

## WATER SALES AGREEMENT

City of Portland Contract No. [\_\_\_\_\_]

This water sales agreement (“Agreement”) is entered into by and between City of Tualatin (“Purchaser”) and the City of Portland (“Portland”), a municipal corporation of the State of Oregon. This Agreement may refer to Portland and Purchaser individually as a “Party” or jointly as the “Parties.”

Recitals:

- A. Purchaser is a municipal corporation of the State of Oregon and is authorized by its charter or by state law or both to operate a municipal water system.
- B. Portland is a municipal corporation of the State of Oregon and is authorized by Chapters 2 and 11 of the Charter of the City of Portland to maintain water works for the furnishing of water to the city, its property, its inhabitants, and to non-inhabitants. Portland is further authorized to enter contracts for the supply of water by the city and to sell water to persons, public and private, outside the city, on terms and conditions Portland finds appropriate.
- C. Portland is further authorized by Section 2-105(a)4 of its Charter to enter agreements, without limitation as to term, as Portland finds appropriate for cooperation, consolidation and maintenance of services with any other public corporation or unit of government. The Mayor and the Commissioner in Charge may authorize wholesale water sales contracts under Portland City Code (“PCC”) section 21.28.020.
- D. ORS Chapter 190 authorizes units of local government to enter into intergovernmental agreements for the performance of their duties or for the exercise of powers conferred upon them.
- E. The service and commodity provided by Portland pursuant to this Agreement are a special contract service and are not provided by Portland as a common utility service.

THE PARTIES AGREE AS FOLLOWS:

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## SECTION 1 – NATURE OF SERVICE

- A. Subject to the terms and conditions contained in this Agreement, Portland will furnish and sell, and Purchaser will purchase, potable water on an annual basis for the duration of this Agreement. Unless stated otherwise, all water purchased by Purchaser from Portland will be on a firm, uninterruptible, basis up to Purchaser's Peak 3-Day Demand in any Agreement Year, and subject only to the quantity limitations in Section 5(D) of this Agreement. This Agreement is a nonexclusive agreement and Portland, at its sole discretion, may enter into other wholesale water sale agreements with other Wholesale Customers, provided that all revenue collected under such agreements will be an offset to the estimated annual revenue requirements for wholesale and retail customers of the system.
- B. Water is to be delivered to Purchaser at the place or places, at such pressure or pressures and up to the Peak 3-Day Demand as set forth on Exhibit 1, except that Portland is not obligated to meet Purchaser's demands for water during any period that Purchaser operates its system out of compliance with the final operational rules established pursuant to Section 4.D.1, provided that Portland first provides Purchaser with written notice of such noncompliance and a reasonable opportunity to correct it.
- C. With the exception of water delivered to Purchaser to be subsequently delivered to Portland's Retail Customers, and to other Wholesale Customers pursuant to Section 9, or for resale under subsection (H) below, all water delivered to Purchaser under this Agreement is to be used to meet the demands of Purchaser's Retail Customers.
- D. Portland will deliver water to Purchaser from the same source or sources of water that Portland delivers to Portland's Retail Customers. Portland will be responsible for meeting all applicable drinking water regulatory requirements up to Purchaser's Point of Delivery as shown in Exhibit 1.
- E. Purchaser's supply of water will be reduced or terminated only in accordance with the terms of this Agreement.
- F. Purchaser recognizes and agrees that no liability for damages will attach to Portland on account of any failure of supply or changes in pressure, flow rate, or water quality due to circumstances beyond the reasonable control of Portland acting in accordance with standards of care common and usual in the municipal water supply industry. Examples of such circumstances include, but are not limited to, natural events such as earthquakes, landslides and floods, wildfires, and human-caused events such as terrorism, malevolent acts, contamination of the water supply, and acts of war.
- G. The Parties agree and acknowledge that Portland is the owner and operator of the water supply, storage, transmission, and treatment system, and all facilities and infrastructure associated with the storage, treatment, transmission, and distribution systems used in its utility operations up to Purchaser's Point of Delivery. The purchase of water or any other commodity or service under this Agreement does not constitute the purchase of ownership rights to water, water rights or any portion of the water system owned and operated by Portland, except as may be specified herein or may be established by a separate agreement. Nothing in this Agreement precludes the Parties from entering separate agreements involving joint ownership or joint operation of system elements.

- H. Resale. Purchaser may resell water it purchases from Portland to third parties with the written approval of the Administrator, and by establishing an agreement with the third party for the use of Purchaser's infrastructure to deliver the water. Approval of the Administrator will not be unreasonably withheld. The Administrator's decision shall be rendered within sixty (60) days of the request. All water purchased for resale will be included in Purchaser's Purchase Quantity and the determination of Purchaser's Seasonal Peaking Factor and 3-Day Peaking Factor.

## **SECTION 2 – WATER REGULATIONS**

Portland's obligations under this agreement are subject to and governed by the provisions of Chapter 21.28 – Outside City Services and Wholesale Distributors of the Code of City of Portland, Oregon, as it presently exists or as may be amended to comply with federal and state law, during the life of this Agreement, to the extent to which such terms and provisions do not conflict with any material provisions of this Agreement.

### **SECTION 3 – DURATION OF AGREEMENT AND RENEWAL**

- A. Agreement Term. This Agreement is effective on July 1, 2026 and will terminate on June 30, 2056, unless terminated or renewed as provided in this Agreement.
- B. Early Terminations for Convenience. At any time during the Agreement Term, upon written notice to Portland, Purchaser may terminate this Agreement in Purchaser's sole discretion. If such notice is issued, this Agreement will terminate the next June 30 at least five years but not more than six years from the date of the notice, or such later date as may be specified in such notice. Terminations for convenience under this subsection prior to the end of the Agreement Term will require Purchaser to pay Portland a Stranded Cost Fee as described in this Section.
- C. Stranded Cost Fees. If Purchaser terminates the Agreement early for convenience, Purchaser will be subject to a Stranded Cost Fee designed to mitigate the effects of stranded costs on Portland and the remaining Wholesale Customers. The Stranded Cost Fee will be determined based on the formula set forth in Exhibit 2 and based on the number of years left in the Agreement Term at time of termination. The Stranded Cost Fees will be used to offset stranded capital costs for rate setting.
- D. Renewals. This Agreement will renew automatically for subsequent 10-year terms unless either Party elects not to renew the Agreement by written notification no less than five years prior to the expiration of the Agreement Term.

## SECTION 4 – WHOLESALE WATER MANAGERS GROUP

- A. General. A Wholesale Water Managers Group (WWMG) will be established no later than thirty (30) days after the commencement of this Agreement and will continue during the Agreement Term. Purchaser is eligible for participation in the WWMG. The WWMG will consist of two representatives from Portland, to be named by the Administrator, and one voting representative of each Wholesale Customer. Portland will provide staff support to the WWMG and will be responsible for keeping the official records. Purchaser may bring additional non-voting representatives to meetings as it determines necessary.
- B. Meetings and Bylaws. The WWMG will meet regularly to communicate with and make recommendations to the Administrator regarding matters relating to Portland's sale of water to Wholesale Customers. The WWMG will adopt bylaws concerning its organization and governance by a majority vote of the membership. WWMG's role is advisory in nature and, except as specified herein, no rule, bylaw, or action of the WWMG may alter any term of this Agreement.
- C. Committees. The WWMG will be responsible for establishing committees as needed to make recommendations to the Administrator about ongoing needs, which may include:
1. Water Resource Conservation
  2. Operations Coordination. Possible responsibilities for such a committee may include coordinating supply system routine and emergency operations among Portland and Wholesale Customers with the goal of providing efficient and cost-effective system operations, and water quality issues experienced by Portland or Wholesale Customers; and
  3. Other committees, as identified by the WWMG
- D. Creation of Operating and Information Standards.
1. The WWMG will recommend to the Administrator standard water system operating practices necessary or advisable to enhance the efficiency, reliability, and cost-effectiveness of the supply, transmission, and storage of water provided under this Agreement. These recommended standard operating practices will address issues such as, but not necessarily limited to, forecasting seasonal demands, forecasting peak demands, managing the system to minimize the impact of peak demand periods, security and emergency management, use of storage, and timing of deliveries of water. After consideration of the recommendations, the Administrator will adopt interim operating practices that are reasonable and consistent with the terms in this subsection, which may or may not include the WWMG's recommendations, and will provide them to the WWMG for review and further recommendations. The Administrator will consider any further recommendations from the WWMG, but is not bound by them, and will adopt final standard water system operating practices that are reasonable and consistent with the terms in this subsection. Purchaser shall operate its system in compliance with the final operating practices adopted by the Administrator.

2. The WWMG will recommend to the Administrator what information and data the Administrator will require each Wholesale Customer to provide, in order to allow efficient, reliable, and cost-effective provision of water under this Agreement. The Administrator will consider these recommended information requirements and will adopt or may propose other requirements instead that are reasonable and consistent with the terms of this subsection. Such information may include, but is not necessarily limited to:
  - (a) System maps with mains, pump stations, tanks, and supply connections.
  - (b) Connections and usage from other supply sources.
  - (c) Total number of existing and new service connections by category.
  - (d) Key benchmarks to be identified and recommended by the Operations Group such as but not limited to standards for operational norms, notification deadlines, and protocols for communication.
  - (e) Water quality data.
  - (f) Wholesale Customer facilities' standards for operation to minimize peak and emergency events; and
  - (g) Emergency contact information for each Wholesale Customer and any agreements that have been signed by individual providers to address emergency response.
3. The WWMG may periodically evaluate Purchaser's compliance with the information requirements and standard operating practices and provide the Administrator with findings and recommendations to assure ongoing compliance.

E. Rate Review. In order to provide timely notification of proposed changes in rates, charges, and rate design and an opportunity for Purchaser to evaluate such proposals and be heard before Portland City Council, Portland will share the following information with WWMG on an annual basis, and Portland will endeavor to share information at such times as will allow WWMG and Purchaser a reasonable opportunity to review, provide comments, and incorporate into Purchaser's own budget and planning:

1. Capital Improvement Program. Portland will share the 10-year CIP that is included in the next rate year.
2. Operation & Maintenance Budget. Portland will share the O&M budget that is included in the next rate year.
3. Report of prior year actual O&M Costs, Capital Costs, and revenues earned that impact Purchaser's rates.
4. The commencement and anticipated schedule of annual financial plan and budget preparation, as well as the proposed budget when submitted by the Portland Water Bureau. Additionally, Portland will advise WWMG in writing of significant changes in the proposed budget after its submission.



5. Any proposed methodology changes to the Portland Model. Portland may make non-substantive, administrative changes to the Portland Model that are consistent with the terms of this Agreement without amending this Agreement.
  6. Rate Forecast. Portland will provide Purchaser a 10-year rate forecast.
  7. When Portland files its annual rate ordinance with the Portland City Council Clerk, a copy of said ordinance will be forwarded to WWMG, along with the dates on which the Portland City Council is scheduled to consider rates.
- F. Recommendations by WWMG. The WWMG may make written recommendations to the Administrator regarding matters relating to Portland's sale of water to Wholesale Customers and this Agreement. The Administrator will give all such recommendations due consideration, but is not bound by them, except as otherwise set forth in this Agreement. The Administrator will respond to all such recommendations in writing within sixty (60) calendar days and, in the event the Administrator determines not to follow the WWMG's recommendation, will include in their response a statement of the reasoning therefor. If the Administrator determines not to follow a recommendation of the WWMG, the WWMG may, by a two-thirds (2/3) majority vote, forward the recommendation to a person selected by Portland to receive such recommendations, who must be a supervisor or other person to whom the Administrator reports, directly or indirectly, such as a Public Works Director, City Manager, or similar. That person shall respond to the recommendation in writing within sixty (60) calendar days and, in the event the person determines not to follow the WWMG's recommendation, will include in their response a statement of the reasoning therefor.
- G. Confidential Information and Public Records Requests.
1. "Confidential Information" means any information that is disclosed in written, graphic or machine-recognizable form and is marked or labeled at the time of disclosure as being confidential, or, if the information is in verbal or visual form, it is identified as confidential or proprietary at the time of disclosure, or a reasonable time thereafter. Information shall be considered Confidential Information, may include but is not limited to the following categories: (1) non-public financial, statistical, personnel, human resources data or Personally Identifiable Information as described in the Oregon Consumer Information Protection Act; (2) business plans, negotiations, or strategies; (3) unannounced pending or future products, services, designs, projects or internal public relations information; (4) trade secrets, as such term is defined by Oregon Public Records Laws and the Uniform Trade Secrets Act; (5) information which is exempt from disclosure per Oregon Public Records Law; (6) attorney-client privileged communications; (7) information which is exempt per federal laws (including but not limited to copyright, HIPPA); and (8) information relating to or embodied by designs, plans, configurations, specifications, programs, or systems including without limitation, data and information systems, any software code and related materials and processes, customizations, configurations, updates, upgrades; and any documentation. Confidential Information does not include any information that: is or becomes publicly known through no wrongful or negligent act of the receiving Party; is already lawfully known to the receiving Party without

restriction when it is disclosed; is, or subsequently becomes, rightfully and without breach of this Agreement or any other agreement between the Parties or of any applicable protective or similar order, in the receiving Party's possession without any obligation restricting disclosure; is independently developed by the receiving Party, as shown by reasonable written documentation, without breach of this Agreement; or is explicitly approved for release by written authorization of the disclosing Party.

2. During the term of this Agreement each Party, may disclose to the other Party, certain Confidential Information pertaining to the disclosing party's activities under this Agreement. The disclosing party shall be required to mark Confidential Information CONFIDENTIAL with a restrictive legend or similar marking. If CONFIDENTIAL is not clearly marked, or the Confidential Information cannot be marked with a restrictive legend or similar marking or is disclosed either orally or by visual presentation, the disclosing Party shall identify the Confidential Information as confidential at the time of disclosure or within a reasonable time thereafter. This Agreement itself shall not be considered Confidential Information. Subject to subsection G.8 below, the receiving Party shall: (1) limit disclosure of Confidential Information to those directors, employees, contractors and agents of the receiving Party who need to know the Confidential Information in connection with this Agreement and who have been informed of confidentiality obligations at least as strict as those contained in this Agreement, and (2) exercise reasonable care to protect the confidentiality of the Confidential Information, at least to the same degree of care as the receiving Party employs with respect to protecting its own proprietary and Confidential Information. The receiving Party shall use Confidential Information exclusively in the performance of this Agreement.
3. Scope. This Agreement shall apply to all Confidential Information previously received, learned, observed, known by or made available to a Party related to this Agreement. The confidentiality obligations under this Agreement shall survive termination or expiration of this Agreement.
4. Equitable Relief. The Parties acknowledges that unauthorized disclosure of Confidential Information will result in irreparable harm to the disclosing Party. In the event of a breach or threatened breach of this Agreement, the disclosing Party may obtain injunctive relief prohibiting the breach, in addition to any other appropriate legal or equitable relief. The Parties agree that, notwithstanding any other section of this Agreement, in the event of a breach or a threatened breach of Agreement terms related to Confidential Information or Intellectual Property Rights, the non-breaching Party shall be entitled to seek equitable relief to protect its interests, including but not limited to injunctive relief. Nothing stated herein shall be construed to limit any other remedies available to the Parties.
5. Discovery of Documents. In the event a third party seeks the release of Confidential Information submitted by one Party, the Party receiving such request will notify the Party whose Confidential Information is being requested to be disclosed of the request. The Party receiving the request shall allow the other

Party to participate in the response at its own expense. Each Party will comply with any effective court order.

6. Public Records Request. The City of Portland is subject to the Oregon Public Records Act and Federal law. Purchaser may also be subject to such laws. Third persons may claim that the Confidential Information submitted to a Party subject to such laws may be, by virtue of its possession by such Party, a public record and subject to disclosure pursuant to the Oregon Public Records Act. Commitments to maintain certain information as confidential under this Agreement are all subject to the constraints of Oregon and federal laws. Within the limits and discretion allowed by those laws, the Parties subject to those laws will maintain the confidentiality of Confidential information.
7. Confidential Information submitted to or produced by the WWMG or otherwise exchanged by the Parties to this Agreement and similar wholesale water agreements may include documents related to the vulnerability or security of water supply systems. The Parties agree that if either receives a public document request for such information, the Party receiving that request shall, prior to release of any documents, expeditiously notify the entity about whose system information is sought and shall assert all applicable exemptions to release of the documents available under the Oregon Public Records Law.

## SECTION 5 – WATER PURCHASE QUANTITIES

- A. General Purchase Quantities. Unless excused by some other provision of this Agreement, Purchaser shall annually pay Portland a sum of money equal to the annual water rate applicable to Purchaser for that year multiplied by the actual quantity of water delivered to Purchaser. Purchaser's annual water rate will be determined pursuant to Section 6. Purchaser shall make payments to Portland as provided in Section 12.
- B. Purchase Quantities And Peaking Factors.
1. Purchase Quantity. For purposes of calculating annual rates, the "Purchase Quantity" means the average of the water delivered and metered at Purchaser's Point of Delivery from Portland from the previous five (5) years. The Purchase Quantity divided by the number of days in the year (365 in a non-leap year or 366 days in a leap year) is Purchaser's Average Daily Demand for purposes of calculating rates.
    - (a) Exclusions. Purchaser's metered water deliveries will be adjusted so as not to reflect: (i) emergency water delivered, and (ii) water delivered to Purchaser for the purposes of Wheeling to Portland Retail Customers or other Wholesale Customers pursuant to Section 9. Such exclusions will apply to all water demands for the purposes of determining Purchase Quantities as defined in this Section, including all measures of peak demand.
    - (b) For purposes of this section, Purchaser's "Actual Average Daily Demand" means Purchaser's actual water demand for a single Agreement Year, divided by number of days in the year (365 in a non-leap year or 366 days in a leap year).
  2. Seasonal Peaking Factor.
    - (a) Except as otherwise provided in this Agreement, for purposes of calculating annual rates, Purchaser's "Seasonal Peaking Factor" will be the average "Actual Seasonal Peaking Factor" from the previous five (5) years.
    - (b) For purposes of this section, Purchaser's "Actual Seasonal Peaking Factor" means the ratio of Purchaser's actual average daily demand placed on Portland system during the peak season to Purchaser's actual annual average daily demand.
    - (c) Seasonal Peaking Factor is the ratio of Purchaser's actual average daily demand placed on Portland system during the Peak Season to Purchaser's actual annual average daily demand. "Peak Season" means the period from July 1 through September 30.
    - (d) If Portland requests that Purchaser take additional water deliveries in connection with a curtailment under Section 11, such additional deliveries will be excluded from the calculation of the Seasonal Peaking Factor.
  3. 3-Day Peaking Factor.

- (a) Except as otherwise provided in this Agreement, for purposes of calculating annual rates, Purchaser's "3-Day Peaking Factor" means the average "Actual 3-Day Peaking Factor" from the previous five (5) years. "3-Day Peaking Factor" is the ratio of the average of Purchaser's actual highest three consecutive days of purchases in a year to its actual average daily demand for the same year.
  - (b) For purposes of Section 5 of this Agreement, Purchaser's "Actual 3-Day Peaking Factor" is the ratio of the average of Purchaser's actual highest three consecutive days of purchases to its actual average daily demand for the year.
  - (c) If Portland requests that Purchaser take additional water deliveries in connection with a curtailment under Section 11, such additional deliveries will be excluded from the calculation of the 3-Day Peaking Factor.
4. Interruptible Water Purchases Under Previous Water Sales Agreement. The calculation of Purchase Quantities and Peaking Factors in this Section excludes all purchases of Interruptible Water made under the previous Regional Water Sales Agreement.
5. New Wholesale Customers and Wholesale Customers without a Five-Year Demand History. This section describes the methods Portland will use to estimate purchase quantities and peaking factors for new Wholesale Customers and those lacking a five-year demand history until such demand history can be established. First-year and second-year purchase quantities and peaking factors for each time frame will be an amount proposed by the customer and agreed to be a reasonable estimate by the Administrator based on the customer's current water usage data. The third-year purchase quantities and peaking factors assumed for ratemaking will be the actual year 1 purchase quantity and peaking factors as calculated as described in this Subsection B. The fourth-year purchase quantities and peaking factors assumed for ratemaking will be the average of the actual purchase quantities and peaking factors in year 1 and year 2 as calculated as described in this Subsection B for each time frame. The fifth-year purchase quantities and peaking factors assumed for ratemaking will be the average of actual purchase quantities and peaking factors in years 1-3 as calculated as described in this Subsection B for each time frame. The sixth-year purchase quantities and peaking factors assumed for ratemaking will be the average of actual purchase quantities and peaking factors in years 1-4 as calculated as described in this Subsection B for each time frame. The purchase quantities and peaking factors assumed for ratemaking from the seventh year forward will be the rolling five-year average for purchase quantities and peaking factors as calculated as described in this Subsection B for each time frame.

C. Purchase Reductions.

1. Reductions Resulting from the Use of Independent Supplies. If Purchaser's General Purchase Quantity (in a single Agreement Year) reflects a reduction of 90% or more as compared to Purchaser's Purchase Quantity (average of previous

five years) as a result of Purchaser's increased use of Independent Supplies, Purchaser will be subject to payment of Stranded Cost Fees calculated as set forth in Exhibit 2.

- (a) Purchaser shall endeavor to notify Portland at least five (5) years in advance, or as far in advance as is reasonably practicable, of the start of an Agreement Year where Purchaser plans to implement any new or increased use of Independent Supplies ("Independent Supplies Notice") to the extent such use of Independent Supplies is anticipated to reduce the Purchaser's General Purchase Quantity.
- (b) Purchaser shall include in its notice: (1) The expected date the usage will take effect; (2) the expected annual deliveries from the Independent Supplies, and (3) if Purchaser is Wheeling water to Portland's Retail Customers or to any other entity, results of a blending study prepared by a registered professional engineer in the State of Oregon in addition to any regulatory approvals required by law. Purchaser is solely responsible for complying with any applicable regulatory requirements relating to blending of water supplies in its system.

D. Increases to General Purchase Quantity. Purchaser may increase its General Purchase Quantity to meet increasing demands due to normal growth within its service area. If Purchaser anticipates an increase in any one year of 20% or more in the General Purchase Quantity over the prior year, then Purchaser shall provide written notice to Portland of the expected increase. When Portland receives Purchaser's written notice of an increase to Purchaser's General Purchase Quantity, Portland will conduct an evaluation to determine whether the increased demand can be accommodated within Portland's existing system capacity. Portland will notify Purchaser of its decision within 90 days of Portland's receipt of Purchaser's notice of an increase to Purchaser's General Purchase Quantity

## SECTION 6 – RATES AND CHARGES

### A. Rate Making in General.

1. The rate structure for Purchaser's purchase of water will consist of:
  - (a) A reasonable fixed monthly charge as published in Portland's current rate ordinance.
  - (b) A volume charge calculated using volumetric rates established as provided herein multiplied by Purchaser's actual water drawn from Portland.
2. The volume charges will be determined as set forth in this Section.
3. The revenue requirement for wholesale volume rates will be determined using the utility basis and cost of service allocation principles as described in *Manual of Water Supply Practices – M1. Principles of Water Rates, Fees and Charges* as published by the American Water Works Association (hereafter "AWWA Manual M1") or in such updates as may occur from time to time, except for such deviations from AWWA Manual M1 as are described or permitted by this Agreement. A cost-of-service computer model referred to as the Portland Model will be used to calculate the revenue requirements, cost allocations, and resulting rates.

### B. O&M Cost Component of the Annual Revenue Requirement.

1. O&M Costs. The operations, maintenance, planning studies and associated overhead expenses of Portland's water supply system as adopted in Portland's annual budget process for the fiscal year for which the rate will be in effect, multiplied by the O&M Budget Execution Factor, and excluding that portion identified as Retail-only Costs and costs recovered through the fixed monthly charges.
2. O&M Budget Execution Factor. A percentage determined as the actual O&M expenditures for a fiscal year divided by the total adopted O&M budget for the same fiscal year. The average of said factors for the previous five years for which data is available will be the O&M Budget Execution Factor applied for the purposes of determining rates.

### C. Capital Cost Component of the Annual Revenue Requirement. The sum of the Return on Rate Base and Depreciation Expense as defined below.

1. Return on Rate Base. The amount determined by multiplying the Rate of Return by the Rate Base.
  - (a) The Rate Base is the sum of the following items.
    - i. Net Book Value. The Net Book Value means the original cost less accumulated depreciation of Portland's capital assets identified as Wholesale-Only Costs or Joint Costs for the previous 12-month financial reporting period. Capital assets that are not used and useful in providing water service with the exception of Construction Work in Progress as defined in section iii below will be excluded from the Rate Base. Capital assets will exclude

capitalized overhead costs. Capital assets may include Regulatory Assets.

- ii. Allowance for Working Capital. Allowance for Working Capital means an amount equal to 12.5% (approximately 45 days) of the O&M Costs.
  - iii. Construction Work in Progress (CWIP). CWIP means the amount reported in the previous 12-month financial reporting period. Construction Work in Progress will be included in the Rate Base and its inclusion is a modification to the standard definition of the term “rate base” as described in the AWWA Manual M1 and elsewhere.
  - iv. Less Contributed Capital. Less Contributed Capital means the unamortized book value of cash or assets contributed to Portland by Wholesale Customers or other parties is to be deducted from the Rate Base. Portland will award credits for Contributed Capital to the specific Wholesale Customers who made the contributions. Contributions made by non-parties to this Agreement, including state and federal grants, will be deducted from the total Rate Base for the benefit of all customers.
- (b) Rate of Return. Rate of Return means Portland’s cost of debt, defined as its True Interest Cost on all outstanding Portland Water Bureau debt as reasonably determined by Portland’s Municipal Advisor, multiplied by an equity premium of 1.35. Portland may adjust the multiplier based on the five-year cost audit as described in Subsection 6(I).
2. Depreciation Expense. Depreciation Expense means all annual depreciation expenses reported for the previous 12-month financial reporting period matched only to the capital assets included in the Rate Base.
  3. Accounting Standards. For the purposes of this Section, financial values will be those reported for the 12-month financial reporting period immediately preceding the calculation of the water rates using generally accepted accounting practices required by the Government Accounting Standards Board (GASB) or its successor.

D. Cost Allocations – General.

1. Portland will allocate costs to Wholesale Customers and Portland Retail Customers in accordance with generally accepted ratemaking practices and procedures. In general, unless specified otherwise in this Agreement, costs will be allocated proportionately as provided by the then-current AWWA Manual M1.
2. Portland’s cost allocations to Wholesale Customers will be based on the “base-extra capacity” methodology, as defined in AWWA Manual M1.
3. Portland will allocate three types of costs referred to in Section 6:



- (a) Retail-Only Costs – Retail-Only Costs mean the cost of services and assets that benefit only Portland Retail Customers, which will not be allocated to Wholesale Customers.
- (b) Wholesale-Only Costs – Wholesale-Only Costs mean the cost of services and assets that benefit only Wholesale Customers, which will only be allocated to Wholesale Customers.
- (c) Joint Costs – Joint Costs mean the cost of services and assets that benefit both Portland Retail Customers and Wholesale Customers.

E. Steps Involved in Cost Allocation. Portland will use the following sequence to allocate costs and to develop the wholesale volume rate.

- 1. Assign all system costs to categories reflective of the functions of Portland water system. Assign the functional categories to the appropriate Cost Pools as described in Section 6F.
- 2. Allocate the costs for each functional category in each Cost Pool to relevant Cost Components as described in Section 6G in accordance with the Base Extra-Capacity method.
- 3. Determine the unit costs for each Cost Component in each Cost Pool expressed as a dollar per applicable unit of service.
- 4. Distribute the costs to individual Wholesale Customers by multiplying the relevant unit costs by each customer's units of service.
- 5. Determine the volumetric rate for each Wholesale Customer by summing the total distributed costs for the customer and dividing by its Purchase Quantity.

F. Portland Cost Pools. Cost Pools are groups of asset and O&M costs, related by system functions, that may be shared jointly with all Wholesale Customers, or more specifically among a subset of Wholesale Customers. Purchaser and other Wholesale Customers may be assigned to one or more Cost Pools depending on how they use Portland's system. Cost Pools include the following with general list of assets listed in Exhibit 3:

- 1. Joint Assets – Joint Assets means asset and O&M costs that benefit all customers regardless of location. This includes Powell Butte and Groundwater related costs and assets.
- 2. West Assets – West Assets means asset and O&M costs located west of the Powell Butte reservoir. These assets and costs directly benefit customers located on the west side of Portland's service territory.
- 3. East Assets – East Asset means asset and O&M costs located east of the Powell Butte reservoir. These assets and costs directly benefit customers located on the east side of Portland's service territory.
- 4. Raw Water Assets – assets that store, manage and convey unfiltered and unchlorinated water upstream of treatment at the filtration facility, and do not include associated costs for conveyance to the filtration facility or treatment.

5. New Cost Pools. Upon agreement of WWMG and the Administrator, the Administrator may create additional Cost Pools in the future only for new assets as needed to ensure a fair and equitable allocation of system costs.
- G. Cost Components. Portland's water system is designed and operated to meet different rates of demand, defined by the following Cost Components:
1. Base Costs – Base Costs means the costs Portland incurs to meet its customers' average daily demand (ADD).
  2. Peak Season Extra Capacity – Peak Season Extra Capacity means the additional costs above Base costs that Portland incurs to meet its customers' peak season demands.
  3. Peak 3-Day Extra Capacity – Peak 3-Day Extra Capacity means the additional costs Portland incurs, above and beyond Peak Season, to meet its customers' Peak 3-Day Demands.
  4. Cost Components may be amended from time to time to reflect changes in AWWA Manual M1 methodologies. Portland may make other changes to the Cost Components.
- H. Surplus Capacity. On or about June 30, 2026, Portland anticipates that three major users of Portland water will terminate their water supply contracts with Portland, which will result in additional Surplus Capacity. To reduce the cost impacts to Wholesale Customers resulting from the reduction in purchases and demands attributable to the Terminating Parties, Portland will temporarily bear the additional system-operation costs related to the Surplus Capacity. Over time, the system-operation costs related to Surplus Capacity will be allocated to Portland Retail Customers and Wholesale Customers subject to the following provisions:
1. Cost Allocations. Portland will determine the Surplus Capacity costs by allocating a proportionate share of all costs except Wholesale Only Costs using the same methods and procedures described in this Section 6.
  2. Demand Characteristics. To determine Surplus Capacity cost, Portland will use the same Seasonal Peaking Factor and 3-Day Peaking Factor characteristics attributed to Portland Retail Customers within the Portland Model.
  3. Reductions. The Surplus Capacity and associated costs borne by Portland will be decreased each year following June 30, 2026 by the greater of (1) the growth in aggregate demand of Portland Retail Customers, Wholesale Customers, and the sum of Annualized Backup Capacity from all active Reserved Backup Service agreements, or (2) 5% of the initial Surplus Capacity, until such time as the Surplus Capacity is zero. The amount of reductions will be reviewed every five years as part of the cost audit as described in subsection I. below.
  4. No Increases. Surplus Capacity will not be increased.
  5. Portland will use all payments for Backup Services to reduce Portland's costs related to the Surplus Capacity. Once Surplus Capacity is at zero, the payments for Backup Services will be used to reduce the costs factored into Purchaser's rates.

- I. 5-Year Cost Audit. In Contract Year 5 and every five years thereafter during the term of this Agreement and any extensions, Portland will retain an independent third party to conduct an audit of all steps of the then-currently employed process to allocate assets and O&M to customer classes as well as the reductions in surplus capacity under Section 6(H)(3) of this Agreement. Based on the result of its audit, the auditor will recommend any changes necessary to ensure compliance with the terms of this Agreement and the AWWA Manual M1. Portland and the WWMG will select the auditor and the audit expense shall be included in O&M expenses and allocated accordingly. The auditor's report shall be completed by December 1 of the contract year in which the auditor is hired and will be provided to WWMG and Portland. Portland will prepare and provide to WWMG no later than March 1 of the following year a corrective action plan to correct any areas of noncompliance with the Agreement in the audit report. For any auditor recommendations that do not constitute noncompliance with the Agreement, the corrective action plan will either describe how they will be implemented or explain why Portland has determined not to implement them.

## **SECTION 7 – WATER SYSTEM PLANNING AND COOPERATION**

To facilitate regional water planning and resource development, Purchaser and Portland agree as follows:

A. Purchaser’s Projected Water Usage.

1. Every five years, at a minimum, starting on July 1 of the fifth year this Agreement is in effect, Purchaser shall provide Portland with estimates of Purchaser’s annual water demand to be purchased from Portland by year for ten years, including peaking factor estimates.
2. In addition, in any other Agreement Year in which unforeseen developments have altered Purchaser’s ten-year estimates by more than 10 percent, Purchaser shall provide Portland with Purchaser’s revised estimates of Purchaser’s preferred use of Portland water for a ten-year period.
3. Portland will provide WWMG with a summary of Portland’s projected demands for all wholesale and retail demands by year for the next ten years by no later than May 1 of each year.
4. The estimates provided in this provision are for planning purposes only and do not commit Portland or Purchaser to either buy or supply any particular quantities of water.

B. Portland Evaluation of Capacity of Portland Water System.

1. Whenever it receives revised demand and Peaking Factor estimates from Purchaser, Portland will provide Purchaser with estimates of the capacity of Portland water system to meet all projected system loads over the ten-year planning horizon.
2. If Portland determines that the water system cannot meet the demand Purchaser and others have proposed to place on it over the ten-year planning horizon, Portland and Purchaser (together with other Wholesale Customers who may wish to join the discussions) may initiate negotiations to determine if and how Portland’s water system could meet the projected demands, either through a reduction in demand or development of additional water system capacity.

## SECTION 8 – CONNECTIONS AND METERING

### A. Meter Ownership and Responsibility.

1. Portland owns and maintains all existing water meters and associated facilities such as vaults up to Purchaser's Point of Delivery and will install, own, and maintain any new such meters and facilities.
2. The primary source of measurement of Purchaser's monthly water purchases will be the registers physically located on the meters (i.e., register meter readings and not Supervisory Control and Data Acquisition (SCADA) nor electronically transmitted data). Portland will use demand data from the register readings for calculating the total annual water delivered to Purchaser unless the meter readings are reasonably determined by Portland to be inaccurate.
3. In addition, Portland will attempt to read the meters either physically or electronically on at the start and end of the peak season as defined in this Agreement (i.e., June 30 and Sept 30). If accurate or reliable (as reasonably determined by Portland) meter readings are not reasonably available for key dates needed for calculating annual demand, monthly demand, or Peaking Factors, then Portland's SCADA data or other electronically transmitted data will be used to establish Purchaser's water demand to the intended key dates. If SCADA or other electronically transmitted data are not available or are reasonably determined by Portland to be not reliable in a particular case, Portland will use the best means that are reasonably available to estimate usage, including data provided by Purchaser's SCADA system.
4. Portland will notify Purchaser within a reasonable time after Portland verifies that a meter is reading incorrectly. Portland and Purchaser will collaboratively resolve any data discrepancies. A meter is considered to be reading incorrectly if the variance is greater than 3% over or under registering.

B. Meter Costs. The cost of replacing the meter or meters and their operations and maintenance will be included by Portland in calculating Purchaser's rates.

C. Meter Access. Purchaser will have reasonable access to Portland meters and facilities for purposes of installing and maintaining telemetry equipment or other equipment related to the metering function. Purchaser shall give notice to Portland before entering any vault or facility.

## **SECTION 9 – PURCHASER-SUPPLIED WATER TO PORTLAND RESIDENTS AND OTHER WHOLESALE CUSTOMERS**

- A. Water Supplies To Portland Residents. To the extent permitted by law, Purchaser shall, when requested by Portland, provide water supply to Portland Retail Customers in areas adjacent to Purchaser's water mains subject to limitations of the available capacity of Purchaser's water distribution system. Water delivered to Portland Retail Customers by Purchaser at Portland's request will be metered by Portland or Portland's Retail Customers' individual services.
- B. Master Metering.
1. Portland and Purchaser will review each situation where such arrangements exist and attempt to reach an agreement on the need and feasibility of installing a master meter or master meters to register the volume of water delivered to Portland Retail Customers.
  2. Purchaser shall ensure that the water delivered to Portland Retail Customers will be from the same source or sources as water that Purchaser delivers to Purchaser's Retail Customers and the water meets all applicable drinking water regulatory requirements.
  3. Purchaser may require that Portland install a master meter if the local distribution system is shown to have demonstrated leakage or unaccounted water losses in excess of 10% of the average daily demand of Portland Retail Customers served by the system or by mutual agreement of the Parties. Improvements to the local distribution system will be made by mutual agreement of the Parties.
- C. Charges For Water.
1. When Purchaser provides water to supply Portland Retail Customers at Portland's request, Purchaser may charge Portland up to one hundred twenty-five percent (125%) of the wholesale water rate Portland charges Purchaser. Portland will credit this amount to Purchaser's monthly bills. Purchaser's water supplied to Portland Retail Customers at Portland's request will not be included in the calculation of Purchaser's Purchase Quantity.
  2. Purchaser may conduct a cost-of-service study to determine the cost of serving Portland Retail Customers. If the cost-of-service exceeds 125% of the wholesale water rate, Purchaser may adjust the charge to Portland accordingly, but not above the actual cost of service.
- D. Water supplies to other Wholesale Customers. If requested by Portland, Purchaser may supply water to another Wholesale Customer upon such terms and conditions as may be agreed upon by Portland and Purchaser.

## SECTION 10 – WATER RESOURCE CONSERVATION

### A. General.

1. The Parties to this Agreement intend that water delivered under this Agreement will be used beneficially, efficiently, and without waste.
2. The Parties encourage the development of joint conservation programs where such partnerships are of mutual benefit and produce increased efficiencies in program costs or water savings. Provided, however, that funding for joint conservation programs will be established by a separate agreement between the interested parties.

### B. Submission of a Water Conservation Plan. Purchaser shall determine how to use water purchased under this Agreement beneficially, efficiently and without waste. Unless Purchaser serves a population of 1,000 or less, Purchaser shall submit a copy of its Water Management and Conservation (“WMCP”) plan as outlined in OAR 690-086-0150. Purchaser shall submit a copy of its Water Conservation and Management Plan within six months of signing this Agreement to the WWMG. Every time a Purchaser prepares its 5-year benchmark report or its 10-year WMCP for submission to the State, Purchaser shall provide a copy to the WWMG.

## **SECTION 11 – WATER CURTAILMENT AND PROTECTION OF THE WATER SYSTEM**

### **A. General.**

1. During times when water supplies are not adequate to meet the aggregate of all demands placed upon Portland’s water system, Portland will collaborate with Wholesale Customers to minimize impacts to all. By signing this Agreement, Purchaser and Portland acknowledge that unforeseen or unavoidable circumstances may limit the amount of water available to Portland for sale and distribution, whether temporarily or permanently.
2. Should the available supply fall below the aggregate of all demands placed on Portland’s system, or should the Administrator determine that supply will fall below demands before other supplies are available, the Administrator may declare that a water shortage is in effect and may require a curtailment. Portland’s Curtailment Plan, developed for the water system in accordance with OAR 690-086-0160(2) and OAR 690-086-0160(3) and filed as part of Portland’s Water Management and Conservation Plan, would be in effect for all water users – retail and wholesale. If the Administrator requires curtailment, Purchaser shall implement measures sufficient to meet the demand reduction target requirements in accordance with Portland’s WMCP. Purchaser shall develop appropriate policies, plans and procedures to respond effectively to required curtailment reduction targets, to protect the system’s capacity to supply water for fire, life, safety, and other high priority needs.
3. It is to the benefit of all the users of Portland water system that plans for curtailment be agreed upon in advance and that plans for curtailments be coordinated among water providers. Purchaser shall develop and regularly update a Water Shortage Mitigation & Curtailment Plan to guide the implementation of the curtailment provision of this Agreement consistent with Portland’s Water Management and Conservation Plan.
4. Prior to changing Portland’s WMCP, Portland will provide WWMG with an opportunity to review and make recommendations regarding any proposed changes. Portland will make a good faith effort to provide for parity between Purchaser and Portland’s Retail Customers in any such changes.



## SECTION 12 – BILLING AND PAYMENT

### A. Charges for Water Deliveries.

1. **Monthly Charges.** Portland will bill Purchaser monthly for the actual volume of water delivered together with the fixed charges. The monthly volumetric charge will be the product of Purchaser's monthly deliveries, as determined in Sections 12.A.2 below, multiplied by Purchaser's rate for that year's water deliveries as determined in Section 6.
2. **Monthly Water Deliveries.** Portland will read Purchaser's water meters on a recurring cycle of approximately 30 days to determine Purchaser's total deliveries for each month. The water deliveries used to determine the charges for the current month will be the difference in units between the most recent meter reading and the one immediately before it.

### B. Payment Schedule. Purchaser shall pay charges billed by Portland upon receipt. Purchaser shall pay a late fee to Portland if Purchaser does not pay on or before the thirtieth day following the billing date. Portland will establish reasonable late fees each year in the annual City ordinance establishing rates.

### C. Charges In Case of Meter Failure.

1. Should any meter fail to measure accurately the water passing through the meter, the charge for water used during the time the meter is out of service will be based on Portland's reasonable estimates of the volume of water supplied based on usage patterns and statistics for prior periods. Portland will use the best available data, including but not limited to water meter, SCADA, or other monitoring data provided by Purchaser to inform Portland's estimates of water usage in the event of a meter malfunction.
2. Portland will make reasonable attempts to test wholesale meters approximately every six months. If, because of periodic meter testing or any other reason, Portland identifies that Purchaser's meter is out of calibration, Portland will provide Purchaser with an initial notice of a meter error and an interim correction factor reasonably calculated to estimate usage, which will be used for calculating usage for all purposes while a final correction factor is determined. Portland and Purchaser will then work together to verify the meter error and confirm and, if necessary, refine any calibration test results. Based on additional calibration test results, Portland and Purchaser will work together to identify a final correction factor to be applied. Portland will apply the final correction factor retroactively to Purchaser's meter readings only after the date of Portland's initial notice of a meter error or such other date as the data demonstrates the error began.
3. Portland will recalculate Purchaser's Seasonal Peaking Factor and 3-Day Peaking Factor to reflect Purchaser's corrected water demands only for dates after the date of Portland's initial notice of a meter error or such other date as the data demonstrates the error began.
4. To allow "closing the books" for the previous fiscal year, if the Parties have not established Purchaser's final correction factor by September 1, Portland will

apply an interim correction factor identified in Portland's initial notice of a meter error retroactively beginning on the date of Portland's initial notice of a meter error, or such other date as the data demonstrates the error began, and continuing through June 30, for purposes of calculating payments. Portland will apply a final correction factor established after September 1 retroactively only to the Purchaser's demands from July 1 for the purposes of calculating payments. Portland will apply the final correction factor retroactive to the date of Portland's initial notice of meter error, or such other date as the data demonstrates the error began, for purposes of calculating rates and all other purposes.

- D. Disputes. In the case of disputes over billings for water, Purchaser shall pay the undisputed amount when due. The disputed amount will be resolved through dispute resolution procedures contained in Section 14 of this Agreement. Purchaser shall pay interest at a rate equivalent to the rate earned on Portland's internal investment pool managed by the City Treasurer on any disputed amounts found through dispute resolution to be due to Portland.

## SECTION 13 – SPECIAL FUNDING OF CAPITAL IMPROVEMENTS

- A. Project Funding in General. Portland plans, designs, constructs, owns, operates, and maintains all fixed assets used to deliver water under this Agreement up to Purchaser's Point of Delivery. Portland's assets are eligible additions to the rate base as described in Section 6. Unless specified by a separate agreement, direct capital contributions by Purchaser for all or any portion of the cost of any given project do not convey an ownership interest in the project nor any interest in Portland's water system. The special project funding options described in subsection (B) below are alternative funding options that may be used only if agreed upon by Purchaser and Portland, each in their sole discretion.
- B. Special Project Funding.
1. **Portland Financing of Purchaser-Specific Project.** Portland, at Portland's sole discretion, may agree to pay for a capital project that has exclusive benefit to Purchaser. If Portland agrees to pay for a capital project that exclusively benefits Purchaser, Portland will exclude fixed assets related to the project from the rate base and Purchaser will be subject to a repayment agreement, which will be negotiated separately and agreed to by Portland and Purchaser. Portland will include on Purchaser's monthly bill for water deliveries the sum of any payments due from Purchaser's outstanding repayment agreements. Charges related to repayment agreements are additional to the rates and charges determined pursuant to Section 6.
  2. **Joint Funding of Portland Projects by Purchaser or Wholesale Customers.** Portland, at Portland's sole discretion, may accept contributions in aid of construction from one or more Wholesale Customers to fund capital projects eligible for inclusion in the rate base. If Purchaser participates in jointly funding a capital project with Portland, Portland will include the total cost of the assets in the rate base and Portland will credit Purchaser's contributions on Purchaser's monthly water services bill a credit equal to the sum of:
    - (a) One month's amortization of Purchaser's contribution where the schedule of amortization is equal to the useful life of the asset expressed in months (e.g., a 10-year life is equal to a 120-month amortization and each month's amortization is 1/120<sup>th</sup> of the total).
    - (b) The unamortized portion of the contribution times 1/12<sup>th</sup> of the then-current Rate of Return.

## SECTION 14 – DISPUTE RESOLUTION

Disputes arising out of this Agreement, including disputes regarding the interpretation of any provision of this Agreement, shall be resolved according to the terms of this Section.

- A. Notice of Dispute. To initiate dispute resolution, either Party shall provide the other Party with a written notice describing the dispute and follow the process outlined in this Section 14. Neither Party shall commence litigation until the dispute resolution process described in this Section 14 is complete unless litigation in the form of a temporary restraining order or preliminary injunction is necessary to prevent imminent and irreparable harm to the Party commencing litigation.
- B. Negotiation. Each Party (1) shall designate a person or persons to negotiate the dispute on its behalf, (2) shall make a good faith effort to exchange information and data related to the dispute, and (3) shall meet to negotiate a dispute resolution. The person designated by Purchaser to negotiate the dispute shall be its City Manager, Chief Executive Officer, or equivalent. The person designated by Portland to negotiate the dispute shall be Portland's City Manager or the Portland City Manager's designee. If the dispute is resolved at this step, the Parties will memorialize the agreement in writing, which shall be signed by the authorized representatives of the Parties.
- C. Mediation.
1. If the dispute has not been resolved within 45 days of the date of the notice of dispute, or such longer time as is mutually agreed by the Parties, the Parties will submit the matter to mediation. The Parties will attempt in good faith to agree on a mediator and will endeavor to select a mediator with subject matter expertise. If the Parties cannot agree, the Parties will request a list of five mediators from an entity or firm providing mediation services. The Parties will attempt in good faith mutually to agree on a mediator from the list provided, but if they cannot agree, each Party will select one name. The two selected mediators will select a third mediator who will mediate the dispute.
  2. Any common costs of mediation, including the cost of mediation, will be borne equally by the Parties. Each Party shall bear its own individual costs. Mediation will not continue more than 105 days past the initial notice of dispute unless mutually agreed by the Parties. If the dispute is resolved at this step, a written determination of such resolution will be signed by the designated representatives of the Parties.
- D. Arbitration. If the dispute has not been resolved through negotiation or mediation within the time set by this Agreement, the dispute may be resolved only through binding arbitration. Within 15 days of the end of mediation, unless the Parties agree to a longer period of time, either Party may submit the dispute to binding arbitration by written notice thereof to the other Party. Arbitration shall be conducted in Portland, Oregon before a single arbitrator selected by mutual agreement of the Parties. If the Parties, within fifteen (15) days of said notice, cannot agree upon an arbitrator, either Party may apply to the presiding judge of the Multnomah County Circuit Court for appointment of an arbitrator. Arbitration shall be conducted under ORS Chapter 36. The Parties agree that any award rendered by the arbitrator will be final, and judgment may be entered upon

the award in any court having jurisdiction, and will not be subject to modification or appeal except to the extent permitted by Oregon law. Costs of the arbitration will be shared equally by the Parties, but each Party will pay its own attorney fees incurred in connection with the arbitration.

Without limiting the authority of the arbitrator, the Parties agree that:

1. Remedies available to the arbitrator include, but are not limited to, specific performance and termination of this Agreement, including termination without payment of a Stranded Cost Fee in the case of a material breach by Portland.
  2. The reasonableness of each Party's actions under this Agreement and each Party's good faith and fair dealing will be judged according to factors including, but not limited to, standards common and usual in the municipal water supply industry.
- E. Litigation. Any litigation between the Parties arising under or regarding this Agreement must be conducted in the Multnomah County Circuit Court of Oregon. In any litigation, each Party will bear its own costs and attorney's fees.

## **SECTION 15 – WASHINGTON COUNTY SUPPLY LINE**

This Agreement includes the Washington County Supply Line that will be treated as a Portland asset to include in cost allocation as described in Section 6 – Rates and Charges of this Agreement.

## **SECTION 16 – MISCELLANEOUS PROVISIONS**

- A. Warranties and Representations. Each Party hereto warrants and represents that it has the legal authority to enter into this Agreement, and that entry into this Agreement will not constitute a default under any other agreement to which that Party is a party.
- B. Exhibits. This Agreement includes the following Exhibits, and in the event of a contradiction in terms, the terms in this Agreement shall control, followed by the terms of the Exhibits in the following order:
  - 1. Exhibit 1 – POINT OF DELIVERY LOCATIONS
  - 2. Exhibit 2 – STRANDED COST FEES
  - 3. Exhibit 3 – GENERAL LIST OF ASSETS IN COST POOLS
- C. Severability. Should any provision of this Agreement be rendered invalid by a court of competent jurisdiction or arbitrator with authority to render a provision invalid, it is agreed that every other part of the Agreement shall remain in full force and effect.
- D. Entire Agreement. This Agreement constitutes the complete understanding among the Parties and supersedes any and all prior agreements or representations on these subjects. No promises or agreements made subsequent to the execution of this Agreement by the Parties shall be binding unless reduced to writing and signed by the Parties.
- E. No Joint and Several Liability. Each Party to this Agreement assumes its own rights and obligations and does not assume the rights and obligations of any other Party.
- F. Counterparts. This Agreement may be signed in one or more counterparts, and each counterpart shall be deemed to be an original instrument.
- G. Amendments and Modifications. Any modification or amendment to this Agreement must be in writing and signed by both Parties.
- H. Oregon law. This Agreement and its construction shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law.
- I. Third Parties. Except as expressly provided otherwise in this Agreement, the provisions of this Agreement are for the exclusive benefit of the Parties hereto and not for the benefit of any other persons, as third-party beneficiaries or otherwise, and this Agreement shall not be deemed to have conferred any rights, express or implied, upon any person not a Party to this Agreement.
- J. Non-Waiver. Failure of any Party at any time to require performance of any provision of this Agreement shall not limit the Party's right to enforce the provision, nor shall any waiver of any breach of any provision be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provisions.
- K. Time of the Essence. Time is of the essence of each and every term, covenant, and condition set forth in this Agreement.

- L. Further Assurances. Each Party agrees that it will, without further consideration, execute and deliver such other documents and take such other action as may be reasonably requested by the other Party to more effectively consummate or achieve the purposes or subject matter of this Agreement.
- M. Interpretation. Unless a clear contrary intention appears: (a) reference to any person includes such person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity; (b) reference to any gender includes each other gender; (c) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (d) reference to any Article, Section, Schedule or Exhibit means such Article, Section, Schedule or Exhibit to this Agreement, and references in any Article, Section, Schedule, Exhibit or definition to any clause means such clause of such Article, Section, Schedule, Exhibit or definition; (e) "hereunder", "hereof", "hereto", "herein" and words of similar import are references to this Agreement as a whole and not to any particular Section or other provision hereof; (f) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including"; (g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (h) reference to any law (including statutes and ordinances) means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder.
- N. Access to Records.
- (a) Records Retention. Each Party shall maintain current financial records in accordance with Generally Accepted Accounting Principles (GAAP). Each Party agrees to maintain and retain all financial records, supporting documents, statistical records and all other records pertinent to this Agreement during the term of this Agreement and for a minimum of six (6) years after the expiration or termination date of this Agreement or until the resolution of all audit questions or claims, whichever is longer.
  - (b) Audits. Each Party, either directly or through a designated representative, may conduct financial and performance audits of the water supply deliveries at any time during the Agreement duration and during the records retention period listed above. Audits will be conducted in accordance with generally accepted auditing standards as promulgated in Government Auditing Standards by the Comptroller General of the United States Government Accountability Office.
  - (c) Access to Records. Each Party may examine, audit and copy the other Party's books, documents, papers, and records relating to this Agreement at any time during the records retention period listed above upon reasonable notice. Each Party shall make copies of applicable records available upon the other Party's request.



- (d) Under- and overpayment. If an audit discloses that water supply services to Purchaser differed from the amount for which Purchaser paid, then Purchaser shall pay the amount of the difference to Portland or Portland shall refund the amount of the difference to Purchaser, as applicable.
- O. Assignment. Neither Party may assign this Agreement without the written consent of the other Party.
- P. Successors in Interest. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and approved assigns.
- Q. Compliance with Law. Each Party shall comply with all applicable federal, state, and local laws and regulations in carrying out this Agreement.
- R. Contribution.

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 (a “Third Party Claim”) against a Party (the “Notified Party”) with respect to which the other Party (the “Other Party”) may have liability, the Notified Party shall promptly notify the Other Party in writing of the Third Party Claim and deliver to the Other Party, along with the written notice, a copy of the claim, process and all legal pleadings with respect to the Third Party Claim that have been received by the Notified Party. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this Section and a meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to the Other Party’s contribution obligation under this Section with respect to the Third Party Claim.

With respect to a Third Party Claim for which Portland is jointly liable with Purchaser (or would be if joined in the Third Party Claim ), Portland 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 by Purchaser in such proportion as is appropriate to reflect the relative fault of Portland on the one hand and of Purchaser on the other hand in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Portland on the one hand and of Purchaser on the other hand 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. Portland’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if Portland had sole liability in the proceeding.

With respect to a Third Party Claim for which Purchaser is jointly liable with Portland (or would be if joined in the Third Party Claim), Purchaser 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 by Portland in such proportion as is appropriate to reflect the relative fault of Purchaser on the one hand and of Portland on the other hand in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Purchaser on the one hand and of Portland on the other hand 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. Purchaser's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

- S. Notice. Any notice required to be provided under this Agreement shall be provided to the persons and at the addresses indicated below. Notices shall be made by personal service, in which case they are effective on the date of service, or by certified mail, in which case they are effective on the date of delivery, or if delivery is refused, upon the date of delivery refusal. Either Party may alter the person designated for receipt of notices under this Agreement by written notice to the other Party.

For Portland:

Name: Gabriel Solmer

Title: Water Bureau Administrator

Address: 1120 SW 5<sup>th</sup>, 5<sup>th</sup> floor, Portland, OR 97204

For Purchaser:

Name:

Title:

Address:

**[Signatures on Next Page]**

**SIGNATURE PAGE**

Purchaser represents that Purchaser has had the opportunity to consult with Purchaser’s own independently selected attorney in the review of this Agreement. Neither Party has relied upon any representations or statements made by the other Party that are not specifically set forth in this Agreement.

The Parties agree that the Parties may execute this Agreement and any amendments to this Agreement, by electronic means, including the use of electronic signatures.

**PURCHASER SIGNATURE**

\_\_\_\_\_ Date\_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Address:\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Agreement Number: \_\_\_\_\_

**[Portland signatures on next page]**

CITY OF PORTLAND SIGNATURES

By: \_\_\_\_\_  
Mayor Ted Wheeler

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Commissioner Mingus Mapps

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Office of City Auditor

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
Office of City Attorney

Date: \_\_\_\_\_

## GLOSSARY

<u>Term</u>	<u>Definition</u>
3-Day Peaking Factor	Purchaser's average Actual 3-Day Peaking Factor from the previous five years.
Actual 3-Day Peaking Factor	The ratio of the average of Purchaser's actual highest three consecutive days of purchases (based on Portland data) to its Actual Average Daily Demand for the year.
Actual Average Daily Demand	Purchaser's actual total water deliveries for a single Agreement Year divided by number of days in the year (365 in a non-leap year or 366 days in a leap year).
Actual Seasonal Peaking Factor	The ratio of the Purchaser's actual daily demand during the peak season to its Actual Average Daily Demand.
Administrator	The Portland official appointed to administer and direct the Portland Water Bureau.
Agreement	This wholesale water purchase agreement between Portland and Purchaser.
Agreement Term	The term of this Agreement, which begins July 1, 2026 (or a later date if signed after July 1, 2026) and ends June 30, 2056, plus any extensions under this Agreement
Agreement Year	A one-year period during the Agreement Term beginning on July 1 of a given year and ending on June 30 of the following year.
Annual Revenue Requirement	The total annual operation and maintenance expense and capital related costs incurred in meeting various aspects of providing water utility service.
Annualized Reserved Backup Capacity	The contractually obligated capacity for Backup Services times the number of days Portland is obligated to provide the Backup Services in a year, divided by 365 days.
Average Daily Demand	Purchaser's average Actual Average Daily Demand for the previous five years

<u>Term</u>	<u>Definition</u>
Backup Services	An optional service for Portland to provide backup capacity and water supplies under a separate agreement.
Base Extra-Capacity (method)	A cost allocation methodology as described by the American Water Works Association's M1 Manual.
Capital Costs	The sum of the Return on Rate Base and Depreciation Expenses for an Agreement Year.
Cost Pools	Grouping of assets. General listing of the asset groups are in Exhibit 3.
Depreciation Expense	The annual depreciation expense reported for the previous 12 months for the assets included in the Rate Base.
General Purchase Quantity	The actual amount of water delivered by Portland to Purchaser in a single Agreement Year after adjusting for exclusions as defined in Section 5.B of the Agreement.
Independent Supplies	Sources through which Purchaser acquires water other than Portland. Does not include aquifer storage and recovery systems or similar storage systems.
Interruptible Water	A service offered in the previous Regional Water Sales Agreement that had allowed wholesale customers to buy water from Portland on the condition that such service could be shut off at any time at Portland's sole determination. Interruptible Water is not an offered service within this Agreement.
Joint Costs	O&M and Capital Costs incurred by Portland that benefit both its retail system and Wholesale Customers.
Meter Costs	The costs incurred by Portland related to acquiring, replacing, operating, and maintaining water meters at Purchaser's Point of Delivery.
O&M Budget Execution Factor	A percentage determined as the actual O&M expenditures for a fiscal year divided by the total adopted O&M budget for the same fiscal year. The average of said factors for the previous five years for which data is available will be the O&M Budget

<u>Term</u>	<u>Definition</u>
	Execution Factor applied for the purposes of determining rates.
O&M Costs	The operations, maintenance, planning studies and associated overhead expenses of Portland's water supply system as adopted in Portland's annual budget process for the fiscal year for which the rate will be in effect, multiplied by the O&M Budget Execution Factor, and excluding that portion identified as Retail-only Costs and costs recovered through the fixed monthly charges.
Operations Group	A Division of the Portland Water Bureau responsible for the operation and maintenance of water storage and supply, treatment and transmission from the Watershed and the CSS Well Field and Powell Valley Well Field.
Parties	Portland and Purchaser (individually each a Party)
Peak 3-Day Demand	Purchaser's highest level of water purchases over three consecutive days during a single Agreement Year.
Peak Season	Water deliveries between July 1 and September 30 for a single Agreement Year.
Point of Delivery	The connection or connections between Portland and Purchaser whereby Portland delivers water under this Agreement, as specified in Exhibit 1.
Portland	The City of Portland acting by and through its Portland Water Bureau.
Portland Model	A Microsoft Excel workbook used by Portland to calculate rates and charges for the purposes of administering this Agreement.
Portland Retail Customers	Customers who receive their water service from Portland subject to the ordinances of the City of Portland and are not Wholesale Customers.
Purchase Quantity	Purchaser's average of the water delivered and metered at Purchaser's Point of Delivery from Portland from the previous five (5) years.

<u>Term</u>	<u>Definition</u>
Purchaser	The entity purchasing wholesale water supply from Portland and defined in the introduction to this Agreement as a Party to this Agreement.
Purchaser's Retail Customers	Individual customers served by Purchaser for end-use consumption and not for resale.
Rate Base	The sum of Portland's net book value of the assets used to provide wholesale services including any regulatory assets, an allowance for working capital, the construction work in progress, less any contributed capital.
Rate of Return	A percentage reflecting Portland's weighted average cost of capital, equal to Portland's True Interest Cost of all outstanding debt multiplied by the equity premium of 1.35.
Retail-Only Costs	O&M and Capital Costs incurred by Portland related only to water sales to Portland Retail Customers and excluded from the determination of rates and charges under this Agreement.
Regional Water Sales Agreement	Predecessor agreement to this Agreement through which wholesale customers purchased water from Portland.
Seasonal Peaking Factor	Purchaser's average Actual Seasonal Peaking Factor from the previous five years.
Stranded Cost Fees	Required payments to Portland in the event of Purchaser's early termination of the Agreement under certain circumstances, or certain reductions in Purchase Quantity.
Surplus Capacity	Portion of the system capacity left unused after June 30, 2026 when City of Gresham, Rockwood PUD, and Tualatin Valley Water District are expected to terminate their firm supply purchase from Portland. Surplus Capacity is the sum of water purchased by Gresham, Rockwood PUD, and Tualatin Valley Water District during the one-year period prior to June 30, 2026. This Agreement includes a one-time adjustment assigning Portland the Surplus Capacity. This is for the purpose of rate making where



<u>Term</u>	<u>Definition</u>
	Portland is assigned the costs that are allocated to Surplus Capacity.
Terminating Parties	The City of Gresham, Rockwood PUD, and the Tualatin Valley Water District. Each has given notification that they will terminate their water purchases from Portland as of June 30, 2026.
True Interest Cost	All-In True Interest Cost (TIC) is the percentage discount rate that, when applied to scheduled debt service, results in the borrowing's bond proceeds (net of underwriters' discount and other issuance costs).
Washington County Supply Line (WCSL)	Pipeline sized 48" to 66" from Powell Butte Reservoir to 67 <sup>th</sup> Avenue / Holgate intersection, and 60" pipeline from 67 <sup>th</sup> Avenue to Washington County Line near intersection of Beaverton Hillsdale Highway / Oleson Road.
Water Management and Conservation Plan	Purchaser's plan as required and outlined in OAR 690-086-0150.
Wheeling	The transportation of water through Purchaser's water system to Portland's Retail Customers or any other entity other than Purchaser's Retail Customers.
Wholesale Customers	Purchaser and all others who are parties to agreements for purposes substantially similar to this Agreement.
Wholesale-Only Costs	O&M and Capital Costs incurred by Portland for the benefit of only Wholesale Customers. These costs are included in the determination of rates and charges under this Agreement.

## KEY DATES

<b>Requirement</b>	<b>Section / Reference</b>	<b>Date</b>
Notification of renewal	3.D	No less than five years prior to expiration of the Agreement
Independent Supplies Notice	5.C.1.a	Five years or as soon as practicable before implementing any Independent Supplies.
Peak Season	5.B2	Peak Season is from July 1 to September 30
Purchase Increase	5.D	Immediately, when Purchaser expects to increase its Purchase Quantity by 20% or more in any year.
Portland Confirmation of Increased Purchase Quantity	5.D	Within 90 days of receipt of Purchaser's notification of Purchase Increase.
Projected Water Usage	7.A.1	Every July 1 commencing on the fifth year after the execution of this Agreement and every fifth July 1 thereafter until termination.
Portland Demand Forecast	7.A.3	Every May 1. Portland provides the WWMG with a summary of projected water demand for the region.
Notice of Dispute	14.A	Immediately upon identification of a contractual dispute.
Commencement of Mediation	14.C.1	Within 45 days after receipt of the Notice of Dispute.
Commencement of Arbitration	14.D	Within 15 days after the end of Mediation.

**EXAMPLE PURCHASE QUANTITIES AND PEAK DEMAND**  
**(To be update annually for rate setting)**

AVERAGE DAILY DEMAND (MGD)

Customer Class	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5 yr avg
Service Area 1 Water Cos.	0.03	0.03	0.03	0.03	0.04	0.03
City of Gresham	5.86	5.93	5.56	5.91	5.53	5.76
Lusted Water District	0.15	0.15	0.13	0.15	0.16	0.15
Pleasant Home Water District	0.16	0.16	0.13	0.16	0.15	0.15
Rockwood Water PUD	6.18	5.99	6.05	6.42	6.49	6.22
Palatine Hill Water District	0.37	0.39	0.34	0.39	0.33	0.37
Burlington Water District	0.04	0.03	0.03	0.03	0.03	0.03
Lake Grove Water District	0.34	0.30	0.29	0.31	0.32	0.31
Valley View	0.14	0.17	0.17	0.17	0.13	0.16
West Slope Water District	1.20	1.23	1.11	1.27	1.16	1.19
TVWD	16.58	16.18	16.14	16.28	15.75	16.19
Raleigh Water District	0.55	0.53	0.47	0.55	0.49	0.52
City of Tualatin	4.38	4.63	4.18	4.61	4.25	4.41
City of Sandy	0.46	0.47	0.50	0.51	0.51	0.49
<b>Total</b>	<b>36.43</b>	<b>36.20</b>	<b>35.14</b>	<b>36.80</b>	<b>35.34</b>	<b>35.98</b>

PEAK SEASON DEMAND (MGD)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5 yr avg
Service Area 1 Water Cos. (1)	0.05	0.05	0.03	0.04	0.06	0.05
City of Gresham	6.75	6.76	6.40	6.72	6.67	6.66
Lusted Water District	0.24	0.24	0.18	0.24	0.25	0.23
Pleasant Home Water District	0.29	0.25	0.19	0.26	0.28	0.25
Rockwood Water PUD	6.83	6.75	6.50	6.77	6.84	6.74
Palatine Hill Water District	0.79	0.80	0.65	0.75	0.79	0.76
Burlington Water District	0.04	0.04	0.04	0.04	0.03	0.04
Lake Grove Water District	0.32	0.32	0.32	0.32	0.32	0.32
Valley View	0.28	0.28	0.26	0.30	0.30	0.28
West Slope Water District	1.77	1.87	1.68	1.82	1.94	1.82
TVWD	19.16	19.16	19.12	19.15	19.32	19.18
Raleigh Water District	0.92	0.84	0.74	0.82	0.87	0.84
City of Tualatin	5.81	6.07	5.55	5.82	6.48	5.95
City of Sandy	0.48	0.50	0.51	0.53	0.55	0.52
<b>Total</b>	<b>43.74</b>	<b>43.93</b>	<b>42.18</b>	<b>43.58</b>	<b>44.70</b>	<b>43.63</b>

PEAK 3-DAY DEMAND (MGD)

Customer Class	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5 yr avg
Service Area 1 Water Cos. (1)	0.08	0.09	0.08	0.08	0.08	0.08
City of Gresham	8.09	6.99	6.97	8.14	6.98	7.43
Lusted Water District	0.39	0.39	0.36	0.37	0.35	0.37
Pleasant Home Water District	0.41	0.37	0.32	0.41	0.39	0.38
Rockwood Water PUD	7.49	7.17	7.01	7.24	6.96	7.17
Palatine Hill Water District	1.12	1.03	0.94	1.07	1.00	1.03
Burlington Water District	0.11	0.07	0.07	0.08	0.08	0.08
Lake Grove Water District	0.45	0.35	0.39	0.61	0.50	0.46
Valley View	0.41	0.36	0.40	0.41	0.40	0.40
West Slope Water District	2.29	2.41	2.21	2.35	2.35	2.32
TVWD	24.64	24.20	21.68	24.01	26.73	24.25
Raleigh Water District	1.46	1.13	0.95	1.17	1.10	1.16
City of Tualatin	7.04	7.54	7.53	8.21	7.94	7.65
City of Sandy	0.51	0.52	0.77	0.89	0.60	0.66
<b>Total</b>	<b>54.49</b>	<b>52.61</b>	<b>49.67</b>	<b>55.03</b>	<b>55.46</b>	<b>53.45</b>

(2) weighted average from Lusted & Pleasant Home

**EXHIBIT 1**  
**POINT OF DELIVERY LOCATIONS**

<b>Description Meter Location</b>	<b>Office Address</b>	<b>meter #</b>	<b>size</b>
SW 80th Ave & SW Florence	10699 SW herman Road, Tualatin OR 97062	6500E919000	16

Note: Locations may be updated as point of delivery changes.

## EXHIBIT 2

### STRANDED COST FEES

Stranded Cost Fees consist of the capital portion of the wholesale rate multiplied by Purchaser's eliminated demand at the time this Agreement is terminated by Purchaser or reduction in demand in the Agreement Year in which the reduction takes place.

The formula for determining the Stranded Cost Fee is as follows:

$$\text{Fee} = C \times D \times P \times N / (1 + \text{RoR})^N$$

Where:

C = Capital portion of the wholesale rate applicable in the year preceding the notification expressed in \$/gallon.

D = The Purchaser's Purchase Quantity expressed in gallons.

P = The percentage of Purchaser's demand (D) to be reduced either from termination of the Agreement or by reduction due to changing supply sources. For terminations, P=100%. For reductions, P < 100% determined as the percentage reduction in annual water deliveries due to increased usage of Independent Supplies as specified in the Purchaser's Independent Supplies Notice (per Section 5C).

N = The number of remaining years in the term of the Agreement.

RoR = The Rate of Return pursuant to Section 6 of the Agreement.

Example:



Exhibit 7B: Example Application

$$C \times D \times P \times N / (1 + \text{RoR})^N$$

Customer seeks to reduce demand on Portland by 50% with 15 years remaining on the wholesale agreement. Current demand on Portland's system is 250,000 CCF/Year. The capital portion of the wholesale rate is \$0.52 for demonstration purposes. The rate of return is 3.84% for demonstration purposes.

$$\frac{\$0.52 \times 250,000 \times 50\% \times 15}{(1 + .0384)^{15}}$$


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$$= \$975,000$$


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$$= 1.76$$


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$$= \underline{\underline{\$553,977}}$$



**EXHIBIT 3**  
**GENERAL LIST OF ASSETS IN COST POOLS**

Cost Pool	Facilities	
Raw assets	Bull Run facilities Headworks Conduits	
Joint assets	Filtration Treatment	
	Well Field Groundwater Collection System Groundwater Pump Station 162nd Ave GW Transmission Piping & Vaults to/from Powell Butte	
	Powell Butte Reservoir 1 Powell Butte Reservoir 2	
West assets	Arlington Heights System	
	Taylor's Ferry & Capitol Highway Pump Stations Arnold & Alto Park Systems	
	Sellwood River Crossing Hannah Mason & Carolina Pump Stations / Burlingame 643 System	
	Hoyt Park & Burnside Pump Stations / Calvary System	
	Portland Heights Pump Stations / Council Crest System	
	SE Supply Line from Conduit 3 to Fulton/Hannah Mason & Carolina Pump Stations Kelly Butte 427 Reservoir 162nd Avenue to Kelly Butte & Mt. Tabor Transmission System Conduits 2, 3, and 4 VAG Valves Division Street Piping (except 42nd & Division) 67th & Holgate connection to Kelly 427	
	Portland Heights System	
	Sam Jackson Pump Station	
	Vermont Hills 585 & 511 System	
	Washington Park 229 Distribution System North of St Johns Crossing to Burlington S of Sellwood Crossing to Palatine	
	Transmission System from Kelly 427 to Washington Park & other west-side destinations Ross Island, Marquam, Clay, & St. Johns River Crossings Washington Park Reservoir 3 Sam Jackson Tank West Side Header to Carolina Pump Station 42nd & Division Sleeve Valve	
	Washington Park Pump Stations 1, 2, & 3	
	Washington County Supply Line: Pipeline sized 48" to 66" from Powell Butte Reservoir to 67th Avenue / Holgate intersection, and 60" pipeline from 67th Avenue to Washington County Line near intersection of Beaverton Hillsdale Highway / Oleson Road	
	East assets	Parkrose 261 System

List may be updated as assets are added/changed.