department of Labor, the Internal Revenue Service, Treasury and any federal, state, governmental or quasi-governmental body with regulatory jurisdiction arising from the Project or the actions or omissions of Recipient, or its officers, employees, contractors, or agents.

(b) Notwithstanding the foregoing, neither Recipient nor any attorney engaged by Recipient may defend any Non-Tort Claim in the name of the State of Oregon, nor purport to act as legal representative for the State of Oregon, without first receiving from the Oregon Attorney General in a form and manner determined appropriate by the Oregon Attorney General, authority to act as legal counsel for the State of Oregon, nor may Recipient settle any Non-Tort Claim on behalf of the State of Oregon without the approval of the Oregon Attorney General. If the State of Oregon assumes its own defense, Recipient will be liable for the attorney fees of the State of Oregon, including but not limited to any fees charged by the Oregon Department of Justice. The provisions of this section are not to be construed as a waiver by the State of Oregon, OBDD, of any immunity, defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon. If attorney fees are awarded to Recipient, such attorney fees shall not exceed the rate charged to OBDD by its attorneys.

Q. Further Assurances. Recipient shall, at the request of OBDD, authorize, sign, acknowledge and deliver any further resolutions, conveyances, transfers, assurances, financing statements and other instruments and documents as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Contract and the other Financing Documents.

SECTION 9 - DEFAULTS

Any of the following constitutes an "Event of Default":

A. Recipient fails to make any Loan payment when due.

- B. Recipient fails to make, or cause to be made, any required payments of principal, redemption premium, or interest on any bonds, notes or other material obligations, for any other loan made by the State of Oregon.
- C. Any false or misleading representation is made by or on behalf of Recipient in this Contract, in any other Financing Document or in any document provided by Recipient related to this Loan or the Project.
- D. (1) A petition, proceeding or case is filed by or against Recipient under any federal or state bankruptcy or insolvency law, and in the case of a petition filed against Recipient, Recipient acquiesces to such petition or such petition is not dismissed within 20 calendar days after such filing, or such dismissal is not final or is subject to appeal;
- (2) Recipient files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, winding-up or composition or adjustment of debts;
- (3) Recipient becomes insolvent or bankrupt or admits its inability to pay its debts as they become due, or makes an assignment for the benefit of its creditors;
- (4) Recipient applies for or consents to the appointment of, or taking of possession by, a custodian (including, without limitation, a receiver, liquidator or trustee) of Recipient or any substantial portion of its property; or
- (5) Recipient takes any action for the purpose of effecting any of the above.
- E. Recipient defaults under any other Financing Document and fails to cure such default within the applicable grace period.
- F. Recipient fails to perform any obligation required under this Contract, other than those referred to in subsections A through E of this section 9, and that failure continues for a period of 30 calendar days after written notice specifying such failure is given to Recipient by OBDD. OBDD may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action.

SECTION 10 - REMEDIES

- A. Remedies. Upon any Event of Default, OBDD may pursue any or all remedies in this Contract or any other Financing Document, and any other remedies available at law or in equity to collect amounts due or to become due or to enforce the performance of any obligation of Recipient. Remedies may include, but are not limited to:
 - (1) Terminating OBDD's commitment and obligation to make any further disbursements of Financing Proceeds under the Contract.
 - (2) Declaring all payments under the Contract and all other amounts due under any of the Financing Documents immediately due and payable, and upon notice to Recipient the same become due and payable without further notice or demand.
 - (3) Barring Recipient from receiving future awards.
 - (4) Withholding amounts otherwise due to Recipient for application to the payment of amounts due under this Contract, including as provided in ORS 285B.449.
 - (5) Foreclosing liens or security interests pursuant to this Contract or any other Financing Document.

(6) Terminating the Contract.

- B. Application of Moneys. Any moneys collected by OBDD pursuant to section 10.A will be applied first, to pay any attorneys' fees and other fees and expenses incurred by OBDD; then, to pay interest due on the Loan; then, to pay principal due on the Loan; and last, to pay any other amounts due and payable under this Contract or any of the Financing Documents.
- C. No Remedy Exclusive; Waiver; Notice. No remedy available to OBDD is intended to be exclusive, and every remedy will be in addition to every other remedy. No delay or omission to exercise any right or remedy will impair or is to be construed as a waiver of such right or remedy. No single or partial exercise of any right power or privilege under this Contract or any of the Financing Documents will preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. OBDD is not required to provide any notice in order to exercise any right or remedy, other than notice required in section 9 of this Contract.
- D. Default by OBDD. In the event OBDD defaults on any obligation in this Contract, Recipient's remedy will be limited to injunction, special action, action for specific performance, or other available equitable remedy for performance of OBDD's obligations.

SECTION 11 - MISCELLANEOUS

- A. Time is of the Essence. Recipient agrees that time is of the essence under this Contract and the other Financing Documents.
- B. Relationship of Parties; Successors and Assigns; No Third Party Beneficiaries.
- (1) The parties agree that their relationship is that of independent contracting parties and that Recipient is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265.
 - (2) Nothing in this Contract gives, or is to be construed to give, directly or indirectly, to any third persons any rights and benefits greater than those enjoyed by the general public.
 - (3) This Contract will be binding upon and inure to the benefit of OBDD, Recipient, and their respective successors and permitted assigns.
 - (4) Recipient may not assign or transfer any of its rights or obligations or any interest in this Contract or any other Financing Document without the prior written consent of OBDD. OBDD may grant, withhold or impose conditions on such consent in its sole discretion. In the event of an assignment, Recipient shall pay, or cause to be paid to OBDD, any fees or costs incurred because of such assignment, including but not limited to attorneys' fees of OBDD's Counsel. Any approved assignment is not to be construed as creating any obligation of OBDD beyond those in this Contract or other Financing Documents, nor does assignment relieve Recipient of any of its duties or obligations under this Contract or any other Financing Documents.
 - (5) Recipient hereby approves and consents to any assignment, sale or transfer of this Contract and the Financing Documents that OBDD deems to be necessary.
- C. Disclaimer of Warranties; Limitation of Liability. Recipient agrees that:
- (1) OBDD makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Project or any portion of the Project, or any other warranty or representation.
 - (2) The liability of OBDD under this Contract is contingent upon the availability of moneys in the Special Public Works Fund for use in the project, and in no event are OBDD or its agents

liable or responsible for any direct, indirect, incidental, special, consequential or punitive damages in connection with or arising out of this Contract or the existence, furnishing, functioning or use of the Project.

- D. Notices and Communication. Except as otherwise expressly provided in this Contract, any communication between the parties or notices required or permitted must be given in writing by personal delivery, email, or by mailing the same, postage prepaid, to Recipient or OBDD at the addresses set forth below, or to such other persons or addresses that either party may subsequently indicate pursuant to this Section.

Any communication or notice by personal delivery will be deemed effective when actually delivered to the addressee. Any communication or notice so addressed and mailed will be deemed to be received and effective five (5) days after mailing. Any communication or notice given by email becomes effective 1) upon the sender's receipt of confirmation generated by the recipient's email system that the notice has been received by the recipient's email system or 2) the recipient's confirmation of receipt, whichever is earlier. Notwithstanding this provision, the following notices may not be given by email: notice of default or notice of termination.

If to OBDD: Deputy Director
Oregon Business Development Department
775 Summer Street NE Suite 310
Salem, OR 97301-1280

If to Recipient: Assistant City Manager
City of Molalla
PO Box 248
117 N Molalla Avenue
Molalla, OR 97038

- E. No Construction against Drafter. This Contract is to be construed as if the parties drafted it jointly.
- F. Severability. If any term or condition of this Contract is declared by a court of competent jurisdiction as illegal, invalid or unenforceable, that holding will not invalidate or otherwise affect any other provision.
- G. Amendments, Waivers. This Contract may not be amended without the prior written consent of OBDD (and when required, the Department of Justice) and Recipient. This Contract may not be amended in a manner that is not in compliance with the Act. No waiver or consent is effective unless in writing and executed by the party against whom such waiver or consent is sought to be enforced. Such waiver or consent will be effective only in the specific instance and for the specific purpose given.
- H. Attorneys' Fees and Other Expenses. To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Contract is entitled to recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to OBDD by its attorneys. Recipient shall, on demand, pay to OBDD reasonable expenses incurred by OBDD in the collection of Loan payments.
- I. Choice of Law; Designation of Forum; Federal Forum. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Contract, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon’s sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

- J. Integration. This Contract (including all exhibits, schedules or attachments) and the other Financing Documents constitute the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Contract.
- K. Execution in Counterparts. This Contract may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

The Recipient, by its signature below, acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
acting by and through its
Oregon Business Development Department



CITY OF MOLALLA

By: _____
Chris Cummings, Deputy Director

By: _____
Dan Huff, City Manager

Date: _____

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

/s/ David Berryman as per email dated 23 October 2025
David Berryman, Assistant Attorney General

EXHIBIT A - GENERAL DEFINITIONS

As used in this Contract, the following terms have the meanings below.

“Act” means ORS 285B.410 through 285B.482, as amended.

“Award” means the award of financial assistance to Recipient by OBDD dated 03 October 2025.

“Costs of the Project” means Recipient’s actual costs (including any financing costs properly allocable to the Project) that are (a) reasonable, necessary and directly related to the Project, (b) permitted by generally accepted accounting principles to be Costs of the Project, and (c) are eligible or permitted uses of the Financing Proceeds under applicable state or federal statute and rule.

“Counsel” means an attorney at law or firm of attorneys at law duly admitted to practice law before the highest court of any state, who may be of counsel to, or an employee of, OBDD or Recipient.

“Financing Documents” means this Contract and all agreements, instruments, documents and certificates executed pursuant to or in connection with OBDD’s financing of the Project.

“Financing Proceeds” means the proceeds of the Loan.

“Municipality” means any entity described in ORS 285B.410(9).

“ORS” means the Oregon Revised Statutes.

“Refunding Proceeds” means the proceeds of any subsequent short- or long-term financing, whether resulting from the sale of tax-exempt bonds or otherwise, issued to refund the Loan or to finance the Project.

“System” means Recipient’s drinking water system, which includes the Project or components of the Project, as it may be modified or expanded from time to time.

EXHIBIT B – LOAN SECURITY

- A. Full Faith and Credit Pledge. Recipient pledges its full faith and credit and taxing power within the limitations of Article XI, sections 11 and 11 b, of the Oregon Constitution to pay the amounts due under this Contract. All amounts due under this Contract are payable from all legally available funds of Recipient.
- B. Refunding Proceeds. The outstanding principal of and accrued, but unpaid, interest on the Loan shall be payable from any Refunding Proceeds. Recipient hereby grants to OBDD a security interest in and irrevocably pledges the Refunding Proceeds to pay all of the obligations owed by Recipient to OBDD under this Contract. The Refunding Proceeds pledged and hereafter received by Recipient will be immediately subject to the lien of this pledge without physical delivery or further act, and the lien of this pledge will be superior to all other claims and liens to the fullest extent permitted by ORS 287A.310. Recipient represents and warrants that this pledge of Refunding Proceeds complies with, and is valid and binding from the effective date of this Contract as described in, ORS 287A.310.
- C. Pledge of Net Revenues of the System
- (1) All payment obligations under this Contract and the other Financing Documents are payable from the revenues of Recipient's System after payment of operation and maintenance costs of the System ("Net Revenues"). Recipient irrevocably pledges and grants to OBDD a security interest in the Net Revenues to pay all of its obligations under this Contract and the other Financing Documents. The Net Revenues pledged pursuant to the preceding sentence and received by Recipient will immediately be subject to the lien of this pledge without physical delivery, filing or any other act, and the lien of this pledge is superior to and has priority over all other claims and liens, except as provided in subsections 2 and 3 of this section B, to the fullest extent permitted by ORS 287A.310. Recipient represents and warrants that this pledge of Net Revenues complies with, and is valid and binding from the date of this Contract as described in, ORS 287A.310. The lien of the pledge made under this subsection 1 is hereinafter referred to as the "OBDD Lien".
 - (2) Recipient shall not incur, without the prior written consent of OBDD, any obligation payable from or secured by a lien on and pledge of the Net Revenues that is on parity or superior to the OBDD Lien.
 - (3) Notwithstanding the requirements of subsection 2 of this section B, loans previously made and loans made in the future by OBDD to Recipient that are secured by the Net Revenues may have a lien on such Net Revenues on parity with the OBDD Lien; provided that nothing in this paragraph will adversely affect the priority of any of OBDD's liens on such Net Revenues in relation to the lien(s) of any third party(ies).

EXHIBIT C - PROJECT DESCRIPTION

Recipient will, with the assistance of a professional design engineer and construction contractor, licensed in Oregon, design and construct a new water intake system located at the existing Molalla Water Treatment Plant property. The Project components include, but are not limited to, a sloped screen intake structure, pump station upgrades, and additional shading along the riverbank to support the new Willamette Basin Temperature Total Maximum Daily Load (TMDL) report released in June of 2025. The Project will include permitting from the United States Army of Corp of Engineers, Oregon Department of State Lands, Oregon Health Authority, county land use and building, Oregon Department of Environmental Quality erosion control, and in-water work permits.

EXHIBIT D - PROJECT BUDGET

Line Item Activity	OBDD Funds	Other / Matching Funds
Design / Engineering	\$0	\$801,000
Construction	\$3,115,000	\$0
Construction Contingency	\$701,000	\$0
Legal Fees	\$0	50,000
Construction Management	\$523,000	\$0
Permitting and Soft Costs	\$294,000	\$0
Total	\$ 4,633,000	\$ 851,000



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, November 12, 2025

Submitted by: Scott Keyser, Mayor

Approved by: Dan Huff, City Manager

SUBJECT: Moving City Council Meeting Start-Time from 7:00pm to 6:00pm (Discussion and Direction)

RECOMMENDATION/RECOMMENDED MOTION:

Direct that staff prepare an Ordinance amendment changing start time of City Council meetings.

BACKGROUND:

After a recent meeting, Mayor Keyser requested that this item be placed on the agenda for Council discussion.

An idea of holding City Council meetings at 6:00pm and Work Sessions at 5:00pm was introduced.

This would require an Ordinance amendment if Council elects to change the time. Charter and Code language is attached to this staff report for reference.

ATTACHMENTS:

[CHARTER and Code - Council start time.pdf](#)

CHARTER - Chapter 3 Elected Officials

12. Meetings

The council must meet at least once a month at a time and place designated by council rules, and may meet at other times in accordance with the rules.

(Reso. No. 2011-10)

MMC - Chapter 1.02.060 Council Meetings

A.

Regular meetings to conduct Council business will be held on the 2nd and 4th Wednesdays of each month unless canceled by the Mayor for good cause.

B.

Work sessions may be held prior to each City Council meeting. Work sessions and agendas will be developed by the City Manager in consultation with the City Council, or by motion with Council approval or by concurrence of the Council.

C.

Special meetings or work sessions may be called by the Mayor or Council President in the absence of the Mayor or by a majority of the Council. Final decisions shall not be made at work sessions.

D.

Executive sessions will be held in compliance with the Oregon Public Meetings law.

E.

Minutes of regular meetings, special Council meetings and work sessions will be taken as provided by the Oregon Public Records law.

F.

Telephone/electronic meetings may be held in compliance with the Oregon Public Meetings law. Councilors may participate and vote in Council meetings via telephone, electronically, or by other means consistent with the Oregon Public Meetings law.

G.

Attendance at meetings is expected of Councilors who should use their best efforts to attend all Council meetings. Councilors will inform the Mayor and the City Manager if they are unable to attend any meeting. Additionally, the Mayor will inform the Council President and the City Manager regarding any absence by the Mayor.

(Ord. 2007-05 §1; Ord. 2019-07 §§1—3)

MMC - Chapter 2.04.010 City Council

The regular meetings of the City Council of the City of Molalla shall be held on the second and fourth Wednesday of each month in the Molalla Adult Community Center at 7:00 p.m.



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, November 12, 2025

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: RV Parking Ordinance Review and Discussion

RECOMMENDATION/RECOMMENDED MOTION:

Clarifying main points for changes around RV parking Code language.

BACKGROUND:

TOPICS OF DISCUSSION

Public property:

1. In general RV's may be parked on public streets no more than 24 hours.
2. An RV may be parked on a public street for up to 72 hours if it's parked in front of your residence or adjacent lot.
3. No slide in, truck bed, etc. type campers on public streets.
4. Bump outs cannot present a hazard to Right-of-Way per existing Oregon Revised Statute.

Private Property:

1. Citizens may occupy an RV on private property for up to 72 hours without a permit.
 - Anything beyond 72 hours requires a permit.
 - After discussion with City of Molalla Attorneys staff has learned there is risk of legally establishing residency after a period of 45 days. Based on this information staff is recommending permits are only issued for a period of up to but not exceeding 30 days.
2. Caregiver accommodation permits may be issued for up to one year with extensions to be applied for.
3. Occupying an RV during construction will defer to the development code temporary use standards in connection with a building permit.