



CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Megan George, Deputy City Manager
Rachel Sykes, Public Works Director

DATE: January 12, 2026

SUBJECT:

Resolution No. 5940-26 Authorizing the City of Tualatin to Accept a Grant Award from the State of Oregon (by and through its Oregon Water Resources Department) and for the City Manager to Execute a Grant Agreement to Fund the City's Tualatin Water Reservoir Seismic Valves Project

RECOMMENDATION:

Staff recommends the City Council approve the resolution.

EXECUTIVE SUMMARY:

The Oregon Legislature included \$1.75 million in HB 5006 (2025) for the city's project titled: *Tualatin Water Reservoir Seismic Valves*. This project will install seismic valves at all six of Tualatin's existing reservoirs so that in the event of an earthquake or other supply disruption, the valves will activate and prevent the stored water from leaking into the distribution system.

This project was identified in the Water Master Plan, adopted in 2023. In the event of a significant earthquake, distribution and transmission lines will likely rupture in several locations. Water in the distribution system will be lost through leaks, but if the reservoirs are intact, there will still be water available for residents.

The City Council included securing funding for this project on their list of 2025 Legislative Priorities. Mayor Bubenik and others advocated for the project during the 2025 Legislative Session. The Oregon Legislature adopted HB 5006 that included \$1.75 million for the project, and Governor Kotek signed the bill on August 7, 2025.

The funds are awarded in the form of a grant from the Oregon Water Resources Department. The grant agreement has already been approved by the Oregon Department of Justice and is awaiting signature from the city before it is fully executed and the city can begin spending. The grant agreement includes a maximum of \$1.75 million disbursed as reimbursement to the city.

In the fall, the Oregon Water Resources Department notified city staff that they had been instructed to produce a 5% reduction package by the Oregon Legislature and that they were including a possible \$300,000 reduction to Tualatin's award in that package. The Oregon Legislature will make a final determination during the 2026 Legislative Session beginning in February. Changes to the total award do not impact the terms of the grant agreement.

OUTCOMES OF DECISION:

The City Manager will sign the grant agreement and return it to the Oregon Water Resources Department. When fully executed, staff will begin work on the project.

ALTERNATIVES TO RECOMMENDATION:

The City Council may direct staff to renegotiate terms of the agreement.

FINANCIAL IMPLICATIONS:

If approved, the Oregon Water Resources Department shall provide the city with a maximum of \$1.75 million on a reimbursement basis. The Fiscal Year 2025-2026 Budget does not include this project, however, there are enough savings from other projects in the Water Fund to absorb costs incurred this fiscal year. The remaining project costs (expenditures) and reimbursements (revenue) will be included in the Fiscal Year 2026-2027 Budget. All funds must be spent before June 30, 2027.

ATTACHMENTS:

- Resolution No. 5940-26
- Exhibit A: Grant Agreement