



Molalla City Council

Meeting located at: Molalla Adult Community Center
315 Kennel Avenue Molalla, OR 97038

March 13, 2013

Regular Meeting Agenda

Executive Session – 6:00PM Pursuant to ORS 192.660(2)(f) to consider information or records that are exempt from disclosure by law.

Work session: 6:30pm. The Council will review and discuss agenda items for the business meeting.

Business meeting: The meeting will begin at 7 p.m. The Council has adopted Public Participation Rules. Copies of these rules and public comment cards are available at the entry desk. Public comment cards must be turned into to the City Recorder prior to the start of the Council meeting.

The City will endeavor to provide a qualified bilingual interpreter, at no cost, if requested at least 48 hours prior to the meeting. To obtain services call the City Recorder at (503) 829-6855.

1,011th Regular Meeting

1. CALL TO ORDER

- A. Flag Salute
- B. Roll Call

2. COMMUNICATIONS AND PUBLIC COMMENT

Written

- A. Molalla Library & Board Minutes

Verbal Presentations

- A. Smoke Free Parks
- B. TEAM

3. AWARDS & RECOGNITIONS

4. PUBLIC HEARINGS

5. CONTINUING BUSINESS

- A. Molalla Communication Contract for IT Services
- B. Discussion about PAL building

6. NEW BUSINESS

- A. Declaring Police Vehicle as Surplus
- B. Citizen Appointments to Boards and Commissions

7. ORDINANCES - *Public Comment on proposed Ordinance 2013-02: An Ordinance of the City of Molalla Establishing a Privilege Tax on Electric Utilities*

- A. 2013-02: An Ordinance Of The City Of Molalla Establishing A Privilege Tax On Electric Utilities (Second Reading and consideration of adoption)

8. RESOLUTIONS

9. PROCLAMATIONS

10. REPORTS AND ANNOUNCEMENTS

- A. City Manager Report - Memo Included in Packet

1. Council Tour of Water and sewer facilities - set up a time for the tour.

- B. Upcoming Council Agenda Items:

- 1. Council Meeting on 03/13/13 at 7:00PM at the Molalla Adult Center
- 2. Economic Improvement District
- 3. Telecommunication Franchise Ordinance
- 4. *Council Goals – Revisit at Molalla City Hall (March 28, 2013)*
- 5. Planning Commission Meeting on 02/26/13: Update of proposed annexation ordinance and a land use appeal. Ordinance to go to Council April 9, 2013
- 6. URA Work Session With Greg Ellis at 6:30pm – Molalla City Hall

11. EXECUTIVE SESSION – 6:00PM

Pursuant to ORS 192.660(2)(f) to consider information or records that are exempt from disclosure by law.

12. ADJOURNMENT

Library Board Meeting – Staff Report – January 17th, 2013

Library Activities –

New story time on Tuesdays at 10:30 with Sheila. Sheila is volunteering her time to provide the new story time. She worked at the Milwaukie Library for many years and is now retired.

Oregon Reader's Choice Award: Children are signing up to participate. We have 37 children signed up at this time. They have through March to read the books and vote for their favorite one. They must read at least 3 books from the list of nominations. They will receive a \$10.00 gift card for completing the program and voting for their favorite book.

Wednesday, January 23rd from 6:00 – 8:00 pm the library is cosponsoring the author's quarterly with Lee Shaw and Carrol Haushalter. The authors being showcased this time are local authors Diane Green and Helen Liere.

Sunday, January 27th at 1:30 pm Larry Anderson has planned an event to celebrate Poet Laureate William Stafford. Kate Gray, poet and literature instructor at Clackamas Community College will be here to help lead readings and a discussion of his work.

The library is asking for donations of Legos. We hope to plan lego events here at the library. This has been done at several libraries and has been very successful.

Winter Reading signups begin on February 10th. This year's theme is "Prehistoric Times". This reading program is for preschool through 5th grade.

A new cultural pass is now available here at the library. It is for the Evergreen Aviation Museum in McMinnville. The pass is good only for the museum and does not include the water park or theatre.

Library Closures –

The library will be closed for Martin Luther King's Birthday, Monday, January 21st.

Old Business –

Bylaws – City Manager Mark Gervasi asked me if I would like to revise the wording in number 1 Article II to "City Manager" from "City Administrator" as this is the wording used in the City Charter. I agreed that the wording should be the same to prevent any confusion. This change was made before the revisions were presented to the City Council. The city council adopted the changes to the bylaws that the library board proposed without any comment.

Library Lights – I spoke with the electrician when they came to give me a quote on changing the ballasts. The good news is that all the lights except for one fixture back by the bathrooms use the newer bulbs and so will not have to be changed.

Outside book drops – the first book drop is being repaired. It is taking longer than anticipated due to issues with supplies and painting.

Open Board Position – with the changes in the bylaws the position on the board has changed from an in city position to an unincorporated position.

City Council liaison has not been assigned at this time. Debi Rogge, Mayor, asked the city councilors to indicate what boards they are interested in being assigned to. Hopefully the assignments will be made shortly.

New Business –

Btop Fiber Project –

This is a county project that they received a grant for to bring high speed internet to rural communities. This has been in the works for a couple of years. The issue for us at this time was that they were unable to use the conduit that already comes into our building because it is owned by Mollala Communications.

I was informed that it would cost the library between \$10,000 and \$12,000 for us to have them bring the line into the building. The county and network want us to use this Btop fiber for a variety of reasons. I was very concerned about spending this amount of money to connect to Btop if we were not going to stay at this location. Plus we have been told that the Btop line would be brought to our building at no charge to us. We will be responsible for the equipment inside the building that will be required to connect to the Btop fiber, I have always been aware of this. The amount that it would cost us for this equipment has not been made clear except that it keeps going up. Kwang, net work manager, is now saying that it will not be greater than \$7,000.00. That would bring the cost for us to between \$17,000 & \$19,000.

I wrote Kwang an email last week asking for some clarification of the issue and to let him know that I was unhappy with the situation. I basically told him I needed a firm dollar amount to be able to make a decision on whether to go forward with connecting to the Btop. He replied back after speaking with his contacts at county who are in charge of the project. I have given you a copy of the email and Kwang's reply.

Monday North Star Construction and the county head of the project came by to assess the situation. At that time the county person informed me that he had found the money to pay for bringing the line into the building and that we would not be asked to contribute to that portion of the cost. As of now that is where it stands. I just have a verbal statement but no official confirmation that we will not have to pay for bringing the line into the building.

Right now if we connect before the next fiscal year (July 2013) I will have to go to city council to ask them to use some of our reserve money to pay for the equipment as I did not budget the necessary money as I did not have any kind of dollar amount or timeline when it was going to happen.

Library Advisory Board

January 17, 2013

The regular meeting of the Library Advisory Board was opened at 6:30 PM by President Sandy Nelson. Other members in attendance were Angela Patton, Kelly Andrews and Director Glenda Triebwasser.

Kelly moved, Angela seconded, to approved the minutes of the previous meeting as presented. Motion carried.

Glenda provided a written and verbal Staff report. The report in entirety is attached.

Old Business:

It was reported that the by-law revision was adopted by City Council.

New Business:

Invitation to the Friends of the Library Open House Feb 19th, 6-8 PM was extended by Sandy.

Reminder of elections to be held at the February meeting.

With the adoption of the revised by-laws, there are more options for the open board position.

Meeting adjourned 8:00 PM

Submitted,

Sandy Nelson



STAFF REPORT

TO: Honorable Mayor and Members of the City Council
THROUGH: Mark J. Gervasi, City Manager
FROM: Melissa Georgesen, Community Services Director
& The Park & Recreation Board

DATE: March 6, 2013

SUBJECT: Smoke Free Parks Presentation by Clackamas County

ISSUES BEFORE THE COUNCIL:

To consider an ordinance to have smoke and tobacco free parks in the City of Molalla. If we have an ordinance in place we can enforce it and our parks will be more inviting to families. The Parks & Recreation Board has seen the presentation and is in agreement to adopt an ordinance.

RECOMMENDATION:


Approve and adopt smoke and tobacco free parks ordinance

FINANCIAL IMPLICATIONS:

Not certain at this time- signage, etc.

Fund Source(s): General Fund

1 in 5



Nearly 1 in 5 adults (45.3 million) smokes. Among all adults, smoking declined from 20.9% in 2005 to 19.3% in 2010.

8%

Smokers are smoking less. Among adult daily smokers, the percentage who smoke 30 or more cigarettes per day dropped from 13% in 2005 to 8% in 2010.



50%

Half of adults who continue to smoke will die from smoking-related causes.

Adult Smoking in the US

Tobacco use remains the single largest preventable cause of disease, disability, and death in the US. Some people who smoke every day are smoking fewer cigarettes; however, even occasional smoking causes harm. The percentage of American adults who smoke decreased from 20.9% in 2005 to 19.3% in 2010. That translates to 3 million fewer smokers than there would have been with no decline. But almost 1 in 5 adults still smoke. Reducing tobacco use is a winnable battle—a public health priority with known, effective actions for success. A combination of smoke-free laws, cigarette price increases, access to proven quitting treatments and services, and hard-hitting media campaigns reduces health care costs and saves lives.

→ See page 4

Want to learn more? Visit

 <http://www.cdc.gov/vitalsigns>



443,000 Americans die of smoking or exposure to secondhand smoke each year.

Problem

Millions of people still smoke.

- ◇ For every smoking-related death, another 20 people suffer with a smoking-related disease.
- ◇ In 2010, 19.3% of adults (or 45.3 million) smoked cigarettes, compared with 20.9% of adults in 2005.
- ◇ Smoking costs the US about \$96 billion each year in direct medical costs and \$97 billion from productivity losses due to premature death.

There is no safe level of smoking.

- ◇ Each cigarette you smoke damages your lungs, your blood vessels, and cells throughout your body.
- ◇ Even occasional smoking is harmful, and the best option for any smoker is to quit completely.
- ◇ The more years you smoke, the more you damage your body. Quitting at any age has benefits.
- ◇ A majority of Americans who have ever smoked have already quit; you can too.

Why is it so hard to quit smoking?

- ◇ Nicotine is a highly addictive drug. Addiction keeps people smoking even when they want to quit.
- ◇ Cigarettes deliver more nicotine more quickly now than ever before.
- ◇ The tobacco industry spends about \$9.94 billion each year, or \$27 million every day, on cigarette advertising and promotion—72% of these dollars are spent on discounts to offset tobacco taxation and other tobacco control policies.

What's the most effective way to quit smoking?

- ◇ Different ways work for different people. Many smokers have to try multiple times before they're able to quit for good. It is important to keep trying until you succeed; each time you learn something that will help you quit for good.
- ◇ While you're trying to quit, nicotine and non-nicotine containing medications can help lessen the urge to smoke. Talk to your health care provider for help.
- ◇ Individual, group, or telephone counseling can double your likelihood of success. A combination of medication and counseling is more effective than medication or counseling alone.
- ◇ Smokers can receive free resources and assistance to help them quit by calling 1-800-QUIT-NOW (1-800-784-8669) or visiting www.smokefree.gov.

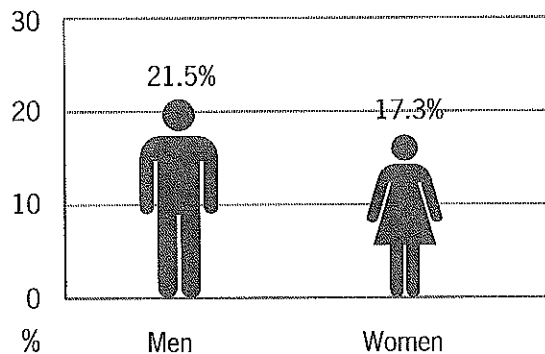
The more states invest in comprehensive tobacco control programs, the greater the reductions in smoking—and the longer they invest, the greater and faster the impact.

- ◇ California's adult smoking rate has dropped nearly 50% and the number of cigarettes smoked per person has decreased by 67% since the state began the nation's longest-running tobacco control program in 1988.
- ◇ California saved \$86 billion in health care costs by spending \$1.8 billion on tobacco control, a 50:1 return on investment over its first 15 years of funding its tobacco control program.

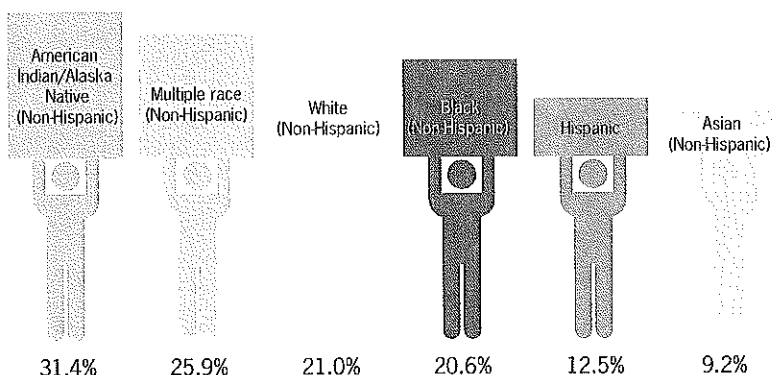
US Adult Smoking Statistics

SOURCE: National Health Interview Survey, 2010

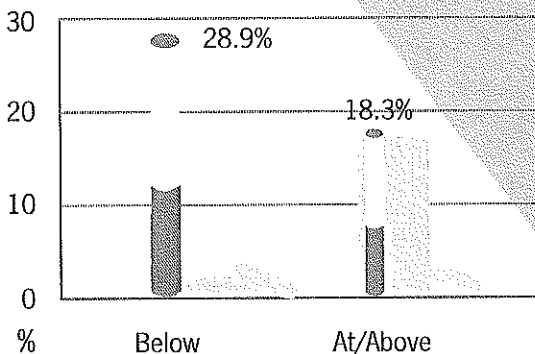
Percent of adults who smoke by sex



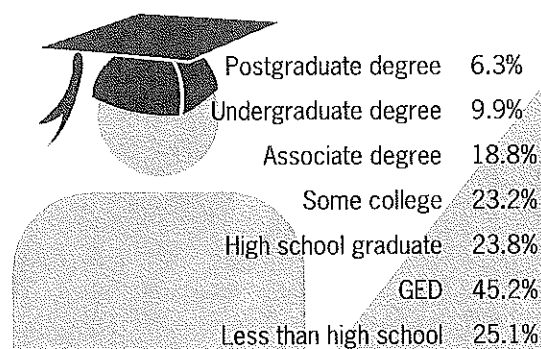
Percent of adults who smoke by racial/ethnic group



Percent of adults who smoke by poverty level



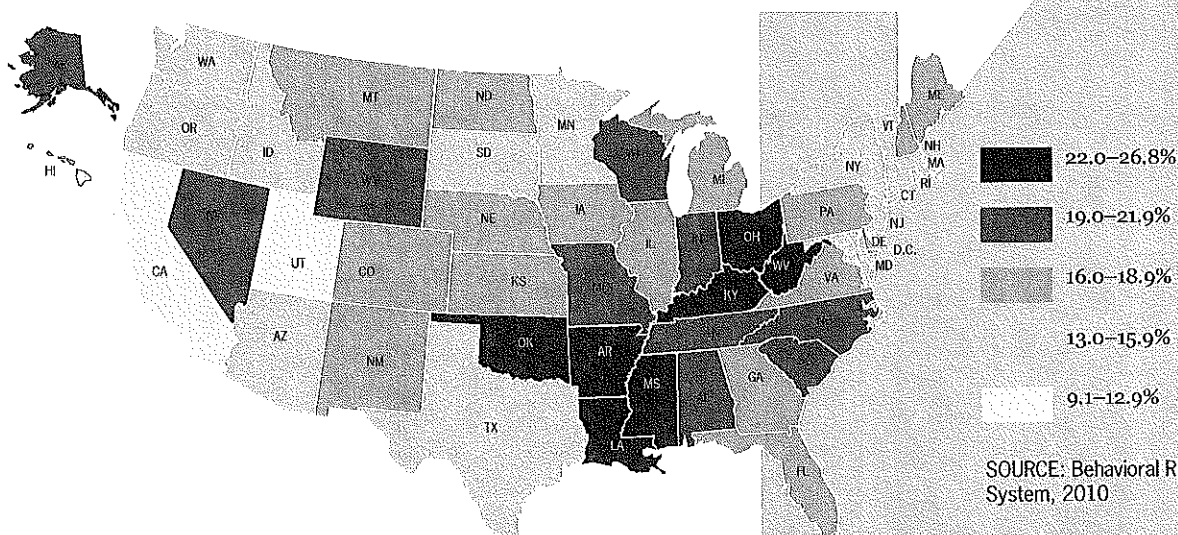
Percent of adults who smoke by education level



Education estimates are among individuals ≥25 years of age.

US State Info

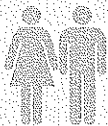
Adult Smoking Prevalence by State



SOURCE: Behavioral Risk Factor Surveillance System, 2010

What Can Be Done

Here's What Works



Tobacco users can

- ◊ Quit. The sooner you quit, the sooner your body can begin to heal, and the less likely you are to get sick from tobacco use.
- ◊ Ask a health care provider for help quitting and call 1-800-QUIT-NOW for free assistance.
- ◊ Find a step-by-step quit guide at www.smokefree.gov.



State and community leaders can

- ◊ Fund comprehensive tobacco control programs at CDC-recommended levels.
- ◊ Enact 100% smoke-free indoor air policies that include workplaces, restaurants, and bars.
- ◊ Increase the price of all tobacco products.
- ◊ Implement hard-hitting media campaigns that raise public awareness of the dangers of tobacco use and secondhand smoke exposure.
- ◊ Use the World Health Organization's (WHO's) MPOWER strategies to prevent and reduce tobacco use and to make tobacco products less accessible, affordable, attractive, and accepted.

M = Monitor tobacco use and prevention policies
P = Protect people from tobacco smoke
O = Offer help to quit
W = Warn about the dangers of tobacco use
E = Enforce restrictions on tobacco advertising
R = Raise taxes on tobacco



Parents and nonsmokers can

- ◊ Make your home and vehicles smoke-free.
- ◊ Not start, if you aren't already using tobacco.
- ◊ Quit if you smoke; children of parents who smoke are twice as likely to become smokers.
- ◊ Teach children about the health risks of smoking and secondhand smoke.
- ◊ Encourage friends, family, and coworkers to quit.



Health care providers can

- ◊ Ask their patients if they use tobacco; if they do, help them quit.
- ◊ Refer patients interested in quitting to 1-800-QUIT-NOW, www.smokefree.gov, or other resources.
- ◊ Advise all patients to make their homes and vehicles 100% smoke-free.
- ◊ Advise nonsmokers to avoid secondhand smoke exposure.



Employers can

- ◊ Establish a policy banning the use of any tobacco product indoors or outdoors on company property by anyone at any time.
- ◊ Provide all employees and their dependents with health insurance that covers support for quitting with little or no co-payment.



Retailers can

- ◊ Learn the new Food and Drug Administration (FDA) restrictions on youth access to tobacco products and tobacco marketing to youth, and closely follow them.
- ◊ Never sell any tobacco product to customers younger than 18 years of age (or 19 in states with a higher minimum age requirement).
- ◊ Check the photo ID of any customer trying to buy tobacco products who appears to be 26 years of age or younger.



For more information, please contact

Telephone: 1-800-CDC-INFO (232-4636)

TTY: 1-888-232-6348

E-mail: cdcinfo@cdc.gov

Web: www.cdc.gov

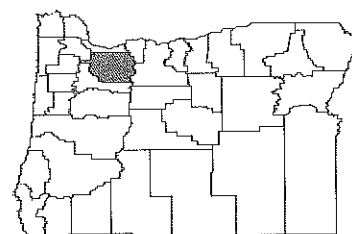
Centers for Disease Control and Prevention
1600 Clifton Road NE, Atlanta, GA 30333

Publication date: 09/06/2011

Clackamas County Tobacco Fact Sheet 2011

Tobacco's Toll on Clackamas County in One Year

- 44,652 adults** regularly smoke cigarettes.
- 10,623 people** suffer from a serious illness caused by tobacco use.
- 544 people** die from tobacco use (19 percent of all deaths in this county).
- \$99 million** is spent on medical care for tobacco-related illnesses.
- \$91 million** in productivity is lost due to tobacco-related deaths.



County Population:
89,897 youths
289,948 adults

379,845 total

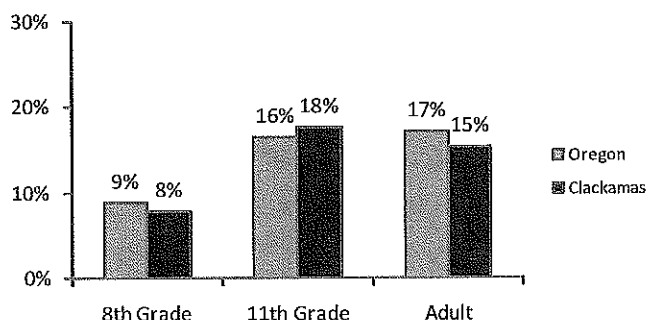
Tobacco Control Highlights

- 93 percent of adults report no-smoking rules in their home.
- 93 percent of eighth-grade students report that they live in a smoke-free home.
- 45 percent of smokers made an attempt to quit last year.

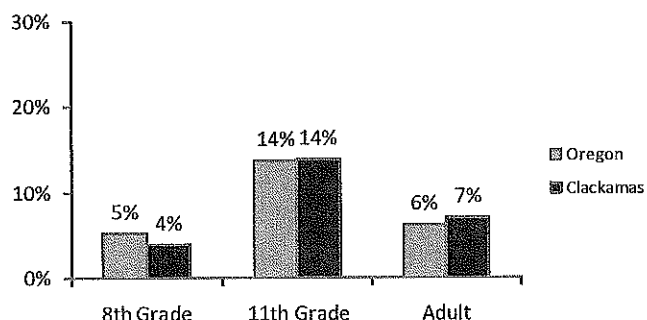
Tobacco Use Among Adults and Youth

Statewide, smoking among adults has decreased 26 percent since 1996. Smoking has declined 54 percent among Oregon's eighth-graders, and 46 percent among 11th-graders. Use of smokeless tobacco has dropped as well.

Cigarette Smoking



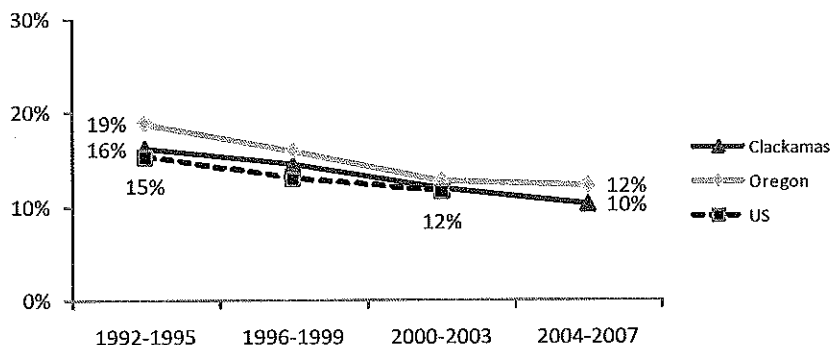
Smokeless Tobacco Use by Males



Tobacco Use During Pregnancy

Since 1996, the percentage of infants born to mothers in Oregon who used tobacco while pregnant has decreased 34 percent.

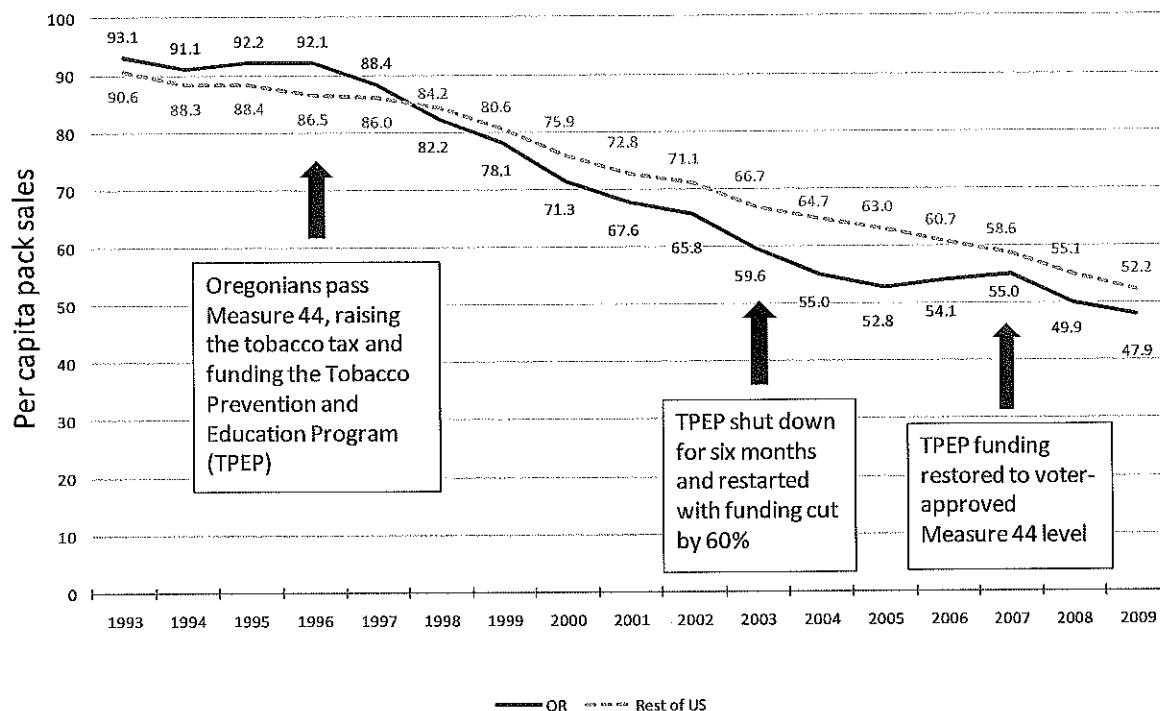
Prenatal Tobacco Use



Cigarette Consumption in Oregon

Oregon's per-capita cigarette consumption decreased 48% from 1996 to 2009.

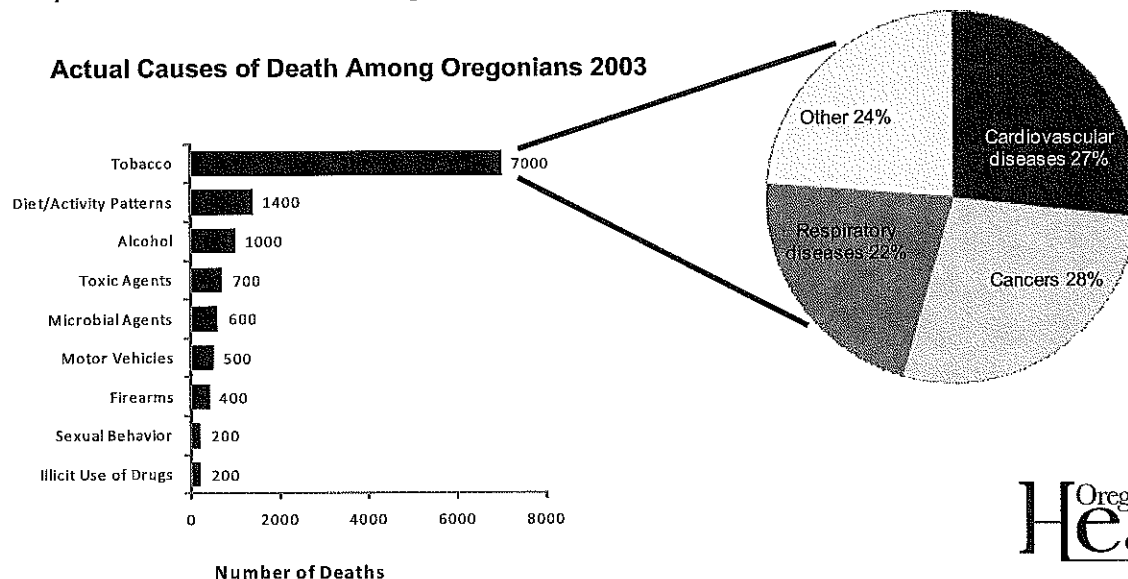
Per-capita Cigarette Pack Sales (Oregon vs. U.S.), 1993 through 2009



Deaths in Oregon

Over 22 percent of the deaths in Oregon are linked to tobacco.

Actual Causes of Death Among Oregonians 2003



Oregon Health Authority

PUBLIC HEALTH DIVISION
Tobacco Prevention and
Education Program
800 NE Oregon St., Suite 730
Portland, OR 97232
971-673-0984
www.healthoregon.org/tobacco

TECHNICAL NOTES AND DOCUMENTATION AVAILABLE AT: www.healthoregon.org/tobacco

Suggested Citation

Tobacco Prevention and Education Program. *Clackamas County Tobacco Fact Sheet 2011*.
Portland, Oregon: Oregon Health Authority, Oregon Public Health Division, 2010.

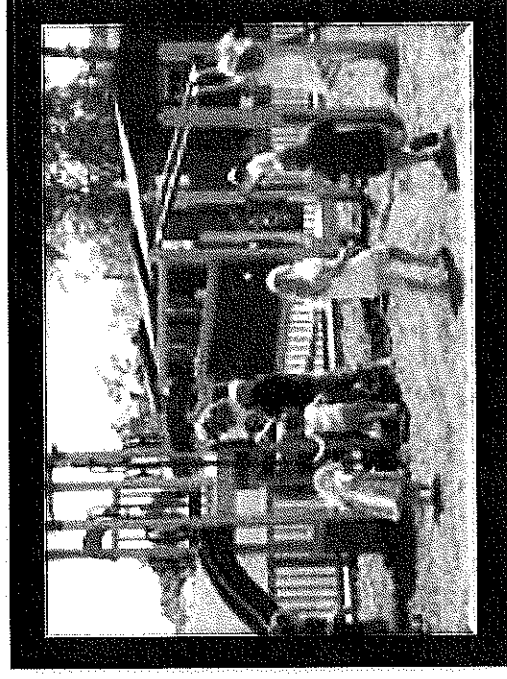
Molalla: Tobacco Free/ Smoke Free Parks

2/20/2013



What We'll Talk About

- Why Tobacco-Free Policies: Health, Environment & Livability
- Definitions: Smoke-Free, Tobacco-Free
- Designated Areas
- What's happening in Oregon
- Steps to Implementation
- Enforcement
- Implementation
- Evaluation



Why Tobacco Free Ordinance?

- **Most people don't smoke**
 - 15.4 percent of Clackamas County adults smoke.
 - 7.1 percent of adult males in Clackamas County use smokeless tobacco.
- **Modeling tobacco use behavior** is one of the best advertisements to recruit new smokers
 - 7.9 percent of Clackamas County 8th graders and 17.6 percent of Clackamas County 11th graders smoke.
 - 3.9 percent of Clackamas County 8th graders and 13.8 percent of Clackamas County 11th graders use spit tobacco.
- **Tobacco-free environments are more family-friendly**
 - 10.4 percent of Clackamas County mothers reported tobacco use during pregnancy .
 - In Oregon, among adult current smokers, 69 percent would like to quit smoking.
 - In Oregon, among adult current smokers, 57 percent were advised to quit smoking at their last visit to their health care provider.

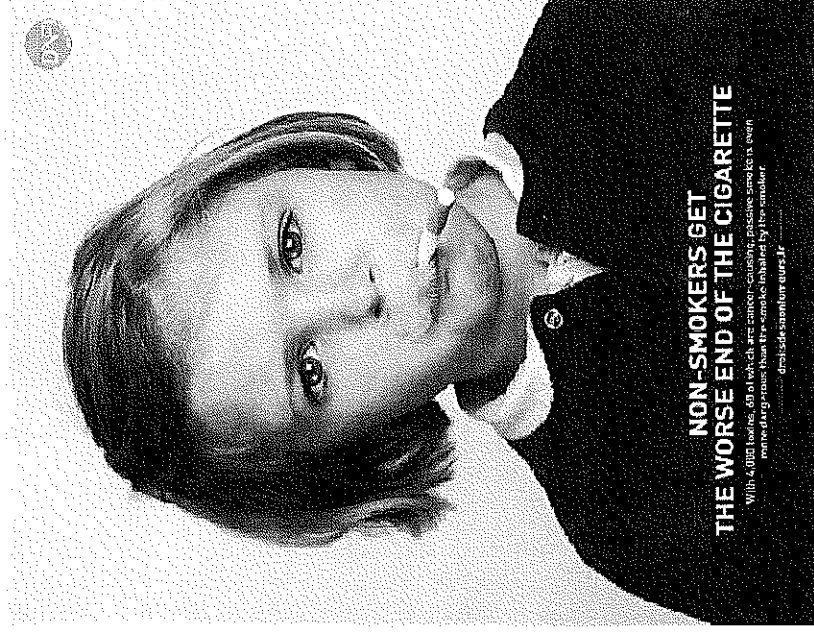


Health Reasons



Second Hand Smoke (SHS)

- Exposure to SHS is harmful—especially to children
 - No level of SHS is risk-free
 - Contains 4,000 chemicals — listed as a Group A carcinogen
- Exposure to SHS negates the positive effects of engaging in healthy outdoor activities
- SHS exposure in outdoor areas can rival amounts in indoor spaces



NON-SMOKERS GET THE WORSE END OF THE CIGARETTE

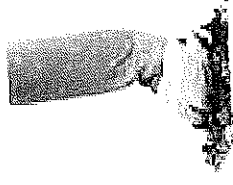
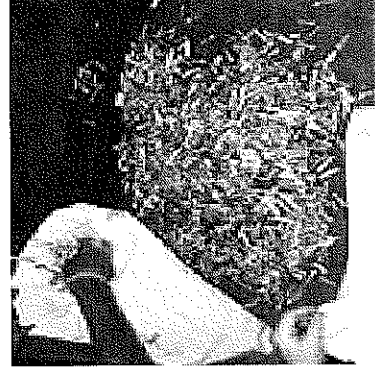
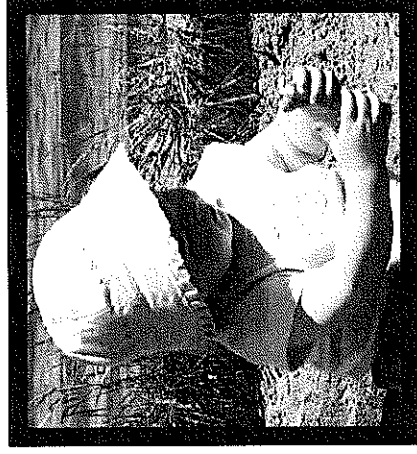
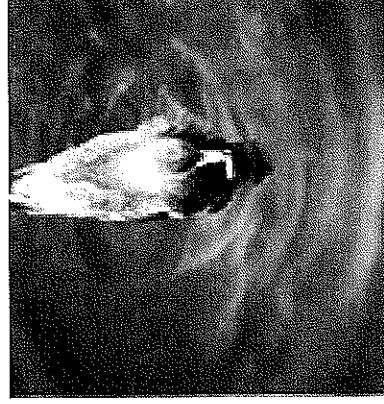
With 4,000 known, air-borne, cancer-causing, poisonous chemicals, even non-smokers get more than their share of the smoke inhaled by the smoker.

—Dr. J. S. Samuels, Jr.

Environment: Butt Litter

Each cigarette butt can contain up to 60 known human carcinogens including arsenic, formaldehyde, chromium and lead.

- Toxic to children, pets, and wildlife if ingested
- One of the most common forms of litter
- Not biodegradable and take decades to decompose
- Butts and package litter cost money and man-power to clean-up

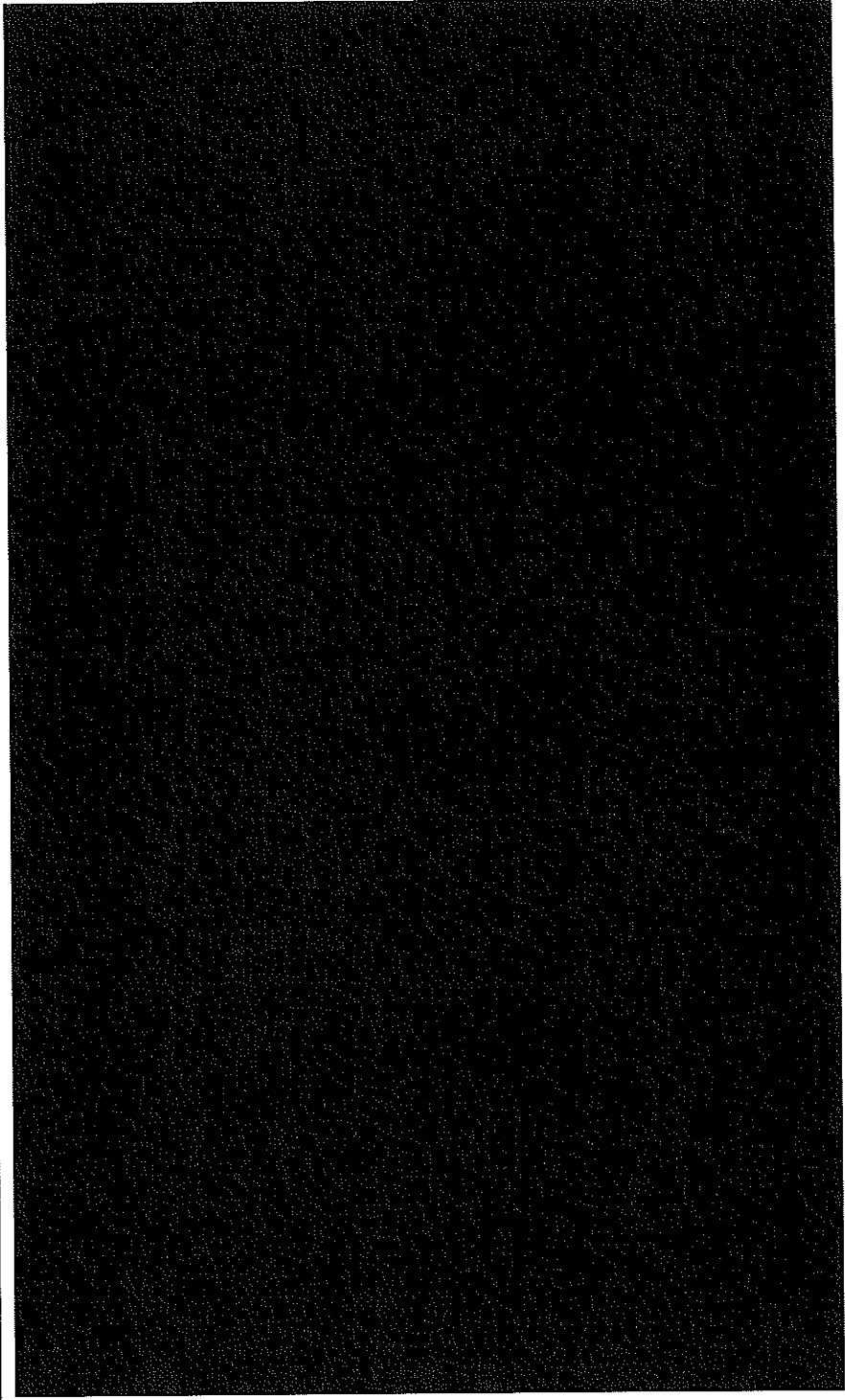


Environment: Fire Risk

- One in ten Oregon fires is started by cigarettes
(Oregon Fire Marshall, 3/2011)
- Fires are often caused by dropping cigarettes in planting areas, bark mulch and trash receptacles



Big Tobacco Targets Youth:

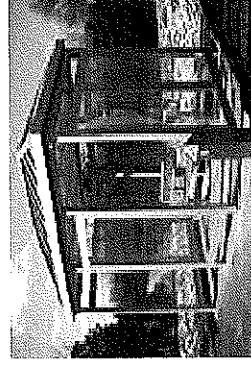


Definitions

- Definitions
 - Smokefree = inhaling/exhaling lighted, burning product
 - Tobacco-free = use of any form of tobacco product, including spit tobacco
- Designated Areas
 - Smoking is prohibited in or set back from playgrounds, picnic areas, sports fields and other outdoor areas or facilities
- 100% Smokefree
 - Smoking is prohibited on park properties
- 100% Tobacco-free
 - All forms of tobacco use are prohibited on park properties

Smoke/Tobacco Free vs. Designated Areas

- | | |
|--|---|
| <ul style="list-style-type: none"> • No confusion about location • Consistent • Cleaner (no butts, no spit) • No SHS exposure • Easier to communicate • Supports mission of parks & recreation • Public image of community • Easier to enforce | <ul style="list-style-type: none"> • Location unknown, smoke anywhere • Location too far, not used • Location too close, smoke drifts, people exposed to SHS • Models unhealthy behavior (kids aspire up) • Public image of community • Enforcement issues (50 ft or 51') • Cost of construction/maintenance |
|--|---|

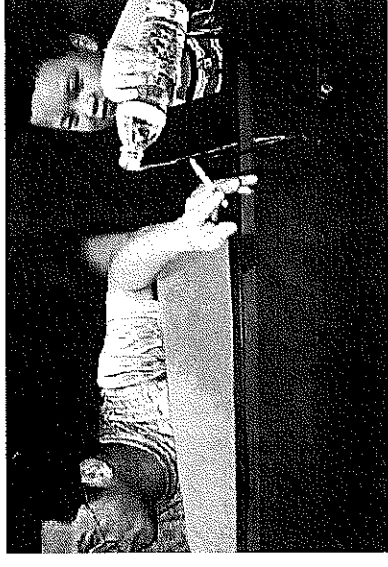


What's Happening in Oregon?

City/County	Type of Policy
Ashland, Jackson	100% smoke-free
Bandon, Coos	100% smoke-free
Bend, Deschutes	100% tobacco-free
Clackamas County Fairgrounds, Canby	100% smoke-free
Happy Valley, Clackamas	100% tobacco-free
Lake Oswego, Clackamas	100% tobacco-free
Lincoln City, Lincoln	100% smoke-free
Pendleton, Umatilla	100% tobacco-free
Prineville, Crook	100% tobacco-free
Stayton, Marion	100% tobacco-free
Wilsonville, Clackamas	100% tobacco-free
Over 21 cities and 260 parks	...and the list goes on

Steps to Implementation

- Convene a task group
- Identify partnerships
- Identify reasons, e.g., values statement
- Identify challenges
- Gather information, e.g., other communities, conduct survey
- Develop rule or ordinance proposal
- Implementation, e.g., timeline, communication, enforcement
- Evaluation



Identify Partnerships

- Community groups
- Event organizers
- Schools
- Faith community
- Youth-serving organizations (4H, FFA, Scouts)
- Healthcare providers
- Law Enforcement
- Fire District
- Youth
- Businesses
- Sports leagues
- Fitness/Walking groups
- Parents
- Senior citizen groups
- Vendors
- Local government
- Media
- Clackamas County Tobacco
Prevention and Education

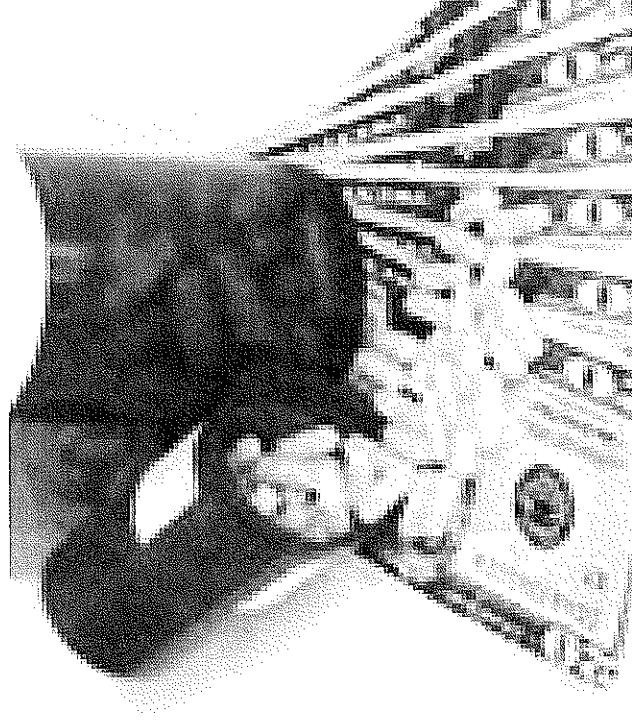
Identify Reasons

- Health impacts (e.g., improve health, reduce health risks for people who use parks, esp. those with chronic conditions)
- Environmental impacts (e.g., butt litter, green spaces, fire hazard, protect habitat)
- Social impacts (e.g., kids aspire up, parks enhance quality of life, most people don't use tobacco)
- Economic impacts (e.g., location, location, location; parks help fuel economic health, maintenance)

In your opinion, why would community members support smoke/tobacco-free parks?

Quiz

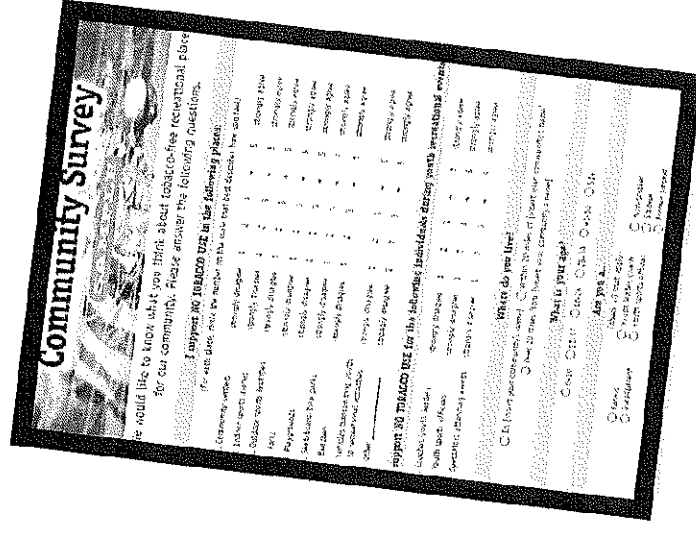
- About how much is spent on medical care for tobacco-related illness in Clackamas County?



\$99 million
Oregon Tobacco Facts, 2011

Gather Information

- Gather information about other parks policies
- Hold community meetings
 - Parks officials
 - Law enforcement
 - Park user groups (e.g., sports leagues, schools)
 - Community-at-large
- Conduct community survey
 - Park event survey
 - Survey parks user groups
 - Butt collection (e.g., pre/post implementation)
 - Paper or electronic survey (e.g., online or PDA)
 - Include questions as part of existing survey



- 1. Statement of Corporate Policy
 a. Statement of corporate policy is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
 b. It is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
- 2. Statement of Corporate Strategy
 a. Statement of corporate strategy is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
 b. It is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
- 3. Statement of Corporate Financial Policy
 a. Statement of corporate financial policy is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
 b. It is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
- 4. Statement of Corporate Marketing Policy
 a. Statement of corporate marketing policy is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
 b. It is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
- 5. Statement of Corporate Human Resources Policy
 a. Statement of corporate human resources policy is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
 b. It is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
- 6. Statement of Corporate Environmental Policy
 a. Statement of corporate environmental policy is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
 b. It is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
- 7. Statement of Corporate Social Policy
 a. Statement of corporate social policy is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
 b. It is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
- 8. Statement of Corporate Information Policy
 a. Statement of corporate information policy is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
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- 9. Statement of Corporate Security Policy
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- 10. Statement of Corporate Compliance Policy
 a. Statement of corporate compliance policy is a statement of the company's overall goals and objectives, and it serves as a guide for the company's strategic planning process.
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- Add rule statement to parks rules and regulations
- Develop Proposal
 - Rationale
 - Scope (Who it will cover)
 - Locations
 - Clear Definition
 - Cigarettes, cigars, pipes, and any other smoking product
 - Dip, chew, snuff, snus and any other smokeless tobacco product
 - Nicotine delivery devices, such as e-cigarettes, excluding FDA-approved nicotine replacement therapy products
 - Enforcement
 - Signage
 - How rule will be communicated
 - Handled as for other parks rule violations

Implementation

- Timeline
 - Work backwards from effective date, e.g., Jan 1 or other community event or observance
- Promote It!
 - Communicate early, often and continuously
 - Communicate in coordination with events and at high park usage times
 - Include language in parks use agreements and vendor contracts
 - Provide announcement “scripts” for park user groups
 - Earned and paid media
 - Websites, newsletters, brochures, social media
 - Include Oregon Tobacco Quit Line info in all communications

ORDINANCE NO. 712

AN ORDINANCE AMENDING CITY OF WILSONVILLE PARK RULES TO PROHIBIT SMOKING OR OTHER USE OF TOBACCO ON ALL CITY PARK PROPERTY, PARK FACILITIES AND BUILDINGS

WHEREAS, the City Council has received information regarding the benefits of prohibiting smoking or other use of tobacco on all City park property, park facilities and buildings;

NOW, THEREFORE, THE CITY OF WILSONVILLE ORDAINS AS FOLLOWS:

1. Wilsonville Code, Parks and Playgrounds, § 3.000, Rules and Regulations, is amended by adding the following subsection:

“(31) Smoking or the use of tobacco products is prohibited on all City park property, park facilities and buildings. ‘Tobacco products’ includes any tobacco cigarette, cigar, pipe tobacco, smokeless tobacco, chewing tobacco, or any other form of tobacco which may be used for smoking, chewing, inhalation, or other means of ingestion.”

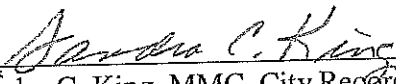
2. Wilsonville Code, Parks and Playgrounds, § 3.030(2), Enforcement and Penalty, subsection (2) shall be amended as follows:

“2.1 The reference in subsection (2) to Section 1.102 shall be corrected to read Section 1.012.

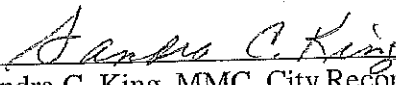
“2.2 There shall be added to subsection (2) the following last sentence: ‘Provided, further, a conviction for violation of Section 3.000(31) shall only be punished as a violation pursuant to Section 1.012.’”

3. This ordinance is effective upon adoption.


SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 17th day of December, 2012, commencing at the hour of 7 p.m. at the Wilsonville City Hall, 29799 Town Center Loop East, Wilsonville, Oregon, and scheduled for second reading on January 7, 2013.


Sandra C. King, MMC, City Recorder

ENACTED by the City Council on the 7th day of January, 2013, by the following votes:
Yes: -5- No: -0-


Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this 5TH day of January, 2013.


TIM KNAPP, MAYOR

SUMMARY OF VOTES:

Mayor Knapp	Yes
Councilor Goddard	Yes
Councilor Starr	Yes
Councilor Fitzgerald	Yes
Councilor Stevens	Yes



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

THROUGH: Mark J. Gervasi, City Manager

FROM: Sadie Cramer (Other staff involved: Heather Penni, Mark Howatt)

DATE: March 13, 2013

SUBJECT: Molalla Community Center (PAL)

ISSUES BEFORE THE COUNCIL:

Mitigation of reported damage to property and the future of the building. What about the current PAL programming. They have requested to stay in the building until June 7th.

RECOMMENDATION:

- The city insurance and legal do not recommend that the PAL program remain at the location unless the very specific insurance requirements are met by PAL.

EXECUTIVE SUMMARY:

- An action summary is attached outline where we are to date.
- A special meeting was held on March 6, 2013 and Council was made aware of the situation. The future of the building was tabled to March 13, 2013

FINANCIAL IMPLICATIONS:

- Amount: Approx. \$16,000 to \$25,000+
- Appropriated: NO
- Fund Source(s): Unknown



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- Appropriated: NO
- Fund Source(s): Unknown

Sadie Cramer

To: Sadie Cramer
Subject: RE: PAL Building - Updates and Info request for Council 02/27/13

From: Sadie Cramer [mailto:civrecorder@molalla.net]
Sent: Tuesday, February 19, 2013 4:14 PM
To: 'Penni@molalla.net'; 'Marc Howatt'; 'Mark Gervasi'
Subject: PAL Building - Updates and Info request for Council 02/27/13
Importance: High

Hello, Please see updated info in RED. ~SC

This item is schedule to be discussed at the 02/27/13 meeting, we will need staff there to field questions that will arise especially on the level of PW.

Hearther, I think you are out that night, but if you draft up a quick memo about any options regarding any finance option and any repercussions, I can present that to them so they are fully aware of any choices. I anticipate they will want to explore every avenue to save it but should be aware of the financial situation funding the deductible or the repairs would do to the current budget.

Financials

Currently, the City does not have a line item designated for that building. It also doesn't generate revenue. Whatever you think would be helpful Heather.

- o Expenses - Last 3 years
- o Insurance - \$
- o Maintenance/Repairs - \$
- o Revenues - \$0.00

If I missed something or my numbers are off, please correct and send it to "all". I want to make sure we are all on the same page on this important item.

We need to discuss:

- The future of the building
- The \$25,000 Insurance deductible and impact on COM finances
- How the COM intends to proceed with mitigation process

My Initial and report of issue with CIS, Beth Faulhaber and staff took place between January 25th February 1st.

- o 2/4/13 – Received call from Insurance agent Ron Cutter.
- o 2/4/13 – Per Ron Cutter, contacted Horizon Restoration.
- o 2/4/13 – David Ford of CIS contacted me to get contact info for Beth and DPW.

- 2/4/13 – Horizon Restoration came on site to do assessment.
- 2/7/13 – David Ford of CIS made an onsite visit
- 2/11/13 – Report and meeting request to management team
- 02/12/13 – 2:30PM meeting with management team at City Hall
 - o Discussion between Finance, City Recorder, City Manager and Public Work Director took place. Options were discussed:
 1. Closure of the building and relocation of the PAL program
 2. Mitigate the below listed issues and pay the \$25,000 deductible
 3. Mitigate the below listed issues and pay for damages estimated below between \$15,900 - \$20,900
 - o Notification to Council was discussed to be done at the 02/13/13 meeting. Council to make a choice on 02/27/13, staff will need to be present for questions.
 - o Notification to Beth Faulhauber regarding this issue/decisions to be done by Marc Howatt. Completed on 02/13/13 by Howatt.
 - o 02/13/13 – Notified Council at their work session that there is an issue with the PAL building due to water damage that will need to be addressed on 02/27/13. They were also informed that the deductible is \$25,000.
 - o 02/27/13 – Council meeting: Pending

CIS advised the COM of how we should proceed:

1. Heat – Space heaters should be used at the facility in lieu of the heating system at this time.
2. Furnace – It looks like the furnace is ran by natural gas.
 - Contact NWNG and have them come out to inspect the line and furnace.
 - Contact HVAC rep to get quotes/recommendations of the following:
 - o Inspect the furnace unit and any damage
 - o Cost for cleaning the unit
 - o If the air ducts need to be cleaned
3. Removal of water under building –
 - Find out if the city has staff and equipment to get any standing water out from under the building.
 - Find out if the city has staff and equipment to remove visqueen
 - Find out if the city has staff and equipment to begin dry down
 - If city does not have staff, equipment or both contact River City or Horizon so they can organize this effort for COM
4. Removal of Insulation –
 - Once the dry down is complete Horizon will begin the process of removing the damaged insulation and building materials
 - Begin repairs
5. Mitigate Flooding issue –
 - COM to discuss drainage options for the location to prevent re-occurrence
 - o French Drain
 - o Rock Bed Drainage Ditch
 - o Other

Piece #1

Items 1 & 2 – Depending on extent of the damage to the heater, cleaning cost, possible replacement of unit and repair of air ducts between \$7,000 to \$10,000. (Possible Deductable)

Piece 2

Items #3 & #4 – Estimated at \$1,900.00. If there is dry rot or structural damage it won't be known until these steps are taken. Additional cost is unknown but insurance and staff suspect there may be additional unseen damage. (Possible Deductable)

Piece 3

Item #5 – The insurance will require us to mitigate the drainage problem to prevent reoccurrence. This includes the installation of a French Drain (Other solutions can be discussed) between the Skate Park and Building. Addition of 1 or 2 sump pumps and connection to the storm water system. Estimated: \$7,000 to \$9,000 (city's expense)

NOTE: This doesn't include the roof replacement that it needs. A patch job was done on it but it is due to be repaired again. It was built in 1994 and it has the original roof to the city's knowledge. Re-roofing it without a tear off is estimated at \$3,000 with possible replacement of wood, vents and other things due to water damage from leaks over the last 19 years. That cost is unknown at this time. (City Expense)

Thank you in advance for all of your help and assistance! Its appreciated!

Sadie

Sadie Cramer
City Recorder, MMC
City of Molalla
503-829-6855 Ext. 291



ServiceMASTER **ServiceMaster Restoration by Horizon- Portland**
Clean,

ServiceMaster Restoration by Horizon

7235 SW Bonita Rd
Portland, OR 97224

Insured: Police Activities League - EMS
Property: 117 North Molalla Avenue
Molalla, OR 97038

Estimator: Jason Gomez
Business: 7235 SW Bonita Rd
Portland, OR 97224

Business: (503) 620-2215 x 281
E-mail: jasong@svmbvhorizon.com

Reference:
Company: NON INSURANCE

Contractor:
Company: ServiceMaster Restoration by Horizon
Business: 7235 SW Bonita Rd
Portland, OR 97224

Business: (503) 972-0676

Claim Number:	Policy Number:	Type of Loss:	
Coverage		Deductible	Policy Limit
Dwelling		\$0.00	\$0.00
Other Structures		\$0.00	\$0.00
Contents		\$0.00	\$0.00

Date Contacted: 2/4/2013
Date of Loss: 2/4/2013
Date Inspected: 2/4/2013

Date Received: 2/4/2013
Date Entered: 2/12/2013 11:15 AM

Price List: ORPO7X_FEB13
Restoration/Service/Remodel
Estimate: 2013-02-12-1114

Depreciate Material: Yes
Depreciate Non-material: Yes
Depreciate Removal: No
Depreciate O&P: No
Depreciate Taxes: Yes

*ServiceMASTER
Clean*

ServiceMaster Restoration by Horizon- Portland

ServiceMaster Restoration by Horizon

7235 SW Bonita Rd
Portland, OR 97224

Dear Police Activities League,

Thank you for choosing Service Master By Horizon.

We appreciate the opportunity to provide you with this scope of repair. We look forward to working cooperatively with you to obtain an agreed upon scope of work.

This scope assumes that the work will be contracted in its entirety. Deletions or additions to the scope may result in changes to the prices of the remaining line items. This scope covers visual or known damage as described in this scope; any unforeseen damages discovered during the normal process of the job shall be supplemental. Asbestos/Lead/Mold sampling, testing, and/or abatement, if necessary, shall be supplemental unless specifically included in the scope of work. Quantities in this scope are for estimating purposes only and are not guaranteed to be accurate. In some cases, quantities are factored for waste, pattern match and other circumstances.

ServiceMaster by Horizon Restoration bills monthly for tasks completed per the scope to date. You, the owner, are responsible for the payment of progressive funds to ServiceMaster by Horizon Restoration. Progress payments will be submitted at the beginning of the month and are due by the 15th. Any delay in payment may delay/stop work in progress until account is brought current. Additional information on this requirement can be acquired from Horizons accounting department and within your contract.

The total cost for the work as detailed in the attached scope of work is **\$1892.97**. This scope is valid for 30 days.

If I can be of any further assistance to you, please do not hesitate to contact me Jason Gomez on my cell 503-793-6275 or the office 503-620-2215

Date

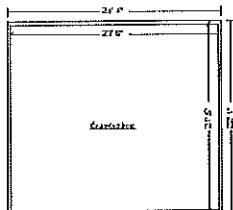
Police Activities League - EMS or authorized representative

ServiceMaster by Horizon Restoration

OR License... CCB# 197233 WA License ... SERVIRH887QO FED TAX ID # 90-0812778

2013-02-12-1114

Main Level

**Crawlspace****Height: 8'**

721.33 SF Walls	506.86 SF Ceiling
1228.19 SF Walls & Ceiling	506.86 SF Floor
56.32 SY Flooring	90.17 LF Floor Perimeter
90.17 LF Ceil. Perimeter	

CAT	SEL	ACT DESCRIPTION	QNTY	REMOVE	REPLACE	TOTAL
CALC						
*** Mitigation Tasks ***						
1. WTR	EXT	+ Water extraction from floor				
		200.00 SF	200	0.00+	0.51 =	102.00
2. WTR	INS	- Tear out and bag wet insulation				
		200.00 SF	200	0.58+	0.00 =	116.00
3. INS	BT10	+ Batt insulation - 10" - R30				
		200.00 SF	200	0.00+	1.17 =	234.00
4. WTR	GRM	+ Apply anti-microbial agent				
		200.00 SF	200	0.00+	0.22 =	44.00
5. INS	VIS	& R&R Polyethylene vapor barrier				
		200.00 SF	200	0.06+	0.21 =	54.00
6. DMO	PU	- Haul debris - per pickup truck load - including dump fees				
		1.00 EA	1	132.14+	0.00 =	132.14
*** Equipment ***						
7. WTR	DRY	+ Air mover (per 24 hour period) - No monitoring				
		12.00 EA	4*3	0.00+	25.79 =	309.48
Will need 4 airmoves for 3 days.						
8. WTR	DIIM>>	+ Dehumidifier (per 24 hour period) - XLarge - No monitoring				
		3.00 EA	1*3	0.00+	115.73 =	347.19
*** General Section ***						
9. WTR	PPE	+ Add for personal protective equipment (hazardous cleanup)				
		2.00 EA [D]	2	0.00+	10.13 =	20.26
10. WTR	LAB	+ Water Extraction & Remediation Technician - per hour				
		4.00 HR [D]	2*2	0.00+	51.34 =	205.36
Labor hours are due to the restricted access in the crawl space.						
11. WTR	ESRVD	+ Emergency service call - during business hours				
		1.00 EA [D]	1	0.00+	145.38 =	145.38
Administrative/labor costs associated with allocating resources for an emergency response during normal business hours as needed.						
Totals: Crawlspace						1,709.81

ServiceMASTER
Clean,

ServiceMaster Restoration by Horizon- Portland

ServiceMaster Restoration by Horizon

7235 SW Bonita Rd
Portland, OR 97224

Total: Main Level 1,709.81

Line Item Subtotals: 2013-02-12-1114 1,709.81

Adjustments for Base Service Charges Adjustment

Cleaning Remediation Technician 102.68

Insulation Installer 80.48

Total Adjustments for Base Service Charges: 183.16

Line Item Totals: 2013-02-12-1114 1,892.97

Grand Total Areas:

721.33 SF Walls	506.86 SF Ceiling	1,228.19 SF Walls and Ceiling
506.86 SF Floor	56.32 SY Flooring	90.17 LF Floor Perimeter
0.00 SF Long Wall	0.00 SF Short Wall	90.17 LF Ceil. Perimeter
506.86 Floor Area	537.36 Total Area	721.33 Interior Wall Area
835.50 Exterior Wall Area	92.83 Exterior Perimeter of Walls	
0.00 Surface Area	0.00 Number of Squares	0.00 Total Perimeter Length
0.00 Total Ridge Length	0.00 Total Hip Length	

Insulation Costs

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ServiceMaster Restoration by Horizon

ServiceMaster Restoration by Horizon- Portland

7235 SW Bonita Rd
Portland, OR 97224

Summary for Dwelling

Line Item Total	1,709.81
Total Adjustments for Base Service Charges	183.16
	<hr/>
Replacement Cost Value	\$1,892.97
Net Claim	\$1,892.97
	<hr/> <hr/>

Jason Gomez

ServiceMASTER
Clean

ServiceMaster Restoration by Horizon

ServiceMaster Restoration by Horizon- Portland

7235 SW Bonita Rd
Portland, OR 97224

Recap by Room

Estimate: 2013-02-12-1114

Area: Main Level

Crawlspace

1,709.81 90.32%

Area Subtotal: Main Level

1,709.81 90.32%

Subtotal of Areas

1,709.81 90.32%

Base Service Charges

183.16 9.68%

Total

1,892.97 100.00%

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ServiceMaster Restoration by Horizon- Portland

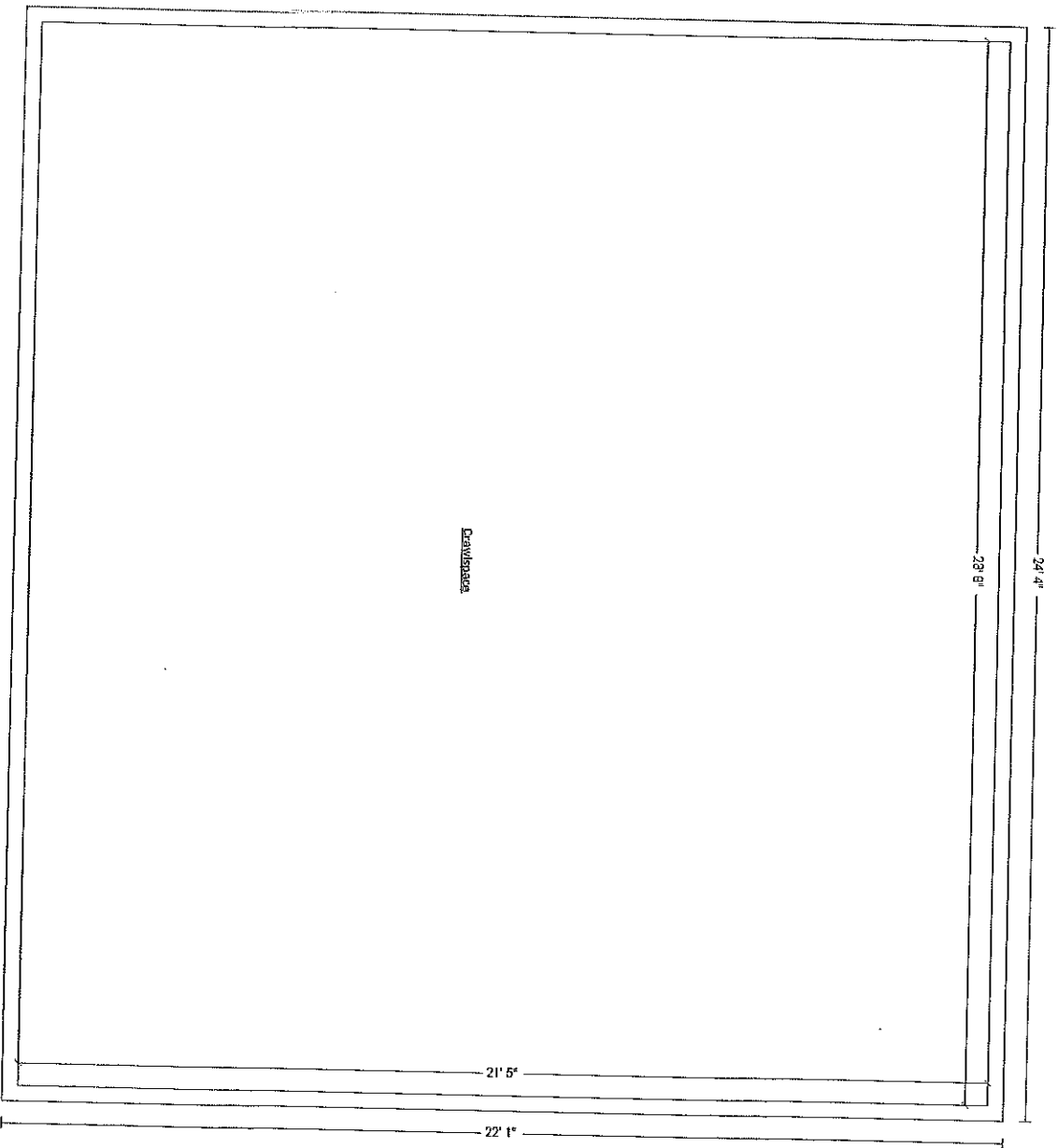
7235 SW Bonita Rd
Portland, OR 97224

ServiceMaster Restoration by Horizon

Recap by Category

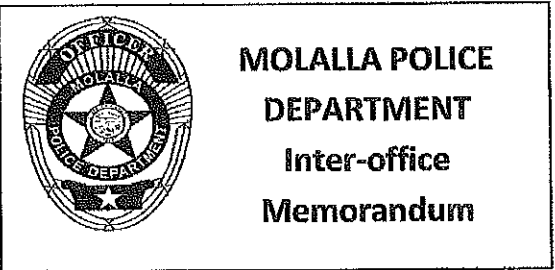
Items	Total	%
GENERAL DEMOLITION	260.14	13.74%
INSULATION	276.00	14.58%
WATER EXTRACTION & REMEDIATION	1,173.67	62.00%
Subtotal	1,709.81	90.32%
Base Service Charges	183.16	9.68%
Total	1,892.97	100.00%

2013-02-12-1114



2/12/2013

DATE: March 8, 2013
TO: City Council
(through channels)
FROM: Rod Lucich *[Signature]*
Chief of Police



SUBJ: Declaration of police vehicle as surplus - to be sold

One of our patrol vehicles has developed serious mechanical problems and the estimated cost of the repairs appears to be in excess of the value of the vehicle. The vehicle's mileage is already in excess of 132,000.

Therefore, I believe the best decision that can be made regarding this unit, is to declare it as surplus, sell the vehicle and use the funds to help replace the vehicle with a more dependable unit.

In order to accomplish this goal, it is necessary that I respectfully request that Council declare the vehicle as surplus. The vehicle information is listed below.

UNIT #	VEHICLE	VIN NUMBER	LICENSE
05-10	2005 Expedition	1FMPU15505LA41730	N/A

* A motion is in order from the Council to
Declare as Surplus.

[Signature]



STAFF REPORT

TO: Honorable Mayor and Members of the City Council
THROUGH: Mark J. Gervasi, City Manager
FROM: Sadie Cramer, City Recorder

DATE: March 13, 2013

SUBJECT: Citizen Appointments

ISSUES BEFORE THE COUNCIL:

To appoint citizens to open board/commission positions vacant on the Budget and Library Board.

RECOMMENDATION:

Appoint Citizens

City of Molalla

Application for Appointment to Citizen Committee



Date: 2-4-13

Board/Committee of Interest:

Budget Committee

Name:

Address:

State/Province

Zip/Postal Code:

Home Phone:

Work Phone: cell

*E-Mail

Howard Miller

380 Cole Ct

Molalla Oregon

97038

(503) 829-8297

503 539 0076

Years of Residence Inside City

10 yrs

Years of Residence in Community

30 yrs

Current or Previous

Community Affiliations or Activities:

Board Member - Grain Park PNL.S.

Molalla Kiwanis Club

Please explain why you would like to serve on this committee and give any other background you might have in this area.

Would like to know how the Money is spent

If applying for re-appointment to this Commission/Board/Committee/Task Force, please indicate what has been the key accomplishment of the group during your service.

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

*Signature or type name:

Howard A Miller

117 Molalla Ave/PO Box 248 Molalla Oregon 97038

Ph: 503.829.6855 Fax: 503.829.3676

www.cityofmolalla.com



STAFF REPORT

TO: Honorable Mayor and Members of the City Council
THROUGH: Mark J. Gervasi, City Manager
FROM: Glenda Triebwasser, Library
Molalla Public Library Advisory Board
DATE: Date of Council Meeting
SUBJECT: Appointment of Paula Beck to the Library Advisory Board

ISSUES BEFORE THE COUNCIL:

To fill a vacant position on the Library Advisory Board.

RECOMMENDATION:

The Molalla Public Library Board recommends Paula Beck to be appointed to the Library Advisory Board. We believe that she will be a good addition to our board in that she been a dedicated volunteer at the library for a number of years and is a dedicated library patron and advocate for the library. The Library Board hopes that you will consider her application favorably and appoint her to fill the vacant position on the library board.



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Mark J. Gervasi, Interim City Manager

DATE: March 13, 2013

SUBJECT: ORDINANCE 2013-02: AN ORDINANCE OF THE CITY OF
MOLALLA ESTABLISHING A PRIVLEDGE TAX ON ELECTRIC
UTILITES

ISSUE BEFORE THE COUNCIL: Establish a 1.5% privilege tax

RECOMMENDATION:

- Motion to have the second reading of Ordinance 2013-02 by title only.
- Motion to adopt Ordinance 2013-02.

EXECUTIVE SUMMARY:

- Molalla City Council held a first reading by title only on February 27, 2013. The vote was 5 ayes and 1 nay. The ordinance is brought back for a second reading and possible passage this evening.

FINANCIAL IMPLICATIONS:

Amount – New Privilege Tax is estimated to be \$80,000 in revenue in 2013/2014 to the general fund.

ORDINANCE 2013 -02

AN ORDINANCE OF THE CITY OF MOLALLA ESTABLISHING A PRIVILEGE TAX ON ELECTRIC UTILITIES

- WHEREAS:** the Molalla City Council approved Resolution No 2013-04 on February 27, 2013, granting a non-exclusive electric franchise to Portland General Electric Company ("PGE"), effective February 27, 2013 (the "Franchise"); and
- WHEREAS:** the Section 12(A) of the Franchise provides for compensation to be paid to the City for use of the Public ROW in an amount of three and one half percent (3.5%) of the Grantee's gross revenues earned within the City; and
- WHEREAS:** Section 12(C) of the Franchise acknowledges the City's authority to enact a privilege tax in addition to the compensation set forth in Section 12(A) and requires ninety days notice to PGE prior to the effective date of the privilege tax; and
- WHEREAS:** the City Council finds it is in the best interest of the City and its citizens to increase the compensation due for operating within the City of Molalla from three and one half percent (3.5%) to five percent (5%) to provide fair and reasonable compensation for the management and use of the public right of way.

NOW, THEREFORE, the City of Molalla ordains as follows:

Section 1. There is hereby The City of Molalla ordains and imposes on Portland General Electric Company a privilege tax of 1.5% per annum on the gross revenues derived by it from its electric light and power system in the City of Molalla, to be paid by Portland General Electric Company in addition to the existing 3.5% franchise fee, in order to reach a combined annual fee total of 5% per annum.

SECTION 2: The privilege tax shall be due and payable on or before the first day of April of each year.

SECTION 3: This ordinance is effective ninety days after its passage.

Adopted this ____ day of _____, 2013 with ____ Ayes and ____ Nays

Approved:

Debbie Rogge, Mayor

ATTEST this ____ day of _____ 2013.

Sadie Cramer, City Recorder

2011 ORS § 294.160¹

Opportunity for public comment on new fee or fee increase

- (1) The governing body of a city, county or other unit of local government shall provide an opportunity for interested persons to comment on the enactment of any ordinance or resolution prescribing a new fee or a fee increase or an increase in the rate or other manner in which the amount of a fee is determined or calculated.
- (2) Where a local government exercises authority to assume the responsibility for a program delivered by the state, the local government shall provide an opportunity to comment on the difference between the fee amount charged by the state for such service and the proposed local fee for the service. [1995 c.576 §5; 2007 c.71 §90]

...

(No annotations for this section.)

Related Statutes³

- 223.309
Preparation of plan for capital improvements financed by system development charges
- 291.055
Agency fee approval required
- 455.210
Fees

¹ Legislative Counsel Committee, *CHAPTER 294—County and Municipal Financial Administration*, <http://www.leg.state.or.us/ors/294.html> (2011) (last accessed Mar. 25, 2012).

City of Mollala-Residential Annual kWh and Amt

Privilege Tax Rate: 1.50%

RATE=07

Label	Sum	N	Mean	Median	Minimum	Maximum	Annual Per Customer	Avg per customer per month
ANNL_KWH	30,780,550	2,915	10,559	9,625	-	44,640		
ANNL_AMT	3,339,943	2,915	1,146	1,031	-	4,909	17.19	1.43

RATE=12

Label	Sum	N	Mean	Median	Minimum	Maximum	Annual Per Customer	Avg per customer per month
ANNL_KWH	20,040	2	10,020	10,020	8,013	12,027		
ANNL_AMT	2,174	2	1,087	1,087	896	1,278	16.30	1.36

Res 7 & 12

Label	Sum	N	Mean	Median	Minimum	Maximum	Annual Per Customer	Avg per customer per month
ANNL_KWH	30,800,590	2,917	10,559	9,625	-	44,640		
ANNL_AMT	3,342,117	2,917	1,146	1,031	-	4,909	17.19	1.43

Actual data through November 2012 billing cycle, ANNL amounts are preceeding 12 months.

Streets

Project	Project Cost	Funding Source- O&MorSDC
Robbins Street Resurface (2013) (From Grange to Molalla Ave).	\$80K	STP Funds - (in progress)
Sun Rise Acres, Rehab (2011-15)	\$1Million	Capital Outlay/STP/Grant Design in spring of 2013

Resurface List of Streets: Funding Source- Offset costs / 1.5 percent in Street Fund stemming from PGE utility Franchise totaling approx. 80 K annual.

West 5 th . 10 K	Lynn Lane - 10K
West 4 th 10K	Section Street between Molalla Ave & Hart 15K
West 3 rd 10K	West 7 th - 10K

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This Franchise Agreement grants Portland General Electric Company ("Grantee") a non-exclusive franchise for ten years to erect, construct, maintain, repair, update and operate an electric light and power system within the City of Molalla ("City"), sets the terms and conditions of the franchise and provides an effective date.

WHEREAS, Grantee has been providing electric light and power service within the City; and
WHEREAS, Grantee is duly authorized by the Oregon Public Utility Commission ("OPUC") to supply electric light and power within the City; and

WHEREAS, the City has the authority to regulate the use of the Public ROW (as defined below) within the City and to receive compensation for the use of the Public ROW; and

WHEREAS, the City and Grantee both desire Grantee to continue to be able to provide electrical service within the City and to establish the terms by which Grantee shall use and occupy the Public ROW;

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. NATURE AND TERM OF FRANCHISE.

(A) The City hereby grants to Grantee and its successors and assigns, subject to the terms and conditions in this Franchise, a nonexclusive franchise to erect, construct, repair, maintain, upgrade and operate an electric light and power system within the City as it now exists or may be extended in the future, including related communication equipment and Grantee Facilities (as defined below). This Franchise includes the privilege to install, repair, maintain, upgrade and operate Facilities necessary for the operation of Grantee's Electric Light and Power System (as defined below) upon, over, along, and across the surface of and the space above and below the streets, alleys, roads, highways, sidewalks, bridges and other public ways over which the City has jurisdiction (collectively, "Public ROW"), as well as Public Utility Easements ("PUEs") on third party property on which a preliminary subdivision plat has been approved by the City, and which will be managed by the City thereafter, for the provision of public utility services within the City as Grantee's Electric Light and Power System now exists or is extended or upgraded in the future. Nothing in this Franchise limits the City from granting

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others the right to carry on activities similar to, or different from the ones described in this Franchise. The rights granted herein do not include the right to build or site electric generating facilities in the Public ROW.

(B) All Grantee Facilities in possession of Grantee currently or during the Term (as defined in Section 2(A) that are located within the Public ROW are covered by this Franchise. The City may require relocation of Grantee Facilities as further specified in Section 8.

(C) This Franchise also includes the privilege to repair, maintain, upgrade and operate Grantee Facilities located in City park property that are existing as of the effective date of this Franchise. This Franchise does not grant Grantee any right to install Grantee Facilities in City park property on or after the effective date of this Franchise, which shall be subject to separate permit from the City. With respect to Grantee Facilities located in City park property existing as of the effective date of this Franchise, City park property shall be treated the same as the Public ROW for purposes of Sections 4, 6, 7, 10, 12, 14, 16, 18, 19 and 21.

(D) This Franchise does not authorize Grantee to provide telecommunications services via Grantee's Electric Light and Power System. Grantee agrees that prior to providing telecommunications services in the City, it must obtain all necessary and applicable authorizations from the OPUC regarding the provision of telecommunications service to the public and obtain any necessary, lawful and applicable authorization from the City for use of the Public ROW for such provision, including entering into a separate franchise with the City and paying a separate franchise fee to the City.

SECTION 2. TERM AND EFFECTIVE DATE.

(A) Effective Date. The effective date of this Franchise shall be February 13, 2013 ("Effective Date").

(B) Duration of Franchise. The term of this Franchise ("Term") shall commence on the Effective Date and all rights and obligations pertaining thereto shall expire 10 years after the Effective Date, unless renegotiated or terminated as provided herein. The term may be extended for two consecutive 5 year terms upon mutual consent of the City and Grantee. Either party may provide the other party written notice of its desire to extend the Term at least 180 days prior to the expiration of the Term and the other party shall respond to the notice within thirty (30) days after receiving the notice.

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(C) Charter and General Ordinances to Apply. To the extent authorized by law, this Franchise is subject to the Charter of the City of Molalla and general ordinance provisions, and state statutes and regulations existing during the Term. Nothing in this Franchise shall be deemed to waive the requirements of the various codes and ordinances of the City regarding permits, fees to be paid that are generally applicable to other similar businesses operating within the City, or the manner of construction.

SECTION 3. DEFINITIONS.

(A) Captions. Throughout this Franchise, captions to sections are intended solely to facilitate reading and to reference the provisions of this Franchise. The captions shall not affect the meaning and interpretation of this Franchise.

(B) Definitions. For purposes of this Franchise, the following terms, phrases, and their derivations shall have the meanings given below unless the context indicates otherwise. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory.

(1) "City" means the City of Molalla, Oregon, a municipal corporation, and all of the territory within its corporate boundaries, as such may change from time to time.

(2) "City Council" means the Council of the City.

(3) "Public Works Director" means the Public Works Director of the City.

(4) "City Manager" means the City Manager of the City.

(5) "City Recorder" means the Recorder of the City.

(6) "Director of Finance" means the Director of Finance of the City.

(7) "Emergency" means a situation involving (a) an unscheduled outage affecting one or more customers, or (b) danger to public safety. Emergency also includes situations where the failure of Grantee to act would result in (a) or (b).

(8) "Franchise" means this Franchise Agreement as fully executed by the City and Grantee and adopted by the City Council pursuant to Resolution number 2013-04.

(9) "Grantee" means Portland General Electric Company, an Oregon corporation.

(10) "Grantee Facility" means any tangible component of Grantee's Electric Light and Power System, including but not limited to any poles, guy wires, anchors, wire, fixtures, equipment,

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conduit, circuits, vaults, switch cabinets, transformers, secondary junction cabinets, antennas, communication equipment and other property necessary or convenient to supply electric light and power by Grantee within the City.

(11) "Grantee's Electric Light and Power System" means all real property and Grantee Facilities used by Grantee in the transmission and distribution of its services that are located inside the boundaries of the City.

(12) "Gross Revenues" shall be deemed to include any and all revenues derived by Grantee within the City from Grantee's Electric Light and Power System, and includes, but is not limited to, the sale of and use of electricity and electric service, and the use, rental, or lease of Grantee Facilities, after adjustment for the net write-off of uncollectible accounts. Gross Revenues do not include proceeds from the sale of bonds, mortgages or other evidence of indebtedness, securities or stocks, or sales at wholesale by one public utility to another of electrical energy when the utility purchasing such electrical energy is not the ultimate consumer. Gross Revenues also do not include revenue from joint pole use. For purposes of this Franchise, revenue from joint pole use includes any revenue collected by Grantee from other franchisees, permittees, or licensees of the City for the right to attach wires, cable or other facilities or equipment to Grantee's poles or place them in Grantee's conduits.

(12) "NESC" means the National Electrical Safety Code.

(13) "OPUC" means the Oregon Public Utility Commission.

(14) "Published" shall mean written and readily accessible.

(15) "Term" shall have the meaning described in Section 2(B).

(16) "Person" means any individual, sole proprietorship, partnership, association, corporation, cooperative, People's Utility District, or other form of organization authorized to do business in the State of Oregon, and includes any natural person.

(17) "Public ROW" shall have the meaning described in Section 1(A).

(18) "PUE" shall have the meaning described in Section 1(A).

(19) "Year," "annual," or "annually" means the period consisting of a full calendar year, beginning January 1 and ending December 31, unless otherwise provided in this Franchise.

SECTION 4. CONSTRUCTION.

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(A) Construction. Grantee's Electric Light and Power System shall be constructed and maintained in accordance with the NESC and in such manner as not to interfere with sewers, water pipes, or any other property of the City, or with any other pipes, wires, conduits or other facilities that may have been laid in the Public ROW by or under the City's authority. Grantee shall comply with all applicable published City requirements prior to commencing any construction in the Public ROW. Assuming there is sufficient space in the Public ROW that meets the Grantee's construction standards as provided to the OPUC, NESC requirements, and generally applicable published City requirements, all poles shall be placed between the sidewalk and the edge of the Public ROW unless another location is approved by the Public Works Director. The City shall impose a condition in its development process that the developer either (i) provide a sufficient location in the Public ROW located in the land use development for Grantee Facilities that meet the Grantee's construction standards as provided in the OPUC and NESC requirements, or (ii) provide or obtain an easement for Grantee Facilities that meets the construction standards as provided to the OPUC and NESC requirements.

(B) Acquisition. Subsequent to the Effective Date, upon Grantee's acquisition of additional Grantee Facilities in the Public ROW, or upon any addition or annexation to the City of any area in which Grantee retains Grantee Facilities in the Public ROW of such addition or annexation, Grantee shall submit to the City a statement describing all Grantee Facilities involved, whether authorized by a franchise agreement or upon any other form of prior right, together with a map, as described in Section 5, specifying the location of all such Grantee Facilities. Such Grantee Facilities shall immediately be subject to the terms of this Franchise.

(C) Emergency Repairs. In the event Emergency repairs to Grantee Facilities are necessary, Grantee shall as soon as reasonably possible notify the City of the need for such repairs. Grantee may immediately initiate such emergency repairs and, if permits are required by City, apply for appropriate permits the next business day or as soon as reasonably possible following discovery of the emergency. In the event excavation is necessary in conjunction with the repairs, Section 6 shall also apply.

(D) Reasonable Care. All work completed by Grantee within the Public ROW shall be conducted with reasonable care and with the goal of minimizing the risk to those using the Public ROW and to minimize the risk of damage to public and third party property. All work

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shall be performed in accordance with all applicable laws and regulations, including but not limited to the NESC, Grantee's construction standards as provided to the OPUC, the conditions contained in the City work permit, and generally applicable published City standards. Any work completed by Grantee within the Public ROW may be inspected by the City to determine whether it has complied with the permit issued by the City. If work has been completed by Grantee in the Public ROW and the City determines such work was not completed in accordance with the permit issued by the City, the City shall notify Grantee and provide Grantee with sixty (60) days to re-perform the work in accordance with the permit.

(E) Cooperation between Grantee and City. In accordance with ORS 758.025, Grantee and City shall work together during any design process affecting the Public ROW to establish suitable locations for Grantee's Facilities and cooperate to minimize the economic impact associated with any relocation of Grantee Facilities.

SECTION 5. SUPPLYING MAPS. Grantee shall maintain maps and data pertaining to the location of Grantee Facilities on file at its corporate offices or at an office in Oregon. After providing Grantee with twenty-four (24) hours prior notice, the City may inspect the maps and data (excluding Grantee proprietary information) at any time during Grantee's business hours. Upon request of the City and without charge, Grantee shall furnish current maps and data to the City by electronic data in read-only format showing the general location of Grantee Facilities, excluding Grantee's confidential or proprietary information. Unless required by law, the City will not sell or provide Grantee prepared maps or data to third parties without written permission from Grantee. Upon request of Grantee, the City will make available to Grantee any relevant and current City prepared maps or data at no charge to Grantee. City may furnish current maps and data to the Grantee by electronic data in read-only format showing the general location of City facilities, excluding City confidential or proprietary information. Unless required by law, the Grantee will not sell or provide City prepared maps or data to third parties without written permission from the City.

SECTION 6. EXCAVATION. Subject to Sections 4 and 7, and after obtaining any permits required by the City, as well as complying with ORS 757.542 et seq. (Oregon Utility Notification Center) as they may be amended from time to time, Grantee may make all necessary excavations within the Public ROW for the purpose of installing, repairing,

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upgrading or maintaining Grantee Facilities, except that in the case of an emergency, no permit shall be required prior to excavation. Should there be a direct conflict between any terms or conditions stated in a permit granted by the City and the terms of this Franchise, the terms of this Franchise shall control. All excavations made by Grantee in the Public ROW shall be properly safeguarded for the prevention of accidents. All of Grantee's work under this Section shall be completed in strict compliance with all applicable rules, regulations and ordinances of the City. Should a customer of Grantee be required, pursuant to Grantee's tariff on file with the OPUC, to make excavations that are located in the Public ROW, the City agrees that Grantee shall not be responsible or liable for any failure by such customer to comply with any applicable rules, regulations, ordinances of the City or with City standards.

SECTION 7. RESTORATION AFTER EXCAVATION. Except as otherwise provided for in this Section, Grantee shall restore the surface of the Public ROW in the area disturbed by any excavation by Grantee to at least the same condition that it was in prior to excavation, in accordance with generally applicable published City standards and the permit issued by the City; provided, however, Grantee shall not be required, at Grantee's expense, to pave a gravel street that was gravel prior to the excavation, install sidewalk panels or curbs that did not exist prior to the excavation, or construct additional improvements in the Public ROW that did not exist prior to the excavation. If Grantee fails to restore the Public ROW to at least the same condition that it was in prior to the excavation, in accordance with generally applicable published City standards and the permit issued by the City, the City shall give Grantee written notice and provide Grantee a reasonable period of time, not to exceed thirty (30) days, to restore the Public ROW. If the work of Grantee creates a public safety hazard as determined by the Public Works Director, Grantee may be required to repair or restore the Public ROW within twenty-four (24) hours notice from the City, or such time as agreed between the Public Works Director and Grantee, taking into consideration weather and other relevant factors. Should Grantee fail to make such repairs or restorations within the aforementioned time frames, the City may, after providing notice to Grantee and a reasonable opportunity to cure, refill or repave (as applicable) any opening made by Grantee in the Public ROW and the expense thereof shall be paid by Grantee. The City reserves the right, after providing notice to Grantee, to remove or repair any work completed by Grantee, which, in the determination of

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the Public Works Director is inadequate, using a qualified contractor in accordance with applicable state and federal safety laws and regulations, and Grantee's construction standards as provided to the OPUC. The cost thereof, including the cost of inspection and supervision, shall be paid by Grantee. In the event that Grantee's work is coordinated with other construction work in the Public ROW, the Public Works Director may excuse Grantee from restoring the surface of the Public ROW, providing that as part of the coordinated work, the Public ROW is restored to good order and condition.

SECTION 8. RELOCATION.

(A) Permanent Relocation Required by City – This subsection (A) covers permanent relocation of overhead Grantee Facilities that will remain overhead, and underground Grantee Facilities that will remain underground. The City shall have the right to require Grantee to change the location of Grantee's Electric Light and Power System located in the Public ROW when it is necessary for any public project or public improvement and, unless otherwise agreed, the expenses thereof shall be paid by Grantee. The foregoing sentence shall not apply if any of the following is true: a) the project or improvement necessitating the change in location will not be owned by the City; or b) the majority of the funding for the project or improvement does not come from City, county state or federal government sources; or c) the public project or public improvement is not located in the Public ROW. The City agrees to provide a suitable location in the Public ROW, as mutually agreed, or, failing that, to provide either the necessary easements or PUEs for Grantee facilities that meet the Grantee's construction standards as provided to the OPUC, NESC requirements, and generally applicable published City standards in order to maintain sufficient service. Should Grantee fail to remove or relocate any such Grantee Facilities within sixty (60) days after the date established by the City, which, except in the event of a public emergency, shall not occur sooner than sixty (60) days after the City provides written notice to remove/relocate to Grantee, the City may cause or effect such removal or relocation, performed by a qualified contractor in accordance with applicable state and federal safety laws and regulations, and the Grantee's construction standards as provided to the OPUC, and the expense thereof shall be paid by Grantee. However, when the City requests a subsequent relocation of all or part of the same Grantee facilities less than two years after the initial relocation that is necessary or convenient for a public project, and not at the request to

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accommodate a third party, the subsequent relocation shall be at the expense of the City, unless the relocation is necessitated by an event or circumstance beyond the reasonable control of the City, including, but not limited to Acts of God, earthquake, severe storm, flood or other natural disaster.

(B) Notice. The City will endeavor to provide as much notice prior to requiring Grantee to relocate Grantee Facilities as possible. The notice shall specify the date by which the existing Grantee Facilities must be removed or relocated. Nothing in this Section 8 shall prevent the City and Grantee from agreeing, either before or after notice is provided, to a mutually acceptable schedule for relocation. The City and Grantee agree to cooperate in the design phase to minimize the economic impact of such relocation on Grantee and the City.

(C) Permanent Relocation - Undergrounding. This subsection (C) applies to conversions of Grantee Facilities from overhead to underground regardless of whether or not such conversion is made in conjunction with a public project. In accordance with any applicable law or administrative rule, the City may require Grantee to convert any overhead Grantee Facilities to underground Grantee Facilities at the same or different locations, subject to the NESC and Grantee's engineering and safety standards. This subsection shall not apply to Grantee Facilities used for or in connection with the transmission of electric energy at nominal voltages in excess of 35,000 volts or to pedestals, cabinets or other above-ground equipment. Any such underground relocation shall be consistent with applicable development plans or projects of the City, or as approved by the City. The expense of such a conversion shall be paid by Grantee, and Grantee may recover its costs from its customers in accordance with state law, administrative rule, or regulation. Prior to such relocation, the City shall provide a suitable location in the Public ROW, as mutually agreed, that meets the Grantee's construction standards as provided to the OPUC, NESC requirements and generally applicable published City standards. Nothing in this subsection prevents the City and Grantee from agreeing to a different form of cost recovery on a case-by-case basis consistent with applicable statutes, administrative rules, or regulations.

(D) Temporary Relocation at Request of City. This subsection (D) covers temporary relocation of overhead Grantee Facilities that will remain overhead, as well as underground Grantee Facilities that will remain underground. The City may require Grantee to temporarily remove and relocate Grantee Facilities by giving sixty (60) days notice to Grantee. Prior to

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such relocation, the City agrees to provide a suitable location in the Public ROW, as mutually agreed, or a temporary construction easement that meets the Grantee's construction standards as provided to the OPUC, NESC requirements, and generally applicable published City standards that allows the Grantee to place its Facilities on the easement in order to maintain sufficient service until such time as the Grantee moves its Facilities to their permanent location. The cost of temporary removal or relocation of Grantee Facilities that is necessary or convenient for public projects and public improvements, as well as cost of replacing Grantee Facilities in their permanent location, shall be paid by Grantee. However, when the City requests a subsequent relocation of all or part of the same Grantee Facilities less than two years after the initial relocation, that is necessary or convenient for a public project and not at the request of or to accommodate a third party, the subsequent relocation shall be at the expense of the City.

(E) Relocation at Request of or to Accommodate Third Party. In the event that any relocation of Grantee Facilities is requested by or is to accommodate a third party, Grantee may seek reimbursement from the third party consistent with the Grantee's tariff on file with the OPUC and shall not seek reimbursement from the City. Such relocation shall be consistent with any applicable development plan or projection of the City or approved by the City. If the relocation of Grantee Facilities is caused or required by the conditions placed by the City on approval for projects of third parties, such relocation shall in no event fall under the provisions of subsections (A), (C) or (D) of this Section 8.

(F) Temporary Relocation at Request of Third Parties. Whenever it is necessary to temporarily relocate or rearrange any Grantee Facility in order to permit the passage of any building, machinery or other object, Grantee shall perform the work after receiving sixty (60) business days written notice from the persons desiring to move the building, machinery or other object. The notice shall: (1) demonstrate that the third party has acquired at its expense all necessary approvals and permits from the City; (2) detail the route of movement of the building, machinery, or other object; (3) provide that the person requesting the temporary relocation shall be responsible for Grantee's costs; (4) provide that the requestor shall indemnify and hold harmless the City and Grantee from any and all damages or claims resulting either from the moving of the building, machinery or other object or from the temporary relocation of Grantee Facilities; and (5) be accompanied by a cash deposit or other

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security acceptable to Grantee for the costs of relocation. Grantee in its sole discretion may waive the security obligation. The cash deposit or other security shall be in an amount reasonably calculated by Grantee to cover Grantee's costs of temporary relocation and restoration. All temporary relocations under this subsection shall comply with ORS 757.805.

SECTION 9. PUBLIC ROW VACATION. If all or a portion of the Public ROW used by Grantee is vacated by the City during the Term, and if reasonably possible, the City shall either condition the approval of the vacation on the reservation of an easement for Grantee Facilities in their then-current location that prohibits any use of the vacated property that interferes with Grantee's full enjoyment and use of its easement, or permit Grantee Facilities to remain in a PUE. If neither of these options is reasonably possible, Grantee shall, after notice from the City and without expense to the City, remove Grantee Facilities from such vacated Public ROW, restore, repair or reconstruct the Public ROW where such removal has occurred in accordance with Section 7. In the event of failure, neglect or refusal of Grantee, after providing Grantee with sixty (60) days prior written notice, to repair, restore, or reconstruct such Public ROW, the City may complete such work or cause it to be completed by a qualified contractor in accordance with applicable state and federal safety laws and regulations, and the cost thereof shall be borne by the Grantee. Upon request, the City will cooperate with Grantee to identify alternative locations within the Public ROW for Grantee Facilities if they are not permitted to remain in the vacated area.

SECTION 10. CITY PUBLIC WORKS AND IMPROVEMENTS. Nothing in this Franchise shall be construed in any way to prevent the City from excavating, grading, paving, planking, repairing, widening, altering, constructing, maintaining or completing any work that may be needed or convenient in the Public ROW. The City shall coordinate any such work with Grantee to avoid, to the extent reasonably foreseeable, any obstruction, injury or restrictions on the use by Grantee of any Grantee Facilities arising out of such work. Nothing in this Section relieves either party from its obligations set forth in Sections 4(E) and 8.

SECTION 11. USE OF GRANTEE FACILITIES. If the city utilizes Grantee's poles, the City shall maintain attachment agreements and permits to string wires on Grantee's poles or

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run wires in Grantee's trenches and/or available conduit for municipal purposes and to attach fire and police alarm and communication equipment to Grantee's poles, provided that such wires and equipment: a) do not unreasonably interfere with Grantee operations; b) conform to the NESC; and c) the City's excess capacity on such wires and equipment is not leased to, sold to or otherwise used by non-governmental third parties. Grantee shall not charge the City for such attachments to its poles or in its conduits; however, the City shall be responsible to pay for any make-ready and inspections Grantee must perform in order to provide access to Grantee Facilities for City wires and equipment in accordance with the NESC. Should any of the City's attachments to Grantee Facilities violate the NESC, the City shall work with Grantee to address and correct such violations in an agreed-upon period of time. The City shall indemnify and hold Grantee harmless from loss or damage resulting from the presence of City's wires and equipment on or in Grantee Facilities, except to the extent such loss or damage is caused by the negligence or willful misconduct of Grantee, its agents or contractors. For purposes of this Franchise, "make-ready" shall mean engineering or construction activities necessary to make a pole, conduit, or other support equipment available for a new attachment, attachment modifications, or additional facilities.

SECTION 12. PAYMENT FOR USE OF PUBLIC ROW.

(A) Use of Public ROW. In consideration for its use of the Public ROW in accordance with the terms of this Franchise, Grantee agrees to pay the City an amount equal to 3 1/2 percent of the Gross Revenue. The amount of the current year's franchise fee shall be based on Gross Revenue collected by Grantee during the previous calendar year and shall be paid on an annual basis for Grantee's rights under this Agreement for the full calendar year in which the payment is made. To the extent permissible under state law and regulation, the payment imposed by this subsection shall be considered an operating expense of Grantee and shall not be itemized or billed separately to consumers within the City.

(B) Property Tax Limitations Do Not Apply. The payment described in this Section 12 is not subject to the property tax limitations of Article XI, Sections 11(b) and 11(19) of the Oregon Constitution and is not a fee imposed on property or property owners by fact of ownership.

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(C) Privilege Tax. The City shall retain the right, as permitted by Oregon law, to charge a privilege tax based on a percentage of the Gross Revenue in addition to the payment amounts set forth in subsection (A). The City shall provide Grantee at least ninety (90) days notice prior to any privilege tax or increase in privilege tax becoming effective. Grantee shall follow state regulations regarding the inclusion of such privilege tax as an itemized charge on the electricity bills of its customers within the City.

(D) Remittance of Payment. Grantee shall remit to the Director of Finance on or before the first (1st) day of April of each year, the annual 3 1/2 % franchise fee payment to be made in such year that covers Grantee's rights under this Agreement for the full calendar year in which the payment is made. Payment must be made in immediately available federal funds. No later than the date of the payment, Grantee shall provide the City a statement, under oath, showing the Gross Revenue for the preceding year.

(E) Acceptance of Payment. Acceptance by the City of any payment due under this Section shall not be a waiver by the City of any breach of this Franchise occurring prior to the acceptance, nor shall the acceptance by the City preclude the City from later establishing that a larger amount was actually due, or from collecting the balance due to the City.

(F) Late Payments. Interest on late payments shall accrue from the due date based on the statutory rate designated in ORS 82.010 as of the due date and shall be computed based on the actual number of days elapsed from the due date until payment. Interest shall accrue without regard to whether the City has provided notice of delinquency.

(G) No Exemption from Other Fees or Taxes. Payment of the amounts described in this Section 12 shall not exempt Grantee from the payment of any other license fee, tax or charge on the business, occupation, property or income of Grantee that may be lawfully imposed by the City or any other taxing authority, except as may otherwise be provided in the ordinance or laws imposing such other license fee, tax or charge.

(H) Direct Access and Volumetric Methodologies. The City may, consistent with state law, direct that the payments made under this Section 12 be based on volume-based methodologies as specifically described in ORS 221.655 instead of the formula set out in subsections 12 (A) and (C). Notice must be given to Grantee in writing for the subsequent payments to be made using volume-based methodology. The volumetric calculation shall apply to payments made in one calendar year (based on January 1 to December 31 billings from the previous calendar

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year). The choice to use volumetric methodology must be renewed annually by the City. No notice is necessary if the City chooses to remain on the revenue-based calculation.

(I) Payment Obligation Survives Franchise. If prior to the expiration of this Franchise the parties do not finish negotiation of a new franchise agreement, the obligation to make the payments imposed by this Section 12 shall survive expiration of this Franchise until a new franchise agreement becomes effective and supersedes this Franchise. In the event this Franchise is terminated before expiration, Grantee shall make the remaining payments owed, if any, within ninety (90) days of the termination date.

SECTION 13. AUDIT.

(A) Audit Notice and Record Access. The City may audit Grantee's calculation of Gross Revenues. Within ten (10) business days after receiving a written request from the City, or such other time frame as agreed by both parties, Grantee shall furnish the City and any auditor retained by the City: (1) information sufficient to demonstrate that Grantee is in compliance with this Franchise; and (2) access to all books, records, maps and other documents maintained by Grantee with respect to Grantee Facilities that are necessary for the City to perform such audit. Grantee shall provide access to such information to City within the City, or the Portland, Oregon metropolitan area, during regular Grantee business hours.

(B) Audit Payment. If the City's audit shows that the amounts due to the City are higher than those based on the Grantee's calculation of Gross Revenue, then Grantee shall make a payment for the difference within sixty (60) days after the delivery to Grantee of the audit results. In addition to paying any underpayment, Grantee shall pay interest based on Grantee's cost of debt as approved by the OPUC plus 100 basis points (1.0%) , but not penalties, as specified in this Franchise, from the original due date. In the event the City's audit shows that Grantee's calculation of Gross Revenue resulted in an overpayment to the City by five percent (5%) or more in any one year, the Grantee may deduct such overpayment from the next annual franchise fee payment. If the City's audit shows that the amounts due to the City based on the Grantee's calculation of Gross Revenue deviated by five percent (5%) or more in any one year from the City's calculation during the audit, Grantee shall reimburse the City for the incremental cost associated with the audit, not to exceed one percent (1%) of the total annual franchise fee payment for the applicable audit period.

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SECTION 14. TERMINATION AND REMEDIES.

(A) By City for Cause. If Grantee ceases to maintain Grantee Facilities in accordance with the maintenance commitments outlined in the Service Quality Measures Review filed with the OPUC, and this causes an increase in the risk to the public of personal injury or property damage, the City shall notify Grantee and Grantee shall have thirty (30) days after the date of the notice to eliminate such risk or, if such risk cannot be eliminated within thirty (30) days, such reasonable time period as is required to eliminate such risk and Grantee shall bear all costs related to remedying the risk. If Grantee does not eliminate the risk in accordance with the preceding sentence, the City may then terminate this Franchise by providing Grantee written notice of termination.

(B) By City if City Will Provide Service. The City may terminate this Franchise upon one year's written notice to Grantee in the event that the City decides to engage in public ownership of the electric facilities located in the Public ROW and the public distribution of electric energy to customers throughout the City in accordance with ORS 758.470.

(C) City Reserves Right to Terminate. In addition to any other rights provided for in this Franchise, the City reserves the right, subject to subsections 14 (E) and (F), to terminate this Franchise in the event that:

- (1) The Grantee materially violates any material provision of this Franchise;
- (2) The Grantee is found by a court of competent jurisdiction to have practiced any material fraud or deceit upon the City;
- (3) There is a final determination that Grantee has failed, refused, neglected or is otherwise unable to obtain or maintain Grantee's service territory designation required by any federal or state regulatory body regarding Grantee's operation of Grantee's Electric Light and Power System; or
- (4) Grantee becomes unable or unwilling to pay its debts, or is adjudged bankrupt.

(D) Material Provisions. For purposes of this Section 14, the following are material provisions of this Franchise, allowing the City to exercise its rights under this Section 14 or as set forth elsewhere in this Franchise:

- (1) The invalidation, failure to pay or any suspension of Grantee's payments of franchise fees or privilege taxes to the City for use of the Public ROW under this Franchise;

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- (2) Any failure by Grantee to submit timely reports as may be requested by the City, regarding the calculation of its franchise fees or privilege taxes paid or to be paid to the City;
- (3) Any failure by Grantee to maintain the liability insurance or self-insurance required under this Franchise;
- (4) Any failure by Grantee to provide copies of requested information as provided under Sections 4, 5, and 13 above; and
- (5) Any failure by Grantee to otherwise substantially comply with the requirements of Section 4 through Section 20 of this Franchise, unless otherwise agreed.

(E) Notice and Opportunity to Cure. The City shall provide Grantee thirty (30) days prior written notice of its intent to exercise its rights under this Section 14, stating the reasons for such action. If Grantee cures the basis for termination or if Grantee initiates efforts satisfactory to the City to remedy the basis for termination and the efforts continue in good faith within the thirty (30) day notice period, the City shall not exercise its remedy rights. If Grantee fails to cure the basis for termination or if Grantee does not undertake and/or maintain efforts satisfactory to the City to remedy the basis for termination within the thirty (30) day notice period, then the City Council may impose any or all of the remedies available under this Section 14.

(F) Remedies. In determining which remedy or remedies are appropriate, the City shall consider the nature of the violation, the person or persons burdened by the violation, the nature of the remedy required in order to prevent further such violations, and any other matters the City deems appropriate.

(G) Financial Penalty. In addition to any rights set out elsewhere in this Franchise, as well as its rights under the City Code or other law, the City reserves the right at its sole option to impose a financial penalty of up to \$500.00 per day per material violation of a material provision of this Franchise when the opportunity to cure has passed.

SECTION 15. ASSIGNMENT OF FRANCHISE. Grantee may not sell, assign, transfer, or convey this Franchise to a third party without the City Council giving its consent by resolution. Upon obtaining such consent, this Franchise shall inure to and bind such third party. Grantee shall not sell or assign this Franchise to an entity that is not authorized by the OPUC to provide electric service to retail consumers in the City or is not otherwise authorized

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to provide electric service to retail consumers under Oregon law. Prior to any proposed transfer, Grantee shall be in full compliance with this Franchise and the proposed transferee shall agree in writing to be bound by this Franchise. In the event Grantee is purchased by or merged into another entity and Grantee survives such purchase or merger as a public utility, Grantee shall provide notice to the City of such purchase or merger, but shall have no obligation under this Franchise to obtain the consent of the City Council for such purchase or merger.

SECTION 16. REMOVAL OF FACILITIES. If this Franchise is terminated or expires on its own terms and is not replaced by a new franchise agreement or similar authorization, the City may determine whether Grantee Facilities are to be removed from the Public ROW or remain in place. The City shall provide written notice of any requirement to remove Grantee Facilities and shall provide Grantee sixty (60) days to comment on such requirement to move Grantee Facilities. Following consideration of any such comments, the City Manager may issue an order requiring removal of Grantee Facilities within nine (9) months after such order is declared.

SECTION 17. NONDISCRIMINATION. Grantee shall provide service to electric light and power consumers in the City without undue discrimination or undue preference or disadvantage, in accordance with Oregon law.

SECTION 18. INDEMNIFICATION. To the fullest extent permitted by law, Grantee shall indemnify and hold harmless the City, its elected and appointed officials, officers, agents and employees against any and all claims, damages, costs and expenses, including attorney's fees and costs, to which the City may be subjected (i) as a result of any negligent or willful misconduct of Grantee, or its affiliates, officers, employees, agents, contractors or subcontractors, or (ii) arising out of the rights and privileges granted by this Franchise. The obligations imposed by this Section shall survive termination of this Franchise.

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SECTION 19. INSURANCE. Grantee shall obtain and maintain in full force and effect, for the entire Term, the following insurance covering risks associated with Grantee's ownership and use of Grantee Facilities and the Public ROW:

(A) Commercial General Liability insurance covering all operations by or on behalf of Grantee for Bodily Injury and Property Damage, including Completed Operations and Contractors Liability coverage, in the amount of Two Million Dollars (\$2,000,000.00) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate.

(B) Business Automobile Liability insurance to cover any vehicles used in connection with its activities under this Franchise, with a combined single limit of One Million Dollars (\$1,000,000.00) per accident.

(C) Workers' Compensation coverage as required by law and Employer's Liability Insurance with limits of \$1,000,000.

(D) With the exception of Workers' Compensation and Employer's Liability coverage, Grantee shall include the City as an additional insured on all applicable policies; provided, however, that such additional insured requirements shall only apply to Grantee's contractually assumed indemnity obligation under this Agreement. Grantee shall provide that they shall not cancel or modify thirty (30) days prior written notice is provided to the City. Grantee shall provide the City with a certificate of insurance evidencing such coverage as a condition of this Franchise and shall provide updated certificates upon request.

(E) **In Lieu of Insurance.** In lieu of the insurance policies required by this Section 19, Grantee shall have the right to self-insure any and all of the coverage outlined hereunder. If Grantee elects to self-insure, it shall do so in an amount at least equal to the coverage requirements of this Section 19 in a form reasonably acceptable to the City. Grantee shall provide proof of self-insurance to the City before this Franchise takes effect and thereafter upon request by the City.

SECTION 20. DAMAGE TO FACILITIES. In no event shall the City be liable for any consequential damages or losses resulting from any damage to or loss of any facility as a result of or in connection with any work by or for the City unless the damage or loss is the direct and proximate result of willful, intentionally tortious, negligent or malicious acts or omissions by the City, its employees or agents. In such

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case, the City shall indemnify and hold harmless Grantee against any and all claims, damages, costs and expenses, including attorney's fees and costs, arising from, subject to any applicable limitations imposed in the Oregon Constitution and the Oregon Tort Claims Act. The obligations imposed by this Section are intended to survive termination of this Franchise.

SECTION 21. LIMITATION ON PRIVILEGES. All rights and authority granted to Grantee by the City under this Franchise are conditioned on the understanding and agreement that the privileges in the Public ROW shall not be an enhancement of Grantee's properties or an asset or item of ownership of Grantee.

SECTION 22. FRANCHISE NOT EXCLUSIVE. This Franchise is not exclusive and shall not be construed to limit the City from granting rights, privileges and authority to other persons similar to or different from those set forth in this Franchise.

SECTION 23. REMEDIES AND PENALTIES NOT EXCLUSIVE. All remedies and penalties under this Franchise, including termination, are cumulative and not exclusive, and the recovery or enforcement by one available remedy or imposition of a penalty is not a bar to recovery or enforcement by any other remedy or imposition of any other penalty. The City reserves the right to enforce the penal provisions of any City ordinance or resolution and to avail itself to any and all remedies available at law or in equity. Failure to enforce any term, condition or obligation of this Franchise shall not be construed as a waiver of a breach of any term, condition or obligation of this Franchise. A specific waiver of a particular breach of any term, condition or obligation of this Franchise shall not be a waiver of any other, subsequent or future breach of the same or any other term, condition or obligation of this Franchise.

SECTION 24. SEVERABILITY CLAUSE. If any section, subsection, sentence, clause, phrase, or other portion of this Franchise is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdiction, all portions of this Franchise that are not held to be invalid or unconstitutional shall remain in effect until this Franchise

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is terminated or expired. After any declaration of invalidity or unconstitutionality of a portion of this Franchise, either party may demand that the other party meet to discuss amending the terms of this Franchise to conform to the original intent of the parties. If the parties are unable to agree on a revised franchise agreement within ninety (90) days after a portion of this Franchise is found to be invalid or unconstitutional, either party may terminate this Franchise by delivering one hundred and eighty (180) days notice to the other party.

SECTION 25. NOTICE. Any notice provided for under this Franchise shall be sufficient if in writing and (1) delivered personally to the following addressee, (2) deposited in the United States mail, postage prepaid, certified mail, return receipt requested, (3) sent by overnight or commercial air courier (such as Federal Express or UPS), or (4) sent by facsimile transmission with verification of receipt, addressed as follows, or to such other address as the receiving party hereafter shall specify in writing:

If to the City:

**City Manager City of Molalla, Oregon
117 N. Molalla Avenue
Molalla, Oregon 97038
FAX # (503) 829-3676**

**With a copy to: Attorney for the City of Molalla
Beery Elsner & Hammond, LLP 1750 SW Harbor Way, Suite 380
Portland, OR 97201
FAX # (503) 226-2348**

**The Grantee: Regional Manager
Portland General Electric Company
Att: Government Affairs
121 SW Salmon St 1WTC0301
Portland, Oregon 97204
FAX: (503) 464-2354**

**With a copy to: Portland General Electric Company
Attn: General Counsel**

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One World Trade Center, 17th Floor
121 SW Salmon Street
Portland, Oregon 97204
FAX: (503) 464-2200

Any such notice, communication or delivery shall be deemed effective and delivered upon the earliest to occur of actual delivery, three (3) business days after depositing in the United States mail, one (1) business day after shipment by commercial air courier or the same day as confirmed facsimile transmission (or the first business day thereafter if faxed on a Saturday, Sunday or legal holiday).

IN WITNESS WHEREOF, the parties, through their duly authorized representatives, have executed this Franchise as of the dates indicated below.

PORTLAND GENERAL ELECTRIC COMPANY

CITY OF MOLALLA

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____