

MONDAY, DECEMBER 19, 2016 CITY COUNCIL

CITY COUNCIL MEETING AGENDA

Regular meeting 7:00 p.m. Scappoose Council Chambers 33568 East Columbia Avenue

ITEM	AGENDA TOPIC	Action
1.0	Call to Order	
2.0	Pledge of Allegiance	
3.0	Roll Call	
4.0	Approval of the Agenda	Approval
5.0	Public Comments	
6.0	Consent Agenda 6.1 December 5, 2016 Work Session/Interview and City Council Meet	Approval ing Minutes
7.0	New Business 7.1 Development Agreement between Cascade Tissue and the City of Staff: Program Analyst Alexandra Rains	Scappoose Approval
	7.2 Res 16-24 ~ Transfer of Jurisdiction over Right-of-way on West L from Columbia County to the City of Scappoose Staff: Program Analyst Alexandra Rains	ane Road Approval
	7.3 Renew Auditor Contract Staff: City Manager Michael Sykes	Approval
	7.4 Purchase Aerator/Mixers for Digested Sludge Storage Pond Staff: Treatment Plant Supervisor Kevin Turner	Approval
	7.5 Sole Source Emergency Purchase ~ Aerator for Wastewater Trea Facility Staff: Treatment Plant Supervisor Kevin Turner	tment Approval
	7.6 City Manager Sykes Contract Mayor Burge	Approval
8.0	Announcements ~ information only	
	8.1 Calendar	
	8.2 City Manager, Police Chief, Councilors, and Mayor	
9.0	Adjournment	

This meeting will be conducted in a handicap accessible room. If special accommodations are needed, please contact City Recorder, Susan Reeves at (503) 543-7146, ext 224 in advance.

TTY 1-503-378-5938

MONDAY, DECEMBER 5, 2016 CITY COUNCIL WORK SESSION INTERVIEW FOR ECONOMIC DEVELOPMENT COMMITTEE MEMBER 6:00 p.m.

In attendance: Mayor Burge, Council President Erickson, Councilor Reed, Councilor Meshell, Councilor Hayden, Councilor Riffle, Councilor Haugen, City Manager Sykes, Police Chief Miller, City Recorder Reeves, Program Analyst Rains, Legal Counsel Rihala, and Applicant: Gregg Meyer.

Mayor Burge explained tonight Council will be interviewing for the Economic Development Committee. The applicant is Gregg Meyer, who is with Portland Community College.

After the interview was complete Mayor Burge explained the appointment will be on tonight's agenda.

Mayor Burge adjourned the Work Session at 6:19 p.m.

CITY COUNCIL MEETING Regular meeting 7:00 p.m. Scappoose Council Chambers 33568 East Columbia Avenue

Call to Order

Mayor Burge called the City Council meeting to order at 7:00 p.m.

Pledge of Allegiance

Roll Call

City Council Members Present:

Mayor
Council President
Councilor

Staff Present:

Michael SykesCity ManagerNorm MillerPolice ChiefSusan M. ReevesCity RecorderBen TollesAmericorps RARE Member

Legal Counsel Shelby Rihala

Press: Courtney Vaughn, Spotlight

Approval of the Agenda

Mayor Burge explained agenda item \sim 7.1 Improvement Agreement between Cascade Tissue and the City of Scappoose, will be placed on the agenda at the next Council meeting.

Councilor Hayden moved, and Council President Erickson seconded the motion to approve the agenda as amended. Motion passed (7-0). Mayor Burge, aye; Council President Erickson, aye; Councilor Reed, aye; Councilor Meshell, aye; Councilor Hayden, aye; Councilor Riffle, aye, and Councilor Haugen, aye.

Public Comments

There were no public comments.

Consent Agenda ~ November 7, 2016 City Council Work Session minutes, November 7, 2016 City Council meeting minutes, and the appointment of Gregg Meyer, PCC, on the Economic Development Committee

Councilor Reed moved, and Councilor Hayden seconded the motion to approve the Consent Agenda ~ November 7, 2016 City Council Work Session minutes, November 7, 2016 City Council meeting minutes, and the appointment of Gregg Meyer, PCC, on the Economic Development Committee. Motion passed (7-0). Mayor Burge, aye; Council President Erickson, aye; Councilor Reed, aye; Councilor Meshell, aye; Councilor Hayden, aye; Councilor Riffle, aye, and Councilor Haugen, aye.

New Business

Res 16-23 Canvassing Results of the Nov. 8, 2016 Election

City Manager Sykes explained in the packet is a copy of the election abstract from the Columbia County Elections Department, and it is a requirement that City Council adopt those results.

Councilor Riffle moved, and Councilor Haugen seconded the motion to approve Res 16-23 Canvassing Results of the Nov. 8, 2016 Election. Motion passed (7-0). Mayor Burge, aye; Council President Erickson, aye; Councilor Reed, aye; Councilor Meshell, aye; Councilor Hayden, aye; Councilor Riffle, aye, and Councilor Haugen, aye.

IGA ~ Marijuana Tax Collection Agreement

Legal Counsel Shelby Rihala explained with the passage of the local marijuana tax the City has the option to either collect it itself, or to enter into an IGA with the Department of Revenue for the Department of Revenue to collect the tax and distribute it back to the City. She explained this is the template agreement that the Department of Revenue has come up with. She explained small changes could potentially be considered, but the Department of Revenue made it clear that they are not interested in changing it significantly. City Manager Sykes explained staff felt it was more prudent to let the State collect the tax. He explained there is an administrative fee of 4% that we would have to pay, but with the amount of work it may be, staff feels it might be better to go through the State.

<u>Councilor Haugen, moved and Councilor Riffle seconded the motion to approve the IGA ~</u> <u>Marijuana Tax Collection Agreement with the Department of Revenue.</u>

Councilor Meshell stated he thinks the City is doing a smart thing by actually not collecting the money itself, because it actually gives the City some distance from the actual collection. He stated if the City did collect it, it would be putting the City staff in the position as opposed to the State staff in the position of actually taking proceeds from a substance that is still illegal from the Federal Law. He stated this actually protects the City in a way since the State is actually a buffer for us from any kind of lawsuit in the future of the actual collection of revenues.

Motion passed (7-0). Mayor Burge, aye; Council President Erickson, aye; Councilor Reed, aye; Councilor Meshell, aye; Councilor Hayden, aye; Councilor Riffle, aye, and Councilor Haugen, aye.

Proclamation ~ Heritage Tree

Americorps RARE Member Ben Tolles explained staff recognizes that the tree is very beautiful, and wants to make sure it is still there when the City develops the park, and as a statement that the City cares about its trees.

City Manager Sykes explained the other thing that is interesting is Pat Russell sent the City an email about the tree complementing the City for recognizing the tree as a heritage tree. Mr. Russel estimates the tree to be about 150 years old. He stated the tree really is a beautiful tree and it will be nice to have it in the City's park.

Councilor Hayden thinks it is wonderful that we are protecting the tree.

Councilor Reed asked if we are going to put some kind of designation on the tree.

Ben Tolles explained the Parks & Recreation Committee is going to talk about it at their next meeting.

Mayor Burge read the proclamation.

Mayor Burge thanked Ben for his work on this.

Announcements ~ information only

Calendar

Mayor Burge went over the calendar.

City Council meeting

City Manager

City Manager Sykes explained staff has been notified that on December 15 we will be given an opportunity to address the Oregon Transportation Commission about our Immediate Opportunity Grant Fund application and their staff is recommending approval. He and Councilor Haugen went to the County Commission meeting to try and find out what their interest was with the Chapman Landing property. The County Commissions concern was that they had received grants that might encumber that property. They did make that effort to talk to the County and they will make it again. He explained at the next meeting Council will hear about the draft wastewater master plan that is being prepared by Keller and Associates. He stated that staff needs to take a really close look at some of the findings in the plan and possibly get a second opinion about some of the potential costs associated with that. Also staff delayed the annexation of the airport property because we wanted to make sure that we have the capacity to serve that property.

Mayor Burge explained there will probably be a special meeting on January 9 for the second reading of the annexation.

City Manager Sykes explained he has been here for almost two years, and he really has grown to appreciate this Council. He thanked Council President Erickson, Councilor Meshell, and Councilor Haugen, and said they have been a pleasure to work for. He stated to Jeff, Jason and Joel, on behalf of the staff, thank you for your leadership.

Police Chief

Chief Miller explained Doughnut Day is Saturday, December 10, from 7am to 1pm in front of the Scappoose Middle School. All the food and donations they take in go to the Scappoose Food Bank.

Chief Miller thanked Council President Erickson, Councilor Meshell, and Councilor Haugen. He stated they have done an exceptional job and when they leave here they should be very proud of that.

Mayor Burge and Councilor Reed gave a cash donation to Chief Miller.

Councilors & Mayor

Councilor Haugen stated hats off to Americorps RARE Member Ben Tolles with the tree activity. He talked about Chapman Landing, and why it is so important to get Columbia County to give up their portion of Chapman Landing. He stated without that piece there is really no way of determining the property lines.

Mayor Burge explained he and City Manager Sykes went to the Oregon Business Plan's Oregon Leadership Summit today and the first afternoon session was the Oregon Manufacturing Innovation Center, who did a presentation to the business leaders of the State on what Scappoose has going on.

Executive Session ~ ORS 192.660(2)(i) Employee Evaluations

Mayor Burge read the opening Executive Session statement.

In attendance: Mayor Burge, Councilor President Erickson, Councilor Reed, Councilor Meshell, Councilor Hayden, Councilor Riffle, Councilor Haugen, and City Manager Sykes.

Scott Burge, Mayor

Mayor Burge came out of Executive Session.

Adjournment

Mayor Burge adjourned the meeting at 7:50 p.m.

Attest:

Susan M. Reeves, MMC, City Recorder

CITY OF SCAPPOOSE

Council Action & Status Report

Date Submitted:	December 14 th 2016
Agenda Date Requested:	December 19 th 2016
То:	Scappoose City Council
From:	City Manager Michael Sykes Program Analyst Alexandra Rains
Subject:	Development Agreement between the City of Scappoose and Cascades Tissue

TYPE OF ACTION REQUESTED:

[]	Resolution	I]	Ordinance
[×]	Formal Action]]	Report Only

BACKGROUND INFORMATION:

The City of Scappoose has been working with Cascades Tissue since 2015 to assist the Company with a significant expansion project. The Company purchased 50 acres of privately owned industrial land adjacent to the Scappoose Industrial Park and within the City Limits. They broke ground earlier this year on phase I of their expansion project and expects to be operational by Spring 2017.

As part of Cascades' approved development plans, the company is required to improve portions of West Lane Road to accommodate trucks entering the site. The improvements include widening of approximately 1,031 linear feet of West Lane Road between the S.E. corner of Crown Zellerbach Road and Wagner Court to accommodate a three lane collector (two travel lanes and a center turn lane) without parking, a 14-foot center turn lane, 12-foot northbound travel lane, 6-foot bike lane, curb and gutter, 6-foot sidewalk, storm drainage, street trees, lighting, paving and two commercial driveways.

CURRENT STATUS OF PROJECT:

In order to assist Cascades Tissue with said improvements, and promote economic

Request for Council Action

development in general through expansion of the project beyond Cascades' frontage to adjoining property owners, the City applied for two grants, the Immediate Opportunity Fund Grant from ODOT (IOF)1 and the Firm Business Commitment Grant from the Infrastructure Finance Authority (IFA)2. The City's application for both grants were authorized by City Council in Resolutions 16-22 and 16-21. The City will use the grant monies to complete additional improvements on West Lane Road from the Jet Center's parcel north of Cascades to Airpark Development's parcel south of Cascades. In total, the expanded project will cover approximately 1,716 linear feet of West Lane Road.

To satisfy the requirements of the IOF and IFA programs the City must enter into a Development Agreement with Cascades Tissue which outlines the details of the project and the respective responsibilities of each party, including financial obligations. To that end, the City has drafted said Development Agreement3 and attached it to this staff report for review (a Development Agreement with Airpark Development LLC will be forthcoming in the next several weeks).

FISCAL IMPACT:

The Development Agreement with Cascades Tissue (and eventually Airpark Development LLC) will allow the City to secure the IOF and IFA funds needed to complete the expanded frontage improvements on West Lane Road. The Agreement will not require any City funding.

SUGGESTED MOTION:

The City suggests Council authorize the City Manager to execute the Development Agreement with Cascades Tissue.

¹ See Attachment A

² See Attachment B

³ See Attachment C

Request for Council Action

CITY OF SCAPPOOSE

Council Action & Status Report

Date Submitted:	November 2, 2016
Agenda Date Requested:	November 7, 2016
То:	Scappoose City Council
From:	Program Analyst Alexandra Rains City Manager Michael Sykes
Subject:	Immediate Opportunity Fund Grant from Oregon Department of Transportation (ODOT)
TYPE OF ACTION REQUESTED:	

[×	(]	Resolution]]	Ordinance
[]	Formal Action	[]	Report Only

BACKGROUND INFORMATION:

The purpose of the Immediate Opportunity Fund (IOF) is to support primary economic development in Oregon through the construction and improvement of streets and roads. The 1987 Oregon Legislature created state funding for immediate economic opportunities with certain motor vehicle gas-tax increases.

The IOF is financed at a level of \$7 million per biennium and may be applied to four different project types: A) specific economic development projects that affirm job retention and job creation opportunities, B) revitalization of business or industrial centers to support economic development, C) preparation of Oregon Certified Project Ready Industrial Sites and D) preparation of regionally significant industrial areas. Each project designation has limits on funding per biennium and per project. The amount of an IOF grant is 50% of the total project costs, up to the designated funding limit for each project type and must be administered by another government agency.

Request for Council Action

Exhibit A

APPLICATION IN SCAPPOOSE:

The Immediate Opportunity Fund (IOF) Grant, as it applies to Scappoose, would be put towards the Cascade Tissue/West Lane Frontage Improvements Project as it is considered an eligible, Type A, project. The amount of the grant will be 50% of the total project costs, up to the Type A funding cap of \$1 million dollars. Based upon the cost estimates completed by OTAK in September 2016, the City expects the IOF grant will be \$975,000 dollars.

FISCAL IMPACT:

The Immediate Opportunity Fund from ODOT requires a 50% match. However, as the City is also applying for the Firm Business Commitment Grant from Business Oregon's Infrastructure Finance Authority (IFA) and will receive funds from property owners along West Lane Rd., it may use those funds to fulfill the match requirement.

SUGGESTED MOTION:

The City suggests Council authorize passage of Resolution No. 16-22 to grant authority to the City Manager to apply for the Immediate Opportunity Fund from ODOT and delegate authority to the Mayor to sign the application.

CITY OF SCAPPOOSE

Council Action & Status Report

Date Submitted:	October 12, 2016
Agenda Date Requested:	October 17, 2016
То:	Scappoose City Council
From:	Program Analyst Alexandra Rains City Manager Michael Sykes
Subject:	Firm Business Commitment Grant from Business Oregon's Infrastructure Finance Authority (IFA)

TYPE OF ACTION REQUESTED:

[×]	Resolution	[] Ordinance	
[]	Formal Action	[] Report On	ly

BACKGROUND INFORMATION:

The Infrastructure Finance Authority manages the state's Special Public Works Fund (SPWF) which provides financing to local governments to construct, improve and repair public infrastructure and facilities that support economic growth and create new jobs. Special Public Works Funds can be used to pay for municipally-owned utilities, buildings, and other municipally-owned infrastructure needed to support the development project, such as streets, sidewalks, water and sewer.

While the Special Public Works Fund is primarily a loan program, it does offer Firm Business Commitment Grants to development projects that create or retain traded sector jobs. The amount of grant is based on the number of eligible jobs proposed to be created or retained with the potential of up to \$5,000 for each job created or retained. The maximum grant amount is \$500,000 per project or 85% of the allowable cost.

The process begins with a Project Notification and Intake Form. If the project meets the

Request for Council Action

Exhibit B

programmatic and eligibility requirements, then a municipality is invited to apply. Funds cannot be committed prior to receiving an award letter. There are some exceptions, such as engineering, but that has to be approved in advance by the regional coordinator.

APPLICATION IN SCAPPOOSE:

The Firm Business Commitment Grant from IFA, as it applies to Scappoose, would be put towards the Cascade Tissue/West Lane Frontage Improvements Project as it is considered an eligible project with traded sector jobs. As noted above, the amount of the grant will be calculated based on the 69 jobs proposed to be created by Cascade Tissue. This puts the estimated available grant funding at \$345,000.00.

At this time, City staff has completed the Project Notification and Intake Form and is awaiting the formal invitation to apply for the grant.

FISCAL IMPACT:

The Firm Business Commitment Grant from IFA requires a 15% match. However, as the City is also applying for the Immediate Opportunity Fund (IOF) Grant from ODOT and will receive funds from property owners along West Lane Rd., it may use those funds to fulfill the match requirement.

SUGGESTED MOTION:

The City suggests Council authorize passage of Resolution No. 16-21 to grant authority to the City Manager to apply for the Firm Business Commitment Grant from IFA and delegate authority to the Mayor to sign the application.

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is made as of December ______, 2016, by and between the City of Scappoose, a municipal corporation of the State of Oregon ("City") and Cascades Holdings US Inc., a Delaware corporation ("Cascades"). The City and Cascades are referred to jointly in this Agreement as the "Parties" and individually as a "Party."

RECITALS

A. Cascades is constructing a 601,000 square foot manufacturing/ warehouse facility (the "Project") on a 51.6-acre site located on the east side of West Lane Road, south of Wagner Court in Scappoose, Oregon and more particularly described as Parcel I Partition Plat No. 2016-005, as filed in the records of Columbia County, Oregon (the "Project Site"). The first phase ("Phase I") is an approximate 288,675 square foot manufacturing facility which is currently under construction.

B. The Project is the subject of an approved Site Development Review SDRI-16 (West Coast Project Study) as set forth in a Notice of Land Use Decision dated June 17, 2016, a copy of which is attached hereto as Exhibit A ("Project Approval").

C. As part of the Project Approval, Cascades is required by Conditions 10, 11, 12 and 13 thereto to dedicate additional right of way along the West Lane frontage and to construct certain specified street improvements to Major Collector Standards ("Cascades Street Improvements"). Condition 14.e. of the Project Approval provides that all storm drainage infrastructure managing runoff from West Lane shall be publicly owned and if public stormwater facilities are placed on private property, Cascades will grant a stormwater utility easement to the City and Cascades will sign an agreement to privately maintain such facilities.

D. The City desires to expand the scope of Cascades Street Improvements so that West Lane is improved from the southern-most portion of tax lot 104 to the northern most boundary of tax lot 1600 ("City Improvements"), as outlined in Condition 11 of Project Approval. The City Improvements and Cascades Street Improvements shall together be referred to as the "Expanded Street Improvements."

E. The City intends to secure the additional funds needed for the Expanded Street Improvements from the Oregon Department of Transportation's Immediate Opportunity Fund and Business Oregon, other property owners adjacent to the Expanded Street Improvements and inkind services.

F. The parties recognize that this Agreement is not a statutory development agreement under the provisions of ORS 94.504 to 94.528.

AGREEMENT

NOW, THEREFORE, in consideration of the parties' mutual obligations under this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. EXPANDED STREET IMPROVEMENTS

1.1 Location and Scope. The location, dimensions and preliminary drawings for the Expanded Street Improvements are shown on Exhibit B attached hereto. The Expanded Street Improvements shall be designed and constructed to satisfy all applicable requirements of the Project Approval, including Conditions 3 (limited to trees within the Public Utility Easement dedicated by Cascades on West Lane Road), 10, 11, 12, 13, and 14.e. thereof. As further drawings and plans for the Expanded Street Improvements are prepared they will be promptly shared by the City with Cascades ("Plans"). Cascades may provide comments to City on the portion of the work constituting the Cascades Street Improvements, which City shall endeavor to incorporate to the extent practicable. City shall retain sole authority to approve the Plans. The City will coordinate with the Port of St. Helens in connection with the construction schedule of the Expanded Street Improvements to satisfy the applicable provisions of Condition 18. Cascades will coordinate with the Port of St. Helens in connection with the construction schedule of the Project to satisfy the remaining provisions of Condition 18.

1.2 City's Work. City shall be responsible for the design and construction of the Expanded Street Improvements. City endeavors to substantially complete the Expanded Street Improvements prior to December 31, 2017. City shall maintain reasonable access to Project Site during construction and will provide with at least one of the two access driveways to the Project Site being open and available for convenient access to the Project Site at all times. It is understood, however, that short delays or traffic restrictions in the normal course of constructing public improvements may occur so long as one lane of traffic always provides access to Project Site and which shall not disturb or limit Cascades' normal trucking and shipping activities. City shall coordinate with Cascades on such access issues and also on the disconnection, shut down and/or reconnection of utilities (including, but not limited, to water, communications and electricity) serving the Project Site. City shall not delay issuance of a certificate of occupancy for improvements on Project Site due to delay in completion of the Expanded Street Improvements. Notwithstanding any other provision of this Agreement, receipt of the funding and dedication of the right of way, including the temporary construction easement or license, set forth in Section 1.3.5 below, are conditions precedent to City's award of the construction contract. The City further agrees that in the construction contract for the Expanded Street Improvements ("Construction Contract") that the requirements of this Section 1.2 shall be inserted as conditions or covenants in the Construction Contract. With regard to any action taken by the City's contractor that in any way impedes or interferes with Cascades' operations or access. Cascades agrees that the City shall not be liable to Cascades for any loss of profits resulting from the conduct of the City's contractor, but the foregoing limitation in favor of the City shall not limit the ability of Cascades to bring a claim or action against the City's contractor for damages of any type or kind suffered by Cascades as a result of the conduct of the City's contractor.

1.3 Sources of Funds and Budget. For purposes of this Agreement, the total cost of the Expanded Street Improvements is estimated at One Million Eight Hundred Ninety-Five Thousand Dollars (\$1,895,000). The overall funding of the Expanded Street Improvements is anticipated to come from the following sources and to be used as follows:

1.3.1 ODOT/Immediate Opportunity Fund Grant ("IOF Grant"). The City will seek funds for half of the cost to design and construct the Expanded Street Improvements from the IOF Grant, up to Nine Hundred Seventy-Five Thousand Dollars (\$975,000). Cascades and Airpark Development, LLC ("Airpark") agree to cooperate with the City in the City's seeking of such funds including executing a Letter of Participation in the form attached hereto as <u>Exhibits C and D</u>, which have already been executed by Cascades and Airpark, respectively, and delivered to the City.

1.3.2 Business Oregon Infrastructure Finance Authority Grant ("IFA Grant"). The City will seek funds through the Firm Business Commitment Grant program towards the 50% match required for the IFA Grant. Based on the 69 jobs Cascades expects to create, the City will apply for a maximum grant award of Three Hundred Forty-Five Thousand Dollars (\$345,000).

1.3.3 Cascades Contribution. Cascades shall contribute, in cash, a total amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000) towards the cost of the Expanded Street Improvements ("Cascades' Contribution"). This contribution is separate and not related to the system development charges ("SDCs") which Cascades shall pay pursuant to Section 2 of this Agreement. Cascades shall transfer Cascades' Contribution to City upon award of the IOF Grant and IFA Grant to City. In consideration of Cascades' Contribution and its other obligations under this Agreement and the Stormwater Easement, the City acknowledges and agrees that Cascades shall have no further obligations beyond Cascades' Contribution with respect to the cost of constructing the Expanded Street Improvements.

1.3.4 Contribution from Airpark Development LLC. Airpark shall contribute, in cash, a total amount of Two Hundred Fifty Thousand Dollars (\$250,000) towards the 50% match required for the IOF Grant. Airpark shall transfer Airpark's Contribution to City upon award of the IOF Grant and IFA Grant to City. Notwithstanding any other provision of this Agreement, this deposit is a condition precedent to City's obligation to award the construction contract.

1.3.5 Cascades Dedication of Right of Way. On or before February 1, 2017 Cascades shall dedicate to City a minimum of 6 feet of right of way along the West Lane frontage of its property so as to provide at least 39 feet east of the existing centerline of West Lane, together with an 8-foot public utility and street tree easement adjacent to the new right of way to satisfy Condition 10 of the Project Approval. In addition, the parties acknowledge that as part of the Expanded Street Improvements, City will need to conduct work on Cascades property as reasonably necessary to ensure that the driveways match the grade and configuration of the improved West Lane and facilitate ingress and egress to the site to reasonably meet the needs of Cascades. Cascades will grant to City a temporary construction easement or license to accomplish such work in a form reasonably satisfactory to the parties.

1.3.6 Public Stormwater Facility Easement. Attached hereto as Exhibit <u>E</u> is a form of public stormwater facility easement and maintenance agreement ("Stormwater Easement') between the Parties, to satisfy the Conditions of Condition 14.e. of the Project Approval. The Stormwater Easement shall be executed concurrently with the execution of this

Agreement and shall be recorded by the City within ten (10) days after execution of this Agreement.

1.4 Budget Contingencies. In the event that City has not obtained funding, except for the Cascades Contribution by February 1, 2017, or awarded the construction contract for the Expanded Street Improvements by July 1, 2017, either party may terminate this Agreement and Cascades may proceed to construct the Cascades Street Improvements. Upon termination of this Agreement, as provided for herein, any funds deposited with City by Cascades, except SDC payments, shall be returned and any temporary construction easement or license shall be terminated.

1.5 Cost Overruns. If, upon completion of the 60% or 90% Plans and associated engineer's cost estimates, the Expanded Street Improvement costs are expected to exceed the budget set forth in Section 1.3, the City may choose to reduce the scope of the Expanded Street Improvements. City will not finalize the Plans without first giving Cascades a reasonable opportunity to review and comment on the Plans and the City shall endeavor to incorporate Cascades' comments into each stage of the Plans. Subject to the City's obligation to construct the Cascades Street Improvements in the following sentence, nothing in this Agreement shall obligate the City Council to award a construction contract for the construction of the Expanded Street Improvements if the budget therefor is expected to exceed \$1,895,000. In the event that the City chooses not to construct the Expanded Street Improvements or chooses to reduce the scope of the Expanded Street Improvements, the City shall nevertheless construct the Cascades Street Improvements, the City shall nevertheless construct the Cascades Street Improvements as required by the Project Approval.

1.6 Cost Savings. In accordance with the terms of the IOF Grant and IFA Grant, any cost savings, as compared to the Expanded Street Improvements budget of \$1,895,000, shall first be applied to reduce the state grant funding received and any remaining balance shall be retained solely by the City.

2. SYSTEM DEVELOPMENT CHARGES.

2.1 SDCs Due. Pursuant to Scappoose Municipal Code Chapter 13.24, Cascades agrees to pay SDCs in the amounts below and as detailed on <u>Exhibit E</u> for Phase I. The Parties agree that the SDCs shall be paid by Cascades immediately upon execution of this Agreement. City waives any right to claim or collect additional SDCs for Phase I and Cascades waives any claim or right to challenge the City's calculations and SDC methodologies.

2.1.1 Water. \$56,374.26
2.1.2 Streets. \$177,737.03
2.1.3 Sewer. \$45,605.70
2.1.4 Storm Water. \$138,118.86

 $\left(\right)$

2.2 SDC Credits. Pursuant to Scappoose Municipal Code Chapter 13.24.110, Cascades shall receive a credit against the Street SDC fee for the cost of qualified public improvements for the Cascades Street Improvements. The City has calculated Cascades' Street SDC credit at \$145,750, as detailed on <u>Exhibit F</u>. The parties agree this is a fixed amount that represents the cost of the creditable qualified public improvements and is not subject to change and shall be deducted from the amount of the Street SDCs otherwise payable as provided for in Section 2.1.2 above.

2.3 Future SDCs. In addition to the amounts in Section 2.1 above, Cascades may be responsible for additional SDCs for future development of the Project (Future SDCs). Future SDCs shall be calculated by the City pursuant to Scappoose Municipal Code 13.24, the applicable SDC methodology, and fee resolution in effect at the time the SDC is calculated. The SDC rate on which the City's estimates are based shall remain in effect until June 30, 2017. The City estimates Cascades' Future SDCs as follows:

2.3.1 Water. If no increase in meter size is required, no Future water SDCs will be required.

2.3.2 Streets. The Parties anticipate future construction of a 308,599 square foot manufacturing facility. The City estimates the Future street SDC for this facility at \$194,725.97.

2.3.3 Sewer. If no increase in meter size is required, no Future sewer SDCs will be required.

2.3.4 Storm Water. If no increase in the use of public storm water retention facilities is required, no Future storm water SDCs will be required.

3. CONDITIONS OF APPROVAL. The City agrees that compliance with the terms of this Agreement and the construction of the Expanded Street Improvements, pursuant to the provisions of this Agreement, shall satisfy all applicable requirements of the Project Approval including Conditions 3 (limited to trees within the Public Utility Easement dedicated by Cascades on West Lane Road), 10, 11, 12, 13, and 14.e. Pursuant to this Agreement, the City shall not withhold the granting of any certificates of occupancy based upon the completion of the Expanded Street Improvements.

4. **DEFAULT AND REMEDIES.**

4.1 Default. Failure of a party to timely and fully perform its obligations hereunder after notice and opportunity to cure shall be a material breach of this Agreement. The party asserting that a breach has occurred shall provide the other party with written notice of the breach and a minimum of ten (10) days to cure the breach in the event of a failure to pay on time or a minimum of fifteen (15) days to cure any other breach or to satisfy the party asserting the breach that adequate resources will be deployed and steps taken to cure the breach within a time agreed to by the parties.

711192.0001/6782203.8

4.2 Mediation. If a dispute is not resolved during the opportunity to cure and unless agreed otherwise by the parties, the parties shall participate in at least four hours of mediation as a prerequisite to bringing any available legal or equitable remedy, including termination, provided that no termination is permitted after July 1, 2017, unless agreed to in writing by the Parties. Mediation shall be initiated by written notice of one party to the other, setting forth a brief description of the nature of the dispute. If the parties are not able to informally agree on a mediator within 14 days, the matter shall be submitted to Arbitration Services of Portland and the selection and mediation shall be conducted in accordance with the rules of the Arbitration Services of Portland.

Mediation proceedings hereby are designated as settlement negotiations, and to the extent allowed by law, all offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any party shall be confidential and inadmissible in legal proceeding involving the parties; provided, however, that evidence which is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

4.3 Remedies. Each party shall have all available remedies at law or in equity to recover damages and compel the specific performance of the other Party's obligations under this Agreement. The rights and remedies afforded under this Agreement are not exclusive and shall be in addition to and cumulative with any and all rights otherwise available at law or in equity. The exercise by either party of one any one or more of such remedies shall not preclude the exercise of, at the same time or later, any other remedy for the same default. The non-defaulting party may terminate this Agreement if the other party is in default of this Agreement as provided in Section 4.1.

4.4 Force Majeure. Neither a Party nor Party's successor in interest shall be considered in breach of or in default with respect to any obligation created hereunder or progress in respect thereto if the delay in performance of such obligations (the "Unavoidable Delay") is due to causes that are reasonably unforeseeable, reasonably beyond its control, and without its fault or negligence, including but not limited to acts of God, acts of the public enemy, acts of government (other than the City), acts of the other Party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquake, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation involving a Party, malicious mischief, delays of litigation not commenced by either Party, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar events and/or occurrences beyond the control of such Party.

It is the purpose and intent of this provision that, in the event of the occurrence of any such Unavoidable Delay, the time or times for performance of the obligations of the City or Cascades, as the case may be, shall be extended for the period of the Unavoidable Delay; provided, however, that the Party seeking the benefit of this Section shall, within thirty (30) days after the Party becomes aware of the causes of any such Unavoidable Delay, notify the other Party in writing of the cause or causes of the delay and the estimated time of correction. Notwithstanding any other provision of this Agreement, the time for Parties' performance shall not be extended by one or more events of Unavoidable Delay for a cumulative period greater than ninety (90) days unless the Parties agree to a longer period.

711192.0001/6782203.8

5. MISCELLANEOUS PROVISIONS

5.1 Notice. Any notice, demand, request, or other communication (collectively referred to in this as a "notice") required or permitted to be given or made by either Party to the other pursuant to this Agreement shall be in writing and shall be delivered to the other Party by delivery service (including by overnight delivery service such as Federal Express) or sent postage prepaid by registered or certified U.S. or Canadian mail, as applicable, addressed to the Party at its address set forth in Section 5.1.1 with respect to City and Section 5.1.2 with respect to Cascades or such other address as may be designated by such Party by written notice hereunder. Notices shall be deemed given and shall be effective on the date of delivery or, if mailed, two (2) Business Days following the date of mailing.

5.1.1 In the case of a notice or communication to City, all notices shall be addressed as follows:

City of Scappoose 33568 East Columbia Avenue Scappoose, OR 97056 Attn: Michael Sykes, City Manager Fax: (503) 543-7182 With a copy to:

Jordan Ramis 2 Centerpointe Dr., 6th Floor Lake Oswego, OR 97035 Attn: Shelby Rihala Fax: (503) 598-7373

5.1.2 In the case of a notice or communication to Cascades, all notices shall be addressed as follows:

Cascades Holding US Inc. c/o Cascades Tissue Group 77 Boulevard Marie-Victorin Candiac (Québec) Canada J5R 1C2 Attn: Pierre Brochu, V.P. Legal Affairs Fax: (450) 444-6477

With a copy to:

Lane Powell, PC 601 SW Second Avenue, Suite 2100 Portland, OR 97204 Attn: Michael R. Silvey Fax: (503) 778-2200

5.2 Headings. Titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

711192.0001/6782203.8

5.3 Waivers. No waiver made by either Party with respect to the performance, or manner or time thereof, of any obligation of the other Party or any condition inuring to its benefit under this Agreement shall be considered a waiver of any other rights of the Party making the waiver. No waiver by either of the Parties of any provision of this Agreement or any breach thereof shall be of any force or effect unless in writing; and no such waiver shall be construed to be a continuing waiver.

5.4 Choice of Law. This Agreement shall be governed by Oregon law. Venue shall be that set forth below.

5.5 Construction. In construing this Agreement, singular pronouns shall be taken to mean and include the plural and the masculine pronoun shall be taken to mean and include the feminine and the neuter, as the context may require.

5.6 Severability. If any clause, sentence or any other portion of the terms and conditions of this Agreement becomes illegal, null or void for any reason, the remaining portions will remain in full force and effect to the fullest extent permitted by law.

5.7 Entire Agreement. This Agreement and the attachments hereto are the entire agreement between the Parties. There is no other oral or written agreement between the Parties with regard to this subject matter. There is no oral or written representation made by either Party, implied or express, other than those contained in this Agreement.

5.8 Modifications. Any modifications to this Agreement shall be made in writing and executed by both Parties.

5.9 Successors and Assigns. The benefits conferred by this Agreement, and the obligations assumed thereunder, shall inure to the benefit of and bind the successors and assigns of the Parties.

5.10 Place of Enforcement. Any action or suit to enforce or construe any provision of this Agreement by any Party shall be brought in the Circuit Court of the State of Oregon for Columbia County, or the United States District Court for the District of Oregon in Portland, Oregon.

5.11 No Partnership. Nothing contained in this Agreement or any acts of the Parties hereby shall be deemed or construed by the Parties, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or any association between any of the Parties.

5.12 Approvals. Where approvals of a party are required, the party will approve or disapprove within ten (10) days after receipt of the material to be approved, except where a longer or shorter time period is specifically provided in this Agreement to the contrary. Failure by a party to approve or disapprove within said period of time shall be deemed approval. Any disapproval shall state in writing the reasons for such disapproval. Approvals will not be unreasonably withheld. Upon receipt of such disapproval, the other party shall revise such

disapproved portions in a manner responsive to the stated reasons for disapproval and resubmit the same within fifteen (15) days after receipt of the notice of disapproval.

5.13 Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday. Sunday or legal holiday, the period shall be extended to include the next day which is not a Saturday. Sunday or legal holiday. All periods of time shall be deemed calendar days unless specifically designated as Business Days. Business Days shall mean Monday through Friday excluding state or federal legal holidays.

Counterparts. The Agreement shall be executed in counterparts, each of 5.14 which shall be deemed to be an original, and such counterpart shall constitute one and the same instrument.

5.15 Good Faith and Reasonableness. The Parties intend that the obligations of good faith and fair dealing apply to this Agreement generally and that no negative inferences be drawn by the absence of an explicit obligation to be reasonable in any portion of this Agreement. The obligation to be reasonable shall only be negated if arbitrariness is clearly and explicitly permitted as to the specific item in question, such as in the case of a Party being given "sole discretion" or "sole judgment."

Executed in multiple counterparts as of the day and year first above written.

"CASCADES"

"CITY"

Delaware corporation

CASCADES HOLDINGS US INC., a THE CITY OF SCAPPOOSE, a municipal corporation of the State of Oregon

By:	By:
Name: 17-line Oroch	Name:
Title: V. P. Letal Afrains	Title:
Date: December 814 2016	Date:

EXHIBITS:

- A Project Approval
- B Expanded Street Improvement
- C Cascades' Letter of Participation
- D Airpark's Letter of Participation
- E Stormwater Easement
- F SDC Credit Calculation

711192.0001/6782203.8

Q

EXHIBIT A

Project Approval



Notice of Land Use Decision

Date:Jone 17, 2016To:Applicant. Property Owner, and Interested PersonsFrom:Laurie Ofiver, Associate City Planner, (503) 543-7184Subject:Site Development Review SDR1-16

The City of Scappoose has approved Site Development Review SDR1-16 (West Coast Project Study) for property located on West Lane Road north of Crown Zellerbach Road and south of Wagner Court, on property described as Parcel 1 of Partition Plat 2016-005. On June 16, 2016, the Planning Commission adopted the findings contained in the June 16, 2016 revised staff report and approved the application subject to the Conditions of Approval outlined below. Copies of the application and staff report are available for review upon request.

All notices required by Scappoose Municipal Code Chapter 17.164 have been met for this application, and the application was considered in regard to all applicable approval criteria found within Chapters 17.69 (PUA, Public Use Airport); 17.88 (AO, Public Use Airport); 17.88 (AO, Public Use Airport); 17.104 (Street Trees); 17.106 (Off-Street Parking and Loading Requirements); 17.126 (Site Development Review); 17.154 (Street and Utility Improvement Standards); and 17.164 (Procedures for Decision Making-Limited Land Use Decisions).

An affected person with legal standing may appeal this decision. The approval by the Planning Commission may be appealed by filing a written notice of appeal complying with Scappoose Municipal Code 17.164 before 5:00 p.m. on July 1, 2016. Appeal forms are available at the Community Development Center, 52610 NE 1th Street, Scappoose, OR 97056. Appeals of Planning Commission decisions are subject to an accompanying \$500 fee deposit.

General Information

 Request: Approval of an application for Site Development Review (SDR1-16) for West Coast Project Study, a proposed 288,675 square foot manufacturing facility with associated office and storage space (Phase 1) and the future addition of 308,599 square feet of associated warehouse space (Phase 2).
 Location: The site is located on West Lane north of Crown Zellerbach Road and south of Wagner Court on property described as Parcel 1 of Partition Plat 2016-005. The parcel is identified as portions of Columbia County Assessor Map 3106-00-00801 & 3107-00-00100, and 3212-AA-00100.
 Applicant(s): Otak. Inc.
 Owner(s): Airpark Development LLC

City of Scappoose - 33568 E Columbia Avenue - Scappoose, Oregon 97656 - 503,543,7145 - Fax 503,543,7187



Zoning:

Public Use Airport (PUA), subject to Public Use Airport Safety and Compatibility Overlay Zone (AO)

Conditions of Approval

- 1. The Site Development Review approval for Phase 1 shall be valid for one year, and the approval for Phase 2 shall be valid for three years from the date of the final decision. Any changes to the existing plans shall be submitted for modification of approval (either minor or major) per the requirements of Chapter 17.120 (Site Development Review) of the Development Code. Construction of all public utilities and street improvements shall be required to be completed as part of Phase 1.
- 2. Prior to issuance of a building permit, a lighting plan shall be submitted for the review and approval of the City Planner. Parking lot lighting shall be directed away from streets, neighboring properties, taxiways, and runways. Fixture height, light type and lighting levels shall function so as to assure compatibility with neighboring land uses and to demonstrate adequate illumination around the building to maintain safety. Shields shall be incorporated to minimize glare and to focus lighting to its intended area.
- 3. Prior to issuance of a huilding permit, the applicant shall submit an amended landscape plan for the review and approval of the City Planner. The proposed Sargent Cherry street trees shall be replaced with an approved street tree no tailer than 25 feet at maturity due to the presence of overhead utility lines. The proposed methods of screening the parking lot, loading docks, and trailer parking areas shall be maintained. The landscape plan shall indicate the location, number, and species of all required plantings.

The Landscaping Plan shall specify the location and species of street trees required along the frontage of all public right-of-way. Street tree locations shall maintain visual clearance. The applicant shall install the Street Tree Plan conforming to the requirements of Chapter 17.104 (Street Trees) of the Scappoose Development Code and shall install root guards to protect the sidewalk in accordance with Scappoose Municipal Code 13.28.020(C). All street trees shall have a two-inch minimum caliper and be spaced as appropriate for the selected species, as specified in the Scappoose Comprehensive Urban Forestry Plan. All street trees shall be of good quality and shall conform to the American Standard for Nursery Stock (ANSI Z60.1). The City Planner reserves the right to reject any plant material that does not meet this standard.

Prior to issuance of an occupancy permit, the applicant shall install landscaping plan substantially in conformance with the proposed plan, as amended by the requirement herein.

Cily of Scappoose - 33558 E Columbia Avenue - Scappoose, Oregon 97056 - 503.543.7145 - Fax 503.543.7162



- 4. The applicant shall provide signing for the disabled parking spaces and label all parking spaces using permanent paint. Regular parking spaces shall have a width of usine feet and a length of eighteen feet. Compact spaces shall be labeled in permanent paint and may have a width of 8.5 feet and a length of 15 feet.
- The applicant shall pave all vehicle maneuvering and parking areas (including the trailer parking areas along the north and south site boundaries) in accordance with Section 17.106.050(F) of the Scappoose Development Code.
- The applicant shall install concrete curb stops for parking spaces by any sidewalks or landscaping and construct the handicapped parking spaces to meet ADA provisions for parking.
- 7. The applicant shall provide a minimum of ten secured bicycle rack spaces,
- The applicant shall screen refuse containers from view from the street, passengervehicle parking areas, and residences in accordance with Section 17.100.100 of the Scappoose Development Code.
- 9. Prior to any earthwork, the applicant shall obtain a fill and grading permit from the City Engineer, including the installation of any necessary crosion control measures, per the standards set forth in the Scappoose Public Works Design Standards and Specifications. Erosion control measures shall be reviewed and approved by the City Engineer and the Oregon Department of Environmental Quality as part of an Erosion Control Plan. The applicant shall submit a copy of the approved NPDES 1200-C permit prior to construction.
- 10. The applicant shall dedicate a minimum of an additional 6 feet of right-of-way along the West Lane frontage to provide at least 39 feet east of centerline. An 8-foot Public Utility and Street Tree Easement shall be provided adjacent to the right-of-way.
- 11. The applicant shall construct street improvements to Major Collector Standards along the entire West Lane frontage to accommodate a three-lane collector (two travel lanes and a center turn lane) without parking. Improvements shall begin from centerline east to include a 14-foot center turn lane, 12-foot northbotaid travel lane, 6-foot bike lane, curb and gutter, 6-foot sidewalk, storm drainage, street trees, lighting, and paving. Any necessary relocation of utility poles shall be performed at the applicant's expense. Street improvements shall be designed by an Oregon Registered Professional Engineer. Transportation System Development Charge (SDC) credit may be available for a portion of the street improvement costs in accordance with Section 13.24,110 of the Scappoose Municipal Code.

Cily of Scappoose • 33568 E Columbia Avenue • Scappoose, Oregon 97056 • 593,543 7146 • Fax 593,543 7182



- 12. The applicant shall demonstrate on the plans that minimum AASIJTO sight distance requirements will be met at all site driveways and shall provide turning movement diagrams demonstrating adequate clearance for emergency vehicles.
- 13. The applicant shall clear vegetation on the northwest corner of the Crown Zellerbach Road/West Lane intersection to the extent possible within the public right-of-way to maintain sight distance.
- 14. The applicant shall submit utility plans and supporting calculations demonstrating compliance with the Scappoose Public Works Design Standards for water, sewer, and storm drainage for the review and approval of the City Engineer. The utility plans shall be approved prior to issuance of building permits.
 - a. All proposed sanitary sewer infrastructure shall be privately owned and maintained. A private utility easement shall be obtained from the site boundary to the public sanitary sewer main on Parcel 2 of Partition Plat 2016-005. The sanitary sewer system shall comply with Chapter 13.16 (Sewer System Industrial Users) of the Scappoose Municipal Code.
 - b. Hydrants shall meet the requirements of the Scappoose Rural Fire Protection District and Public Works Design Standards.
 - c. Calculations shall be provided to demonstrate sufficient fire flow for the proposed manufacturing use in accordance with Fire Code requirements. The water line shall be looped if necessary to achieve the required fire flow.
 - All on-site water lines for domestic and fire flow (including on-site hydrants) shall be privately owned and maintained.
 - e. All storm drainage infrastructure managing runoff from West Lane shall be publicly owned. Public infiltration facilities shall be designed to achieve a drawdown time of less than 24 hours during the 25-year storm event and shall not utilize a floating cover. If public stormwater facilities are placed on private property the applicant shall grant a public stormwater utility easement to the City and shall sign an agreement to privately maintain the facilities.
 - E. All storm drainage infrastructure managing runoff from on-site impervious surfaces shall be privately owned and maintained. Floating covers are acceptable means of deterring waterflowl in the vicinity of the airport, provided that the applicant provides documentation of FAA approval for the specific floating cover proposed for final construction drawings. Alternately, if no floating cover is used, infiltration facilities shall be designed to achieve a drawdown time of less than 24 hours during the 25-year storm event.
- The applicant shall legally decommission any wells and septic systems on site and provide documentation to the City.
- 16. The applicant shall grant an avigation easement to the airport sponsor, the Port of St. Helens, in accordance with Section 17.88.110 of the Development Code, if deemed necessary by the Port.

City of Scappoose - 33568 E Columbia Avenue - Scappcose, Oregon 97056 - 503,543,7146 - Fax 503,543,7182



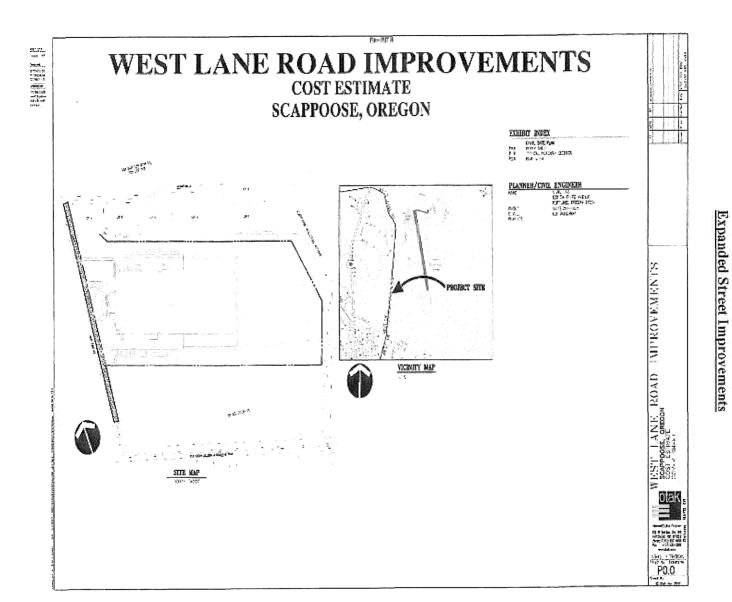
- 17. Prior to final occupancy approval for Phase 1, the applicant shall prepare an engineering report for the review and approval of Columbia County Road Department for that portion of West Lane Road between Highway 30 and N. Honeyman Road to address the following:
 - · Roadway geometry (width, grade, and alignment):
 - Road sections (asphalt and subgrade);
 - Stormwater management deficiencies; and
 - · Safety issues (visual clearance, lighting, and signage).

The report shall describe the impact of the proposed development on road and pavement conditions through the horizon year (2028) and identify any necessary mitigation measures on the affected road segment.

Prior to final occupancy approval for Phase 1, the applicant shall pay Columbia County Road Department a mitigation fee for its proportional share of mitigation in the amount equal to the difference between \$80,000 and the cost of the engineering report. The Columbia County Road Department shall be responsible for managing and constructing mitigation improvements and shall release any unused funds back to the applicant within 30 days of the completion of the road improvements.

- 18. The applicant shall coordinate with the airport sponsor. The Port of St Helens, regarding their construction schedule and timeline in order that a NOTAM (Notice to Airmen) may be issued by the airport sponsor to ensure the safe operation of the Scappoose Airpark, as requested by the Oregon Department of Aviation.
- The applicant shall follow all requirements issued by the FAA in regords to the letters dated 6/10/2016, involving Aeronautical Study No. 2016-ANM-1068-OE and 2016-ANM-1067-OE.

City of Scappoose + 33568 E Columbia Avenue + Scappoose, Oregon 57055 + 503.543,7146 + Fax 503.543,7182

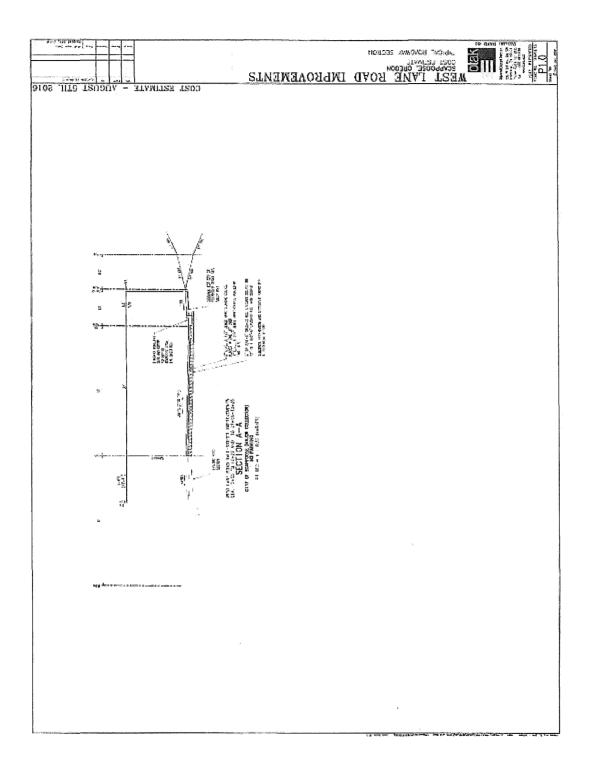




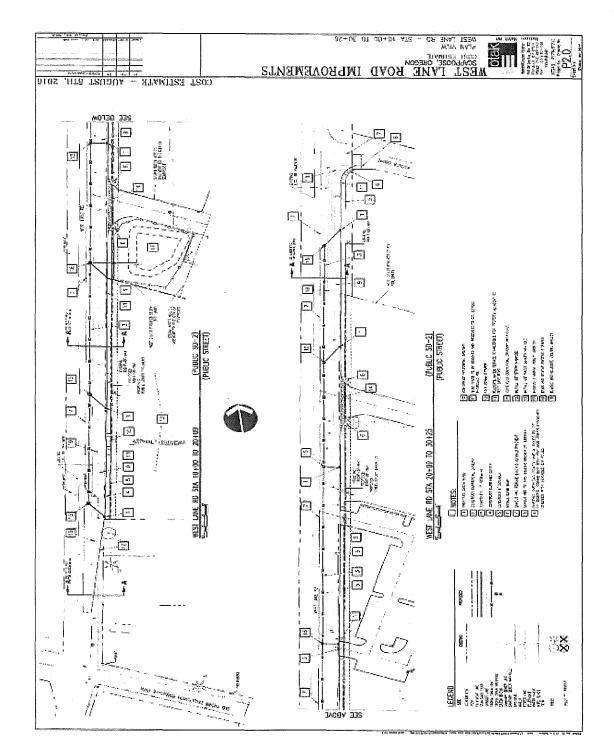
711192.0001/6782203.8

G

P



711192.0001/6782203.8



711192.0001/6782203.8

EXHIBIT C

Cascades' Letter of Participation



Casandes Tasue Group - Grogan Conesting, a dikipan al Casandes Canada ULC Stagen West Lane Raad Brasposes, DR, 97055 Talephone, 150-444-6400 Fax 450-444-6477

October 28th, 2016

BY EMAIL

Mr. Michael Sykes City Manager City of Scappcose 33568 E Columbia Ave Scappcose, OR 97056

Re: Participation in Immediate Opportunity Fund Process

Dear Mr. Sykes.

This letter serve to demonstrate Cascades Tissue Group-Oregon Converting, a division of Cascades Holding US Inc («Cascades») interest and willingness to participate In good faith in the Immediate Opportunity Fund (IOF) process, undertaken to complete frontage improvements on West Lane Road. Cascades understands that the IOF is provided by the Oregon Department of Transportation (ODOT) to support primary economic development in Oregon through construction and improvement of streets and roads. The fund covers 50% of project costs up to a million dollars and must be administered by another government agency. In this case the City of Scappoose (the «City»). The IOF funds will be used for frontage improvements on West Lane Road that will take place on the frontage of Cascades property and would improve it. Cascades is therefore expressing its interest in, and commitment to, contributing \$326,000.00 towards the 50% match required by the IOF process.

Cascades also understand that the information provided in this letter will be fleshed out in greater detail In a Development Agreement, a draft of which being already discussed among the City and Cascades. Parties' expectations is to sign such agreement in the coming weeks. While Cascades is agreeing to participate in these discussions with the City in good faith, City understands that this letter of Interest shall not be binding on Cascades should the parties fail to reach an agreement with regards to the terms and conditions of the Development Agreement.

Me Pierre Brochu Vide-President, Legal Affairs Cascades Tissue Group, a division of Cascades Holding US Inc.

PHERE CASCADES.COM

EXHIBIT D

Airpark's Letter of Participation

10/10/2010 14:00 /00//00/14

FELEX LAFE ICE 2249

PAGE 02/02

25

Airpark Development LLC PO Box 1754 Lake Oswogo, OR 97035

Michael Sykes City Manager City of Scappoose 33568 E Columbia Ave Scappoose, OR 97056

October 18, 2016

Re: Participation in Immediate Opportunity Fund Process

Dear Mr. Sykes,

Let this letter serve to demonstrate my interest and willingness to participate in good faith in the Immediate Opportunity Fund (IOF) process, undertaken to complete frontage improvements on West Lane Road.

I understand that the IOF is provided by the Oregon Department of Transportation (ODOT) to support primary economic development in Oregon through construction and improvement of streets and roads. The fund covers 50% of project costs up to a million dollars and must be administered by another government agency, in this case the City of Scappoose. The IOF funds will be used for frontage improvements on West Lane Road that will take place on, and improve, my personal property. I am therefore expressing my interest In, and commitment to, contributing \$250,00.00 towards the 50% match required by the IOF process.

I also understand that the information provided in this letter will be fleshed out in greater detail in a developer agreement to be prepared and signed by all parties in the coming months. While I am agreeing to participate in these discussions in good faith, I understand my commitment will not be binding on me should the parties fail to reach a consensus going forward.

Airpark Development LLC, by:

Ed Freeman, Pres.

EXHIBIT E

Stormwater Easement

26

EXHIBIT F

SDC Credit Calculation

	Cascade Frontage - Creditable Frontage Improvements				
			2073		
	Amademy, Canizectic, Crylingge, Pianting, Lighting		6516		
MACACHON		10011	ANDING	10111-01157	1110a
	AND TRAFFIC CONTROL	1 10011	200 00001	10111-1-112-1	4111122
	NEW HEREEN WHELENS	15	1	10 65%	19.645
See survives	TRANSCOVERY PROTECTICS: AND DEPRETTION OF TRAFFIC COMP. BTP 149.1	1.5	,	100%	12,653
	EDOSON CONTROL (33)	13	51 - 51 -	11275. 34	20 ::::::::::::::::::::::::::::::::::::
<u>See Blockeer</u>	MILLEGARE AND ALLEN	1/9 ·			24
CADWORK	and the second	-			1. <u>1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1</u>
TRADICTOR	RENOVAL OF STRUCTUPES AND CERSTRUCTIONS	LS	Ŭ.	90	- M
rachter and	CLEARING AND GREETING	LS	-	સાહ	L4 (8,4)
SECTION OF	GENERAL EXCAVATION AFFHAT PARENET SAM OUTTILS	0010 1001	શક ક	\$27.0 \$2.03	135,404 \$0
Mathana an-	ASEHA LIOSEBETI SOZ : UTUL.			1 12 (GS 1	
				1	
RAINAGE AND	BEWER8			1	
441.035017AF	CONCHREGENER PER DET DEFTH	FIRST	<u>4</u>	112 6	รม
NICLENCIES F	VALCH STOCHUSEAUS PHE VET LEFTH COLORETS SUETS TYPE CA.2 COLORETS STORY SEWER MANNES	ENCH	¥.	\$1740 \$1770	50 80
SOLUTIONE CONTRACTOR	Concrete Moras Server Manhol es Concrete Maras (MES, story é emprés d'ul d'una concret	1 4/1	1 K	110,000	50 50
	WATER GRADITY MANAYAT	1.3	6	10.030	50
	KONECTON TO EAST AS STRUCT ASS	14.0	¢	\$1500 }	\$0
	BICREI BATION FORE	L 12	G	4:65:000	\$N
		-			
IASES	ANGREGATE BASE (1910)	17:00	1-14	\$25.2	F
COLUMN STREET	AGERGRATE EASE (1.729)	TON	10	1 200 1	178.0-4
VEARINO BURF	ACED				
	AT WELL IN THE ADDRESS OF THE ADDRES	131	1.37	<u></u>	112,816
<u>364.91923.014</u>	LEVEL 5 34 14CH ACTIVITY STUDE	1:11	195		110,507 \$0
	ASHALT AFRICACHES CONCRETE CLRES, CLRE AND GUTTER	1000	e e	16.9	40 50
	CLARTER DEVICE WAY 5.	5.352	Č	16 (0)	41
tina attractu	这些结节你把我们的各自CS	(2)28	E .	19.50	<u>\$0</u>
March 1 County - Star 1819	CATFIC ENFETY AND GUIDANCE DEMICES	-			
	PERMIT SAVENTY AND GODANCE DEVICES	1.5	6	- (a)	ŝù
CONTRACTOR	Constraine (141) (sama) :	1			
	RAFFIC CONTROL AND ILLUMINATION SYSTEMS				
HELLING FRANK	PERMANENT SIGNAL COMPLEXE	LS	Ľ	- 20	74)
STREET STREET	STREET LIGHTING SYSTEM CONFLETE	PA-	6	\$5.000	313
AGHT OF WAY	DEVELOPMENT AND CONTROL	- Income		L	<u> </u>
	PERMITENT SCIENCES	ACRE	6	\$5500	9 7
040400000		CUYE	Q	4.25.9	16
	REMOMISS RECRETED IN HERCH	Point.	3	112.0	52
INTERNINGCOF	MULTELE AMUBOXIS PECETS WALSTACONCERTE COLLAPS	EACH EACH	K C	\$1(8) \$1(8)	502 502
mean market	ISBN ALLINE FELD LAFS			30.00	9°
1640.0150005	DENTIFIE THEE SHITH THEE	(Frich	0	\$300	9 2
1.1				1	
NATER SYSTEM		1010		S2462	715
I PERFORMANCE	informati #Stenertes	EACH	<u> </u>	37.20	212
ILINITAL CD	L NESTRUETTONETCUS	1	1000000	1.00000000	616.XH
	CCIII NGBINCES	1		3387	122.532
TOTAL CONSTR	RUCTION COST	<u>مرکحتها</u>	ļ	1104	107 1818 3 10 184
	PRELIMINARY EXCINEER HIS COSTS CONSTRUCTION NAMAZEMENT			15-0%	\$70,080 \$9,790
	PEGASING, BUT NEW RECENTION	1-		1.03	\$3.916
	RCWF4-2	EA.	6	392.23	\$Q
	PSE Ana	¥.	e	目的	50
	STORMENSEVENT	2	k.	85.46	90
	Richt Ann	-	142 <u>4</u>	39.75	822-328 \$145,751
TOTAL PRO					

711192.0001/6782203.8

21

27-

CITY OF SCAPPOOSE

Council Action & Status Report

Date Submitted:	December 14 th , 2016
Agenda Date Requested:	December 19 th , 2016
То:	Scappoose City Council
From:	City Manager Michael Sykes Program Analyst Alexandra Rains
Subject:	Transfer of Jurisdiction over Right-of-Way on West Lane Road from Columbia County to the City of Scappoose

TYPE OF ACTION REQUESTED:

[×	(]	Resolution	Γ]	Ordinance
[]	Formal Action	[]	Report Only

WEST LANE FRONTAGE IMPROVEMENTS PROJECT SUMMARY:

The City of Scappoose has been working with Cascades Tissue since 2015 to assist the Company with a significant expansion project. The Company purchased 50 acres of privately owned industrial land on West Lane Road, which is owned by Columbia County and within City Limits. As part of Cascades' approved development plans, the company was required to improve 1,031 linear feet of West Lane Road to City standards in order to accommodate trucks entering the site.

To assist Cascades Tissue with said improvement requirements, and promote economic development in general through expansion of the project beyond Cascades' frontage to adjoining property owners, the City secured grant funds from the IOF and IFA, as well as a contribution from Airpark Development LLC. The expanded project will include widening of approximately 2,000 linear feet of West Lane Road between the S.E. corner of Crown Zellerbach Road and Wagner Court to accommodate a three lane collector (two travel lanes and a center turn lane) without parking. Improvements shall begin from centerline east to include a 14-foot center turn lane, 12-foot northbound

Request for Council Action

travel lane, 6-foot bike lane, curb and gutter, 6-foot sidewalk, storm drainage, street trees, lighting, paving and two commercial driveways.

ROW TRANSFER OF JURISDICTION FOR WEST LANE ROAD:

Although West Lane Road is owned by the County, the City recognizes that it is critical to local economic development, particularly for industrial use. This is why the City has made significant effort to raise funds to improve West Lane Road and now seeks to acquire jurisdiction from Columbia Ave to Wagner Court.

In the past, the City has not sought to acquire jurisdiction over County roads within City limits unless they were brought up to City Standards, however, the City recognizes that this is a unique situation for the following reasons:

- 1) Much of the improvements are already being funded by the City through the IOF and IFA grants and property owner contributions
- 2) The County, historically, has not had the funds to upgrade roads to City Standards and it is likely that will continue into the future
- 3) The unimproved west side of the road may never improve because of the presence of the gravel pit
- 4) The City can require improvement of the west side of the road upon further development of the area

SUGGESTED MOTION:

The City suggests Council authorize passage of Resolution # 16-24 and hereby request that the Columbia County Board of Commissioners transfer jurisdiction to the portion of West Lane Road between Columbia Ave and Wagner Court to the City of Scappoose.

RESOLUTION # 16-24

DRAFT

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCAPPOOSE REQUESTING COLUMBIA COUNTY TRANSFER JURISDICTION OF A PORTION OF WEST LANE ROAD INSIDE THE CITY LIMITS.

Whereas, the portion of West Lane Road from its intersection with Columbia Ave to Wagner Court is already inside the City limits; and

Whereas, a land use action on Cascades Tissue's property along West Lane Road has required frontage improvements consistent with the City of Scappoose Street Standards; and

Whereas, the City of Scappoose has secured state funding from the Immediate Opportunity Fund and the Infrastructure Finance Authority to assist Cascades Tissue with their improvements and expand those improvements to the adjacent property owners both to the north and south; and

Whereas, completing frontage improvements on West Lane Road will make it possible for Cascades Tissue to run their new manufacturing facility and make the adjacent properties more shovel ready; and

Whereas, West Lane Road is critical to economic development in the City of Scappoose; and

Whereas, ORS 373.270 authorizes the City to request Columbia County transfer jurisdiction of County Roads and provides a process for such transfer; and

Whereas, the City wishes to initiate the process to have the County transfer the portion of West Lane Road currently within the City limits to the City. Upon completion of the process, Columbia County's jurisdiction over the portions of West Lane Road shall cease, and the full absolute jurisdiction shall, for all purposes of repair, construction, improvement and the levying and collection of assessments therefore, vest in the City.

Now, therefore, be it resolved:

Section 1: The Scappoose City Council hereby requests that the Columbia County Board of Commissioners transfer jurisdiction to the portion of West Lane Road between Columbia Avenue and Wagner Court, as described and depicted in Exhibit A, to the City of Scappoose.

Section 2: This resolution is effective immediately upon passage.

PASSED AND ADOPTED by the Scappoose City Council and signed by me, and the City Recorder, in authentication of its passage on this 19th day of December 2016.

CITY OF SCAPPOOSE, OREGON

Scott Burge, Mayor

Susan M. Reeves, MMC, City Recorder

Attest:

Exhibit A



Council Action & Status Report

Date Submitted:	12/14/2016
Agenda Date Requested:	12/19/16
То:	Scappoose City Council
From:	Jill Herr through Michael Sykes
Subject:	Renew Auditor Contract

TYPE OF ACTION REQUESTED:

Ľ]	Resolution	I]	Ordinance
[x]	Formal Action	I]	Report Only

<u>ANALYSIS</u>: Our current Auditor contract ends 12/31/2016. At our request Mr. Conner has submitted a new contract requesting to continue providing audit services for fiscal years ending 2017, 2018 and 2019.

Mr. Conner's firm has been providing audit services for the City since 2010. During those years we have found his firm to provide an adequate and thorough examination of the City's records.

Mr. Conner also conducts audits for the City of Banks, City of Gearhart, Scappoose Fire District, Banks Fire District, Corbett Fire District Netarts-Oceanside Sanitary District, Burlington Water District, Columbia County Soil and Water Conservation District, just to name a few.

We contacted other Cities to compare the new contract fees and found \$12,795 to be an attractive price to provide audit services. This will save the City a significant amount of money staying with Mr. Conner's audit firm.

Below are the costs for other comparable Cities. City of Cascade Locks-\$26,250 City of St Helens-\$25,000 City of Rainier-\$20,400

Request for Council Action

FISCAL IMPACT: With the proposed contract the rate will increase \$2,917 totaling \$12,795. We will be able to incorporate the increase into next year's budget without an issue.

RECOMMENDATION: Staff recommends awarding the City's Auditors contract to Mr. Conner in the amount of \$12,795.

SUGGESTED MOTION: I move that council award the City's Auditor's contract to Mr. Conner in the amount of \$12,795.

Request for Council Action

DENNIS R. CONNER

CERTIFIED PUBLIC ACCOUNTANT 365 SOUTH NEHALEM STREET CLATSKANIE, OREGON 97016

December 13, 2016

To: The City Council City of Scappoose, Oregon

I am pleased to confirm my understanding of the services I am to provide City of Scappoose for the years ended June 30, 2017, 2018, and 2019. I will audit the financial statements of the governmental activities, the businesstype activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of City as of and for the year ended June 30, 2017, 2018, and 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of my engagement, I will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

Management's Discussion and Analysis.

I have also been engaged to report on supplementary information other than RSI that accompanies City's financial statements. I will subject the following supplementary information to the auditing procedures applied in my audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and I will provide an opinion on it in relation to the financial statements.

- 1) Actual Fund revenues and expenditures compared to the annual budget
- 2) Compliance with requirements of the Oregon Minimum Standards

Audit Objective

The objective of my audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with the cash basis of accounting and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures I consider necessary to enable me to express such opinions. I will issue a written report upon completion of my audit of City's financial statements. My report will be addressed to City Council. I cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for me to modify my opinions or add emphasis-of-matter or other-matter paragraphs. If my opinions are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed opinions, I may decline to express opinions or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall

presentation of the financial statements. I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from

- (1) errors,
- (2) fraudulent financial reporting,
- (3) misappropriation of assets, or

(4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to my attention. I will also inform the appropriate level of management of any violations, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of my audit, I will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

My audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of City's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of my audit will not be to provide an opinion on overall compliance and I will not express such an opinion.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with the cash basis of accounting.

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me with

(1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements,

(2) additional information that I may request for the purpose of the audit, and

(3) unrestricted access to persons within the City from whom I determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

2

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the government involving

- (1) management,
- (2) employees who have significant roles in internal control, and
- (3) others where the fraud could have a material effect on the financial statements.

Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with the cash basis of accounting. You agree to include my report on the supplementary information in any document that contains and indicates that I have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes my report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with my report thereon]. Your responsibilities include acknowledging to me in the representation letter that

(1) you are responsible for presentation of the supplementary information in accordance with the cash basis of accounting;

(2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the cash basis of accounting;

(3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and

(4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other non-attest services I may provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

I may from time to time, and depending on the circumstances, use third-party service providers in serving your account. I may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

I understand that your employees will prepare all cash, accounts receivable, or other confirmations I request and will locate any documents selected by me for testing.

The audit documentation for this engagement is the property of Dennis R. Conner, Certified Public Accountant and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Oregon Division of Audits or its designee. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dennis R. Conner, Certified Public Accountant and authorized personnel.

I expect to begin my audit on approximately November 1 and to issue my reports no later than December 31.. Dennis R. Conner is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

My fee for these services will be at my standard hourly rates plus out-of-pocket costs, except that I agree that my gross fee, including expenses will not exceed \$12,795. My standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, for example, a Federal Single or Yellow Book audit or a change in accounting basis, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

I appreciate the opportunity to be of service to City and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign the enclosed copy and return it to me.

Very truly yours,

Dennis R. Conner, CPA

RESPONSE:

This letter correctly sets forth the understanding of City of Scappoose.

Management signature: ______ Title: ______ Date: _____

Governance sign	ature:	-
Title:		
Date:		

4

CITY OF SCAPPOOSE

Council Action & Status Report

Date Submitted:	December 15, 2016
Agenda Date Requested:	December 19, 2016
То:	Scappoose City Council
Through:	City Manager, Michael Sykes Public Works Director, Robyn Bassett
From:	Wastewater Supervisor, Kevin Turner
Subject:	Purchase Aerator/Mixers for Digested Sludge Storage pond

TYPE OF ACTION REQUESTED:

[1	Resolution	1]	Ordinance
[Х]	Formal Action	[]	Report Only

ISSUE: The current configuration of the sludge storage pond does not have aeration or mixing capabilities to further treat wastewater sludge or prevent the growth of grass on the surface.

ANALYSIS: The 1992 plant design had five surface aerators the in west sludge pond. In the early 2000's the surface aerators struggled to have any significant impact on the sludge pond due to accumulation of grass and issues with trash clogging the units. As a result the aeration units were removed as part of Energy Trust project. While biological treatment was sufficient early on, the grass mat accumulated and reduced storage capacity and is limiting treatment.

The summer of 2016 the entire pond was successfully cleaned out at of cost of approximately \$230,000. The sludge was land applied after trash and grass were screened out.

With our ongoing efforts to treat current sludge production and prepare for the future demands staff has partnered with various engineering firms to assist in planning. Currently the Wastewater Facility Plan is near completion and has confirmed our deficiencies for sludge handling.

While it is not a complete solution it has been determined that reinstalling the aeration units would be beneficial for the current and fast approaching improvements planned.

After comparing aeration and mixing options, two 20 horsepower mixing units would be installed each with a 4 horsepower regenerative blower to supply needed oxygen and to supplement the existing aerobic digester that is under sized.

FINANCIAL IMPACT: Staff has received three quotes represented in the table below.

Manufacturer	HP	Units	Maintenance	Mixing	Price	Cost/HP
AQUA AEROBIC SYSTEMS INC.	50	6	Moderate	Moderate	\$61,903	\$1238/HP
AERATION INDUSTRIES INTERNATIONAL	48	2	Low	Better	\$54,000	\$1125/HP
AIRMASTER AERATION LLC	25	1	Moderate	Inadequate	\$31,400	\$1256/HP

Staff has reviewed the information provided by the manufactures, operator experience, mixing patterns and pricing. These units are the least expensive per horsepower and the brand has proven to be very reliable. The plant has had similar equipment in operation since the 1992 upgrade.

RECOMMENDATION: Staff recommends City Council approve the purchase of two (2) TR-20 AIRE-O₂ Triton Aerators from Aeration Industries for \$54,000.

SUGGESTED MOTION: I move that Council approve the purchase of two (2) TR-20 AIRE-O₂ Triton Aerators from Aeration Industries for a not to exceed amount of \$54,000.



A.I.I. PROJECT NO.:

15-11-5317

DATE: December 15, 2016

TO: Scappoose, Oregon Kevin Turner	PROJECT NAME: Scappoose, OR RE: Aeration Equipment
(503)543-7183	REPRESENTATIVE: Pedroni & Co. / All CONTACT: Victor Pedroni / Brian Jones PHONE: (425)369-6164 / (501)416-8928

AIRE-O₂ TRITON[®] PROCESS AERATOR/MIXER

AERATION INDUSTRIES INTERNATIONAL is pleased to offer the following:

One (1) TR20 (24HP) AIRE-O2 Triton® Aerators, consisting of:

- 20 HP, 230/460 volt, 3 phase, 60 Hz, 900 RPM, TEFC motor
- 4 HP regenerative blower
- · Field replaceable, water lubricated lower bearing
- Field replaceable, wear-resistant sleeve
- 316 SS Dual-bladed primary PowerMix[™] propeller
- 304 SS Saturn Ring diffuser
- 304 SS housing, mounting flange, & hollow shaft Note: Aerators shall arrive fully assembled for immediate mounting

One (1) Universal Four-Float Assembly, consisting of:

- Four (4) molded, low-density polyethylene, closed cell, foam filled pontoons
- Hot-dipped galvanized steel rails and mounting hardware
- Floating vortex shield cabled to the frame Note: Flotation devices require field assembly

One (1) Anti-Erosion Baffle

Freight FOB Jobsite Three (3) Year Warranty (See General T&C's)

PRICE: \$27,000

4100 Peavey Road
Chaska, Minnesota 55318
USA
Telephone: (952) 448-6789
Email: aiii@aireo2.com
Fax: (952) 448-7293



One (1) 20HP AIRE-O2[®] Mixers, consisting of:

- 20 HP, 230/460 volt, 3 phase, 60 Hz, 900RPM, TEFC motor
- Field replaceable, water lubricated lower bearing
- Field replaceable, wear-resistant sleeve
- 316 stainless steel dual-bladed PowerMixTM propeller
- 304 stainless steel housing & mounting flange Note: Mixers shall arrive fully assembled for immediate mounting on flotation assembly

One (1) Universal Four-Float Assembly, consisting of:

- Four (4) molded, low-density polyethylene, closed cell, foam filled pontoons
- Hot-dipped galvanized steel rails and mounting hardware
- Floating vortex shield cabled to the frame Note: Flotation devices require field assembly

One (1) Anti-Erosion Baffle

Freight FOB Jobsite Three (3) Year Warranty (See General T&C's)

PRICE: \$17,600

EXCLUSIONS:	Installation, duties and taxes are not included. Electrical cable, controls, cord grips, anchoring hardware, mooring posts, mooring cable and all items not specifically listed above are excluded.
NOTE:	If required, submittals will be done two weeks from receipt of purchase order. Delivery is four to six weeks from submittal approval. Quotation valid for 30 days.
TERMS:	General Terms and Conditions Attached (2 pages).

	1	2	∇			1		
		PARTS LIST				REVISION HISTORY		
ITE	QTY PART NUMB	DESCRIPTION		REV ECO		DESCRIPTION	BY	DATE
1		MOTOR, 50/60 HZ NEMA			57 RELEASED FOR PRO			10/17/14
2		MOUNTING FLANGE HEX HEAD BOLT # 1			58 MODIFIED NOTE 2,			11/13/14
4		HEX HEAD BOLT # 2		B 15-26	67 ADDED SHEET 2, MC	DDIFICATIONS TO SELECTION TABLE	R.P.H.	01-16-15
5	8 215-151	LOCK WASHER, .625" SPLIT SS BLOWER ASSY						
<u>6</u> 7		PROPELLER	(6)					
8	1 A 2 215-127	SHAFT ASSEMBLY						
10	1 330-107	SET SCREW, .375"-16 UNC X .375" HOUSING ASSEMBLY, 4" AIR TUBE		12				
11	1 213-054	ARB 40-75 HP CRB 40-75 HP						
12	213-027 1 215-628	WASHER, BRONZE, 3.25" ID						
13	1 247-033	SLEEVE						
<u>14</u> 15	1 215-559 1 223-074	WASHER, BRONZE, 2.88" ID ATOMIZER ASSEMBLY						
<u>15</u> <u>17</u>	1 215-777	SPACER, .250" X 1.627" ID						
18 19 20	1 224-152 1 224-14 1 224-013	ATOMIZER ASSEMBLY SPACER, .250" X 1.627" ID DECAL, ROTATION LABEL DECAL, TRITON DECAL, SERIAL NO. DECAL, SERIAL NO.						1.1
20	1 224-013	DECAL, SERIAL NO.						
<u>21</u> 22	1 1224-021	DECAL, CAUTION DECAL, WATER LEVEL			$\overline{5}$	\bigcirc	0	
23	1 234458S	PROP 20HP60HZ MIX			(3)	(2)	(19)
				$\langle \rangle$	$\langle \Psi $	T /		\sim
							/	(13)
							D	
							H F	
								1
				v				
			\bigcirc	(9)-	O MIT			
			(10)	\bigcirc	ALA			
		\sim		-		et :0		
		(7)			A PAR			
		(16)		1			\backslash	
						\backslash		
			A	_		8	\mathbf{U}	
						U		1.1
			700	/	\angle			
		11 12 00		22) ((21)			
					(4) (5)			
		51133/1						
			12 12 11					
	(D)							
	0							
					EXCEPT AS NOTED	Aeration Industries Interr	ational	, LLC.
	A				EMOVE BURRS & SHARP EDGES FINISH 125	4100 Peavev Rd, Chaska MN 55318 USA Phone: +1-952-448-6789. Fax: +1-952-448	. www.aireo2. -7293. aii@air	.com reo2.com
		EN ORDERING REPLACEMENT MOTORS,			RANCES:	TITLE		
	PROPELLERS, OR	BLOWERS		ANG	CTIONS $\pm 1/32$ LE $\pm 1^{\circ}$	TRITON ASSEMBLY 20-60	HP 50/6	50HZ
				DECIN	IAL E PLACE 2 PLACE 3 PLACE	NEMA LARGE HOUSING		

В

REV.

В

SHEET 1 OF 2

+

SEE PART SELECTION TABLE ON SHEET 2 OF THIS DRAWING FOR SPECIFIC PART NUMBERS THAT VARY WITH MOTOR SIZE

2

В

A

Ray.Hedelson

Jing Huang

 ± 0.06 ± 0.03 ± 0.015

DATE

10/17/2014

DATE 10/17/2014

DRAWING NO.

SIZE

A4

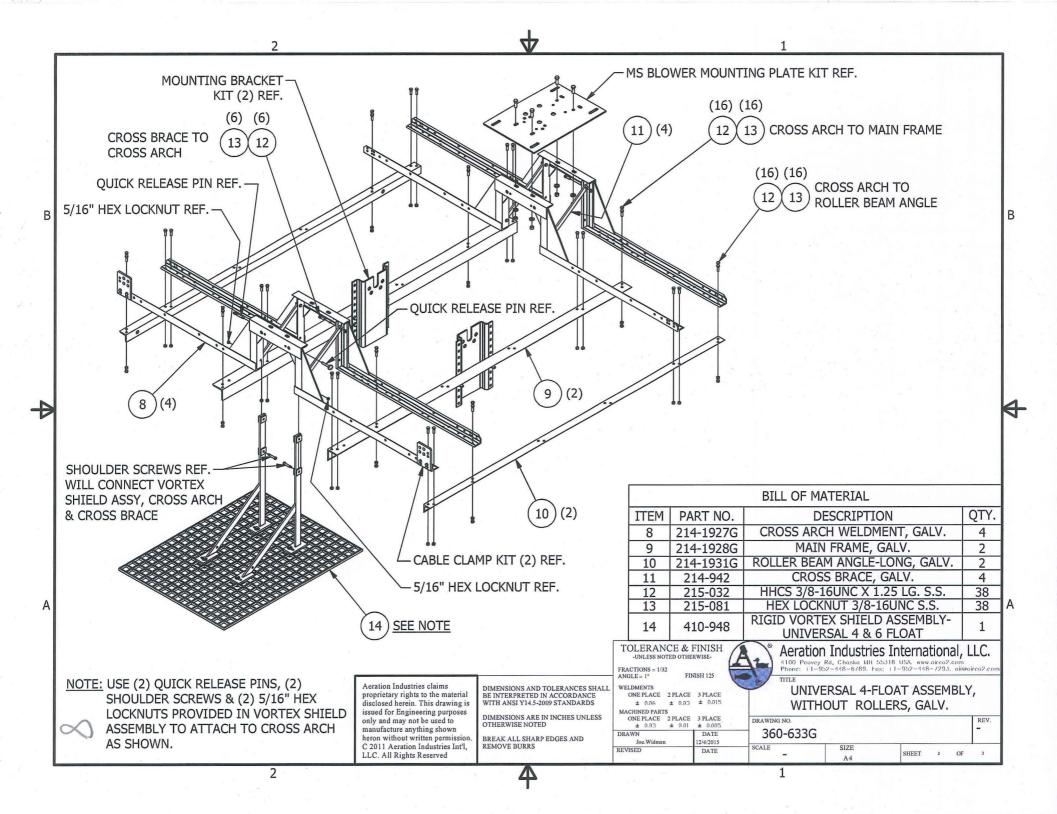
360-584

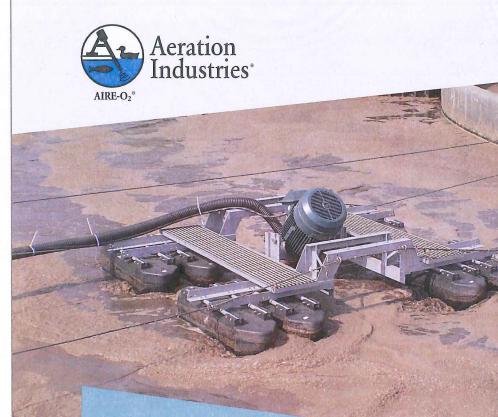
1

SCALE _

_						1		10 m 10 m
/ /	OTES CONSULT AIII WHEN ORDERING REPLACEMENT MOTORS AND PROPELLERS. SETSCREWS USED TO PLUG THREADED HOLES TO PREVENT AIR LEAKAGE DURING OPERATION. APPLY LOC-TITE THREAD ADHESIVE TO THE SETSCREWS PRIOR TO INSERTION. DO NOT USE ANTI-SEIZE ON THE SETSCREWS.			\sim				
	9	8)	20 19 18 17 16 15 14 13	224-152 215-150 215-151 215-127 215-556 215-190	SETSREW .625-1 MOTOR DIRECTION CAPSCREW .625- LOCKWASHER .6 SET SCREW .375- PROPELLER CAP SET SCREW .312- PROPELLER SLEEVE	I LABEL 11 X 1.5 525 -16 X .312	4 1 4 2 1 2 1 2 1
				12 11 10 9 8 7 6 5 4 3 2	215-629 213-053 330-086 224-021 215-147 215-100 239-245 245-118 245-140		3 X 1.25 G	1 2 1 1 4 4 4 1 1 1 1 1 1 1
K J H	10-2382 245-118 WAS 245-090 09-2308 245-021 WAS 245-032 245-025 WAS 245-117 07-2027 239-245 WAS 239-239 REMEIVED PREPELLER PART NUMBERS	RH 10-7-10 RH 8-26-10 RH 2-18-10 RH 3-30-07 PH 6-26-06	proprietary rights to material disclosed h This drawing is issu	claims o the herein.	PART NO. Aer P.O. B Telepho	ation Indus 59144 Minneapolis, ne: 1(612)448-6789 Tele	NEMA SCRIPTION Stries Inter MN 55459 USA ex: 9105780838 Facsimil	1 QTY. national 1: 1(612)448-7293
G F D C B	06-1925 UPDATED NUTES AND PARTS LIST 06-1920 239-239 WAS 239-194 04-1713 215-629 WAS 215-123 02-1561 ADD 50HZ PRUPELLERS 00-1320 00-1320 HOUSING # 330086 WAS 330099 00-1308 ADDED MOUNTING FLANGE 245117	RH 6-26-06 RH 2-13-06 RH 2-2-06 SH 7-9-04 SH 11/26/02 DK 10/16/00 KH 8/11/00	Engineering purpose and may not be us manufacture anythin heron without writte permission.	es only sed to ng shown en	20HF DRAWING N	MIXER A	SSEMBLY 50/60HZ N preject nei	IEMA Rev. K
REV	99-1173 RELEASED FOR PRODUCTION K. ECO ND. DESCRIPTION OF CHANGE	SH 1-6-00 BY DATE	S. HDDF APPROVED	1-6-00 DATE	SCALE	PLOT	SHEET	OF 1

		REVISIO	N HISTORY		
	REV ECO N	IO. DESCRI	PTION		DATE
	- 15-27	27 RELEASED FOR	PRODUCTION	JFW 11	-02-15
		<u>NOTE:</u> FOR SW	ING ARM OPTION SE	E SHEET #3	
		BI	LL OF MATERIAL		
		ITEM PART NO.	DESCRIPTION		QTY
		ITEM PART NO. 1 336-001	DESCRIPTION PONTOON ASSY. G	GALV.	4
		ITEM PART NO. 1 336-001 2 224-112	DESCRIPTION PONTOON ASSY. C LABEL, PHONE # DOI	GALV. MESTIC	4
		ITEM PART NO. 1 336-001 2 224-112 3 224-113	DESCRIPTION PONTOON ASSY. G LABEL, PHONE # DOI 3EL, PHONE # INTER	GALV. MESTIC NATIONAL	4 2 2
	(32) (32)	ITEM PART NO. 1 336-001 2 224-112 3 224-113 4 224-019 5 215-184	DESCRIPTION PONTOON ASSY. G LABEL, PHONE # DOI 3EL, PHONE # INTER LABEL, FLOATATION U-BOLT, 5/16-18UN	SALV. MESTIC NATIONAL SAFETY IC S.S.	4 2 2 1 16
		ITEM PART NO. 1 336-001 2 224-112 3 224-113 4 224-019 5 215-184 6 215-027	DESCRIPTION PONTOON ASSY. G LABEL, PHONE # DOI 3EL, PHONE # INTER LABEL, FLOATATION U-BOLT, 5/16-18UN OCK WASHER, 5/16-18	SALV. MESTIC NATIONAL SAFETY IC S.S. 8UNC S.S.	4 2 2 1 16 32
	(32) (32)	ITEM PART NO. 1 336-001 2 224-112 3 224-113 4 224-019 5 215-184 6 215-027 LCC 7 215-052 C	DESCRIPTION PONTOON ASSY. G LABEL, PHONE # DOI 3EL, PHONE # INTER LABEL, FLOATATION U-BOLT, 5/16-18UN OCK WASHER, 5/16-18UN HEX NUT, 5/16-18UN	GALV. MESTIC NATIONAL SAFETY IC S.S. 8UNC S.S. NC S.S.	4 2 2 1 16 32 32
	(32) (32)	ITEM PART NO. 1 336-001 2 224-112 3 224-113 4 224-019 5 215-184 6 215-027 7 215-052 TOLERANCE & FINISH -UNLESS NOTED OTHERWISE-	DESCRIPTION PONTOON ASSY. G LABEL, PHONE # DOI 3EL, PHONE # INTER LABEL, FLOATATION U-BOLT, 5/16-18UN OCK WASHER, 5/16-18UN HEX NUT, 5/16-18UN	GALV. MESTIC NATIONAL SAFETY IC S.S. 8UNC S.S. NC S.S.	2 2 1 16 32 32
Aeration Industr proprietary right	(32) (32) (32) (32) (32) (32) (32) (32) (32) (32) (32) (32) (32)	ITEM PART NO. 1 336-001 2 224-112 3 224-113 4 224-019 5 215-184 6 215-027 7 215-052 TOLERANCE & FINISH -UNLESS NOTED OTHERWISE- FRACTIONS = 1/32 ANGLE = 1° FINISH 125 WELDMENTS ONE PLACE 2PLACE	DESCRIPTION PONTOON ASSY. G LABEL, PHONE # DOI 3EL, PHONE # INTER LABEL, FLOATATION U-BOLT, 5/16-18UN OCK WASHER, 5/16-18 HEX NUT, 5/16-18UN Acration Industries HOP Revery Rd, Checko MH 5b. Phone: 11-952-448-6/89. Fox TITLE UNIVERSAL 4-FLU	SALV. MESTIC NATIONAL SAFETY IC S.S. 8UNC S.S. VC S.S. Internationa 118 USA. www.dirco2.cc 11-952-448-7293.	4 2 1 16 32 32 32
Aeration Industr proprietary right disclosed herein issued for Engin	(32) (32) (32) (32) (32) (32) (32) (32) (32) (32) (32) (32) (32)	ITEM PART NO. 1 336-001 2 224-112 3 224-113 4 224-019 5 215-184 6 215-027 7 215-052 TOLERANCE & FINISH -UNLESS NOTED OTHER WISE- FRACTIONS = 1/32 ANGLE = 1° FINISH 125 WELDMENTS ONE PLACE 2 PLACE 3 PLACE ± 0.06 ± 0.03 ± 0.015	DESCRIPTION PONTOON ASSY. G LABEL, PHONE # DOI 3EL, PHONE # INTER LABEL, FLOATATION U-BOLT, 5/16-18UN OCK WASHER, 5/16-18 HEX NUT, 5/16-18UN Aeration Industries HOD Powey Rd. Chesko Mill bb. Phone: 1-95/2-448-6/89. hox ITTLE UNIVERSAL 4-FLO WITHOUT ROLL	SALV. MESTIC NATIONAL SAFETY IC S.S. 8UNC S.S. VC S.S. Internationa 118 USA. www.dirco2.cc 11-952-448-7293.	4 2 1 16 32 32 1, LLC.
Aeration Industr proprietary right disclosed herein issued for Engin only and may no manufacture any	(32) (32) (32) (32) (32) (32) (32) (32) (32) (32) (32) (32) (32)	ITEM PART NO. 1 336-001 2 224-112 3 224-113 4 224-019 5 215-184 6 215-027 7 215-052 TOLERANCE & FINISH VULERS NOTED OTHERWISE- FRACTIONS = 1/32 ANGLE = 1* VULDENTS ONE PLACE 2PLACE ONE PLACE 2PLACE ± 0.05 ± 0.005 MACHINE PARTS ONE PLACE 2PLACE MACHINE PARTS ONE PLACE 2PLACE 3 2.0.05	DESCRIPTION PONTOON ASSY. G LABEL, PHONE # DOI 3EL, PHONE # INTER LABEL, FLOATATION U-BOLT, 5/16-18UN OCK WASHER, 5/16-18 HEX NUT, 5/16-18UN Acration Industries HOP Revery Rd, Checko MH 5b. Phone: 11-952-448-6/89. Fox TITLE UNIVERSAL 4-FLU	SALV. MESTIC NATIONAL SAFETY IC S.S. 8UNC S.S. VC S.S. Internationa 118 USA. www.dirco2.cc 11-952-448-7293.	4 2 1 16 32 32 32





THE NEW TR SERIES TRITONS®

Simplicity Optimized.

The Industry's Most Advanced Aerator/Mixer

Driven by the proven performance of our patented Aire- O_2 Triton[®] Process Aerator and Mixer, Biological Nutrient Removal (BNR) processes are now easier to regulate and more cost effective by combining mixing and aeration in a single compact unit with independent aeration control. Combining wide-dispersion, fine bubble aeration with industry leading mixing capabilities provides an effective means of optimizing oxygen dispersion. Together with our Aire- $O_2^{\mbox{\ $^{$}$}}$ aspirator aerator, over 70,000 units have been delivered in the U.S. and over 92 countries since 1974.

Built Tough to Withstand Corrosive Environments.

Our 900 and 750 RPM premium efficient, severe-duty motors enable our Aire-O₂ Triton to withstand the punishing conditions found in wastewater treatment. We've incorporated unique features including a stainless steel dual-bladed PowerMix[™] propeller, field replaceable, water lubricated lower bearing with wear-resistant sleeve, UV resistant and caustic environment hoses and fittings, and your choice of galvanized or stainless steel for the float rails and pedestal – all working together to optimize performance and efficiency while maximizing oxygen transfer and mixing capability. "The Triton aerators are working really good and do a good job of mixing. Now, I don't have to do any maintenance ... except to grease them every 6 months."

> - John Ford, Franklin Wastewater Treatment Plant, Franklin, LA

The Aire-O₂ Triton, the ultimate upgrade. It simply works for process water treatment.

SIMPLICITY IN DESIGN BUILT TO OUTLAST AND OUT PERFORM

Heavy Duty Hose Wire reinforced, UV and temperature resistant for harsh environments

> Slip Free Walkway With UV resistant coating

High Performance Floats High strength, rigid, UV resistant

> Patented Prop & Diffuser 316 stainless Power Mix Prop and Saturn Ring fine bubble diffuser on polished 304 stainless shaft

Onboard Regenerative Blower

Severe Duty Motor

Easy Maintenance Hinged flange with breakaway housing

 Heavy Duty Frame Your choice of stainless or galvanized structural steel

Anti-Vortex Shield

THE NEW TR SERIES AIRE-0, TRITON® FEATURES:

- Field replaceable, water lubricated lower bearing with wear-resistant sleeve
- High efficiency, TEFC enclosure
- 8-pole motor (900 RPM 60HZ / 750 RPM 50 HZ)
- Stainless steel Saturn Ring[™] diffuser
- UV resistant and caustic environment hoses and fittings
- Designed for easy maintenance without removal or draining of basin
- · Years of operation with minimal maintenance
- Surface mounted, horizontal mixing provides better dispersion, better directional control and NO splashing or aerosoling
- Available in 5 through 70 hp (3.75 to 52.5 kW) sizes, and worldwide voltage, phase and Hz combinations



WHETHER YOUR WASTEWATER TREATMENT SYSTEM IS A WIDESPREAD AERATED LAGOON OR AN ACTIVATED SLUDGE PROCESS, THE TR SERIES TRITON PROVIDES AN EFFECTIVE AND RELIABLE SOLUTION.

FOR MORE INFORMATION CONTACT OUR SPECIALISTS AT: +1-952-448-6789 OR +1-800-328-8287.



Aeration Industries International 4100 Peavey Road • Chaska, MN 55318-2353 USA +1-952-448-6789 / FAX +1-952-448-7293 www.aireo2.com • aii@aireo2.com

AERATION INDUSTRIES INTERNATIONAL, LLC

General Terms and Conditions

1. **Price.** Published prices are subject to change without notice and shall not be binding on Seller until reduced to writing signed by Seller. All prices are F.O.B. Chaska, MN, and do not include transportation cost or charges relating to transportation, which costs and charges shall be solely the responsibility of Purchaser. Prices quoted include standard packing according to Seller's specifications. Special packing requested by Purchaser, including packing for exports, shall be paid by the Purchaser as an additional charge.

2. Taxes. To the extent legally permissible, all present and future taxes, imposed by any Federal, State, Local or foreign authority, which Seller may be required to pay or collect upon or with reference to the sale, purchase, transportation, delivery, storage, use or consumption of goods or services, including taxes upon, or measured by the receipts therefrom, shall be paid by Purchaser. Amounts covered hereby shall be added to the price, or billed as a separate item as the law may require or as the Seller may determine. No offset against or reduction in price shall be allowed Purchaser by reason of taxes owed, paid or payable by Purchaser, or charged by Purchaser's account.

3. **Credit and Payment.** Credit accounts will be opened only with firms or individuals approved by Seller's Credit Department. Unless otherwise provided, in any case where delivery is made on credit, Purchaser shall have thirty (30) days from date of the invoice in which to make payment for the goods. Seller reserves the right at any time upon notice to Purchaser, to alter or suspend credit, or to change the credit terms provided herein, when in its sole opinion the financial condition of the Purchaser so warrants. In addition, the Seller may at any time, with or without notice to Purchaser, and at its option, suspend work and shipment under this contract if, in the Seller's sole opinion, the financial condition of the Purchaser so warrants. In such cases, in addition to any other remedies herein, or by law provided, cash payment or satisfactory security from the Purchaser may be required by the Seller before credit is restored or Seller continues performance. If the Purchaser fails to make payment or fails to furnish security satisfactory to Seller, then Seller shall also have the right to enforce payment of the full contract price of the work completed and in process. Upon default by Purchaser in payment when due, Purchaser shall pay immediately to Seller the entire unpaid amounts for any and all shipments made to purchaser irrespective of the terms of said shipment and whether said shipments are made pursuant to this contract or any other contract of sale between Seller and Purchased, and Seller may withhold all subsequent shipments until the full account is settled. Acceptance by the Seller of less than full payment shall not be a waiver of any or its rights hereunder. The seller reserves the right, at its discretion, to charge up to 1½% per month for amounts not paid within stated terms.

4. **Cancellation.** Cancellation of orders once placed with and accepted by us can only be made by us. Should the Purchaser, due to change in design or other good and sufficient cause, desire to effect cancellation of the order, same will be accepted on the following basis:

Purchaser shall pay in full the costs of all material, dies, tools, patterns and fixtures provided for this order, that are on hand or for which we are obligated, together with all labor and other expense incurred in connection therewith. Invoices covering said costs shall be due and payable immediately upon our acceptance of cancellation.

5. **Patents.** To the best of our knowledge, the articles purchased hereunder do not infringe any Letters Patent granted to others by the United States of America or by any country foreign thereto. We do not assume any responsibility or liability for any claim of infringement brought against the Purchaser, its successors, assigns, customers or udders of its product. The Purchaser agrees to hold us harmless against any claim of infringement which arises out of compliance by us with specifications furnished by Purchaser.

6. **Risk of Loss, Title.** The risk of loss of the goods shall pass to the Purchaser as soon as they are deposited with the carrier for shipment to the Purchaser, but title to the goods shall remain in the seller until the purchase price therefore has been paid.

7. **Shipment.** All shipments shall be F.O.B. Chaska, MN, and the date of shipment shall be contingent upon the date of acceptance of Seller's offer. Seller's obligation with respect to shipments of the goods shall not extend beyond a) putting the goods in the possession of such a carrier and making such a contract for the transportation thereof as may be reasonable having regard to the nature of the good; b) obtaining and delivering within a reasonable time such documents as may be necessary for Purchaser to obtain possession of goods; and c) notifying the Purchaser of the shipment within a reasonable time. Seller shall have the right to ship all of the goods at one time or in portions from time to time within the time of shipment. This contract shall be deemed separable as to the goods sold. Purchaser may not refuse to accept any lot or portion of the goods shipped hereunder on the grounds that there has been a failure to ship any other lot or that goods in any other lot were nonconforming. Any such default by Seller will not substantially impair the value of this contract as a whole and will not constitute a breach of the contract as a whole. The goods shall be deemed to have been tendered to Purchaser when they have been deposited with the carrier.

8. **Inspection and Acceptance.** Purchaser shall have the right to inspect the goods upon receipt of them and shall have the opportunity, at that time, to run adequate tests to determine whether the goods shipped conform to the specification of this contract.

Purchaser shall recompense Seller, at the contract price, for all goods used in testing and Purchaser shall bear any expense incurred in the inspection of the goods used in testing, whether or not the goods are non-conforming. Failure to inspect the goods or failure to notify the Seller in writing that the goods are nonconforming with ten (10) days of the receipt of the goods by Purchaser, shall constitute a waiver of Purchaser's rights of inspection and rejection for nonconformity and shall be equivalent to an irrevocable acceptance of the goods by Purchaser. Acceptance – Unless we receive notification to the contrary promptly from you, we will consider the foregoing conditions as been acceptable to you.

9. **Excuse in Seller's Performance.** This contract is subject to an the Seller shall not be responsible or liable for any delay directly or indirectly resulting from or contributed limitations on Seller's production, capabilities, prompt settlement of all details relating to the materials covered by this proposal, and to delays due to fires, explosions, acts of God, strikes or other differences with workmen, shortage of utility, facility, components or labor, delay in transportation, breakdown or accident, war and acts of war, compliance with or other action taken to carry out the intent of purposes of any law or regulation, changes, or revisions, accidents or any other causes or contingencies not caused by Seller or other which Seller had no reasonable control. In the event that any one or more deliveries hereunder is suspended or delayed by reason of any one or more of the occurrences or contingencies aforesaid, any and all deliveries so suspended or delayed shall be made after such disabilities have ceased to exist, and nothing herein contained shall be construed as lessening in any event the full amount of goods herein purchased and sold, but only as deferring delivery and payment in the events and to the extent herein provided for. Neither shall any delay in shipment be considered as a default under this contract or give rise to any liability on the part of Seller for items of incidental, special consequential damage unless such delay was directly and proximately caused by the willful and wanton act of gross negligence of Seller. Acceptance of material on delivery shall constitute a waiver of any claims against seller for damages on accounts of delay.

10. Warranty. Seller warrants that it will, at its option, repair or replace the goods, or return the purchase price thereof, which are found to be defective in material or workmanship or not in conformity with the contract requirements provided that, within three (3) year of shipment thereof, Purchaser gives written notice of such defect to Seller, the Purchaser returns the goods to Seller at point of original manufacture, with transportation charges prepaid by Purchaser, and an examination by Seller discloses to its satisfaction the existence of such defect or nonconformity with the contract requirements. In no event shall Seller be liable for any incidentals, special or consequential damages resulting from said effects or nonconformity. This warranty specifically excludes all labor charges that could be incurred.

THE FOREGOING DOES NOT APPLY TO COMPONENTS WHERE WERE NOT MANUFACTURED BY SELLER, AND IS EXPRESSLY IN LIEU OF OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE OR USE. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FOREGOING, NO AGENT, EMPLOYEE OR REPRESENTATIVE OF THE SELLER HAS ANY AUTHORITY TO BIND THE SELLER TO ANY AFFIRMATION, REPRESENTATION OR WARRANTY CONCERNING THE GOODS SOLD UNDER THIS SALES CONTRACT, AND UNLESS AN AFFIRMATION, REPRESENTATION OR WARRANTY MADE BY AN AGENT EMPLOYEE OR REPRESENTATIVE IS SPECIFICALLY INCLUDED WITHIN THIS WRITTEN AGREEMENT, IT SHALL NOT BE ENFORCEABLE TY THE PURCHASER.

11. **Remedies of Purchaser.** If goods are tendered which do not conform with the specifications under the sales contract and these goods are rejected by Purchaser, Seller shall have the right to cure the tender by either correcting the goods or substituting conforming goods. In the event that such substituted goods fail to conform to the contract or in the event of any other breach or repudiation of this contract by Seller, Purchaser shall not be entitled to recover any incidental or consequential damages as those terms are defined in Section 2-715 of the Minnesota Uniform Commercial Code and Purchaser's right to damages shall be limited to the difference between the contract and the market price of the goods as provided in Section 2-713 of the Minnesota Uniform Commercial Code. Purchaser shall not have the right to "cover" as provided in Section 2-712 of the Minnesota Uniform commercial code nor any rights to recover damages for any loss resulting in the ordinary course of events from nonconformity of tender as contained in Section 2-714(1) of the Minnesota Uniform Commercial Code.

12. **Assignments.** No right to interest in this contract shall be assigned by Purchaser, without the written permission of Seller, and no delegation of any obligation owned by Purchaser shall be made without permission of the Seller. Any attempted assignment of delegation shall be wholly void and totally ineffective for all purposed.

13. Alterations, Interpretations and Definitions. This contract shall be governed by the laws of Minnesota and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the parties, and no usage of the trade shall be relevant to supplement or explain any term used in this contract. Acceptance or acquiescence to a course of performance rendered under this contract shall not be relevant to determine the meaning of this contract, even though the accepting or acquiescing party has knowledge of the nature of the performance and an opportunity for objection. Waiver by Seller of a breach by Purchaser of any provision of this contract shall not be deemed a waiver of future compliance therewith, and such provision shall remain in full force and effect. Any term used in this contract which is not defined herein shall have the same definition as that contained in the Minnesota Uniform Commercial Code.

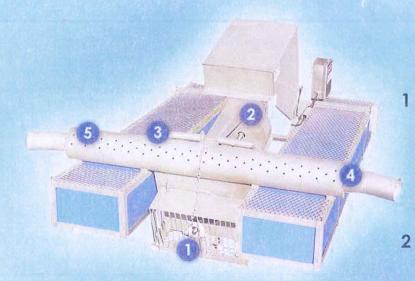


TURBO

A new, cost-saving way to aerate.

The Airmaster Aerator Turbo is one of the most advanced and efficient aerator technologies on the market today. Our unique, patented design achieves high-capacity water movement with aeration while consuming less power with lower maintenance costs than competitive technologies. Available in 10 to 50 hp units. Ideal for industrial, municipal, and agricultural applications.

B



- Impeller. Water is drawn from below the surface into the bar-screened area. Depth of water draw can be adjusted. Smaller units draw from the front of the impeller, the largest unit draws from the front and the rear. The impeller can pump up to 1.5-inch-diameter solids. Water is fed into the large 305-L stainless steel discharge manifold pipe.
- 2 A toothed, synchronous drive system powers a single shaft that drives the Turbo Blower and the water pump impeller. No gear box is used. Variable/adjustable to suit owner needs.
- 3 Two- or three-inch diameter pipe carries the oxygenated air mix from the Turbo Blower to the reduced diameter areas of the discharge pipe. This air permeates the waste water and forcibly discharges it.
- 4 Reduced-diameter exits on the discharge pipe include vanes to induce a vortex to create negative pressure zones, increasing the amount of air that can be injected. Pipe diameter ranges from 10 to 16 inches in the center, 6 to 10 inches at the ends.
- 5 The impeller action and the top and side discharges create large circular mixing areas, raising the dissolved oxygen level over very large oxygendeficient areas. The spray controls foam pulled toward the intake and assists with cooling and aeration.
- A Severe-duty Motor. Covered by a motor hood made of 304-L stainless steel. The hood covers the motor, drive belt, and maintenance-free pillow-block bearings. Hinged, the hood prevents direct exposure to rain, sleet, snow, sun, and water spray. The motor powers the turbo blower, impeller, and oxygen generator.
- B Stainless-steel-covered Floats. Expanded polystyrene core with a hybrid urethane coating which is impervious to diluted acids, alkalis, and petroleum products. Outer covering is 305-L stainless-steel expanded metal. Each float can bear the weight of a 240-pound service technician.
- C Turbo Blower. Six blades, 316-L stainless-steel construction. Drawing power from the single motor, the Turbo Blower, in conjunction with an oxygen generator, injects air into the wastewater stream for the maximum oxygen transfer available.
- D Discharge Manifold. 305-L stainless steel pipe with reduced-diameter ends that spray one-third of the flow through the perforations along its top length while throwing the rest out the ends for a large area of influence. The high-pressure discharges strip dissolved gases, VOCs, and ammonia.

Airmaster has replaced conventional aerators with two to three times the horsepower and still achieved the same results, while saving money on energy expenditure. Effective for water treatment, wastewater treatment, industrial, aquaculture, and agriculture applications. We excel in extreme conditions!

Airmaster Aerator Applications:

- Alligator Processing
- Canning Facility
- Catfish Processing
- Cattle Truck Washout Facility
- Cheese Processing Facility
- Chemical Plant
- Chicken Processing
- Compost Facility
- Correctional Facility
- Dairy Processing Facility
- Egg Washing Facility
- Emergency Response to Natural Disasters
- Fertilizer Manufacturing Facility
- Groundwater Remediation (V.O.C.)
- Lake & Pond Management
- Landfill Facility
- Mobile Home Parks
- Municipal Wastewater Facility
- Plywood Facility
- Pork Smoking Facility
- Poultry Rendering Facility
- Power Plant
- Private Wastewater Facility
- Pulp & Paper Mill
- Refineries
- Rural Schools
- Shrimp Processing Facility
- Steel Mill
- Textile Mill
- Turkey Processing Facility

After Hurricane Katrina, the US Army Corps of Engineers used 28 Airmaster Aerator Turbos to help reduce organic and petroleum-based contamination of water being pumped out of the New Orleans area. The increased oxygen helped avoid fish kills and anoxic dead zones as well as prevent harmful algae blooms.

The Airmaster Aerator Turbos raise dissolved oxygen in oxidation ponds, ditches, and lagoons. They are proven effective in BOD, COD, and sludge reduction.

Paper mills, hog farms, and refineries can all benefit from Airmaster Turbos. They are also effective in algae control and odor reduction.

Select locations using Airmaster Aerator Turbos:

U.S. Army, Iraq. The U.S. Army, through KBR, has ordered an Airmaster Aerator model #AA256SSX. This is a "Severe Duty" 25-hp, 380-volt, 3-phase, 50 Hz aerator, capable of pumping 5,040,000 gallons of wastewater a day.

Cattle truck washout facility, CO. Installed one 25-hp Airmaster; reduced sludge, odor, B.O.D., and ammonia.

Ham smoking facility, MO. Installed two 25-hp Airmasters in wastewater lagoons; within 24 hours all odor was eliminated.

Poultry rendering facility, AR. Had a diffused air system with total of 1,100-hp of blowers, achieving a dissolved oxygen level of 0.9 mg/L. Installed three 50-hp Airmaster Magnums and turned off 550 hp of blowers, achieving a dissolved oxygen of 3.5 mg/L.

TURBO

Steel mill, IN. Installed three 50-hp Airmaster Magnums to cool 75 MGD of process water; thus eliminated need to construct a 7-milliondollar cooling tower.

Paper mill, NC. Replaced eleven (11) 75-hp floating aerators with eleven (11) 25-hp Airmasters. Performance was superior with added benefit of sludge reduction and defoaming.

Paper mill, TX. Replaced two 60-hp floating aerators with one 50-hp Airmaster Magnum. Currently using 4 Airmaster Magnums.

Power plant, WV. Seven 50-hp Airmasters with 14-foot hinged draft tubes installed in a 40-foot deep, 75-acre lagoon. Lowest dissolved oxygen at 40 feet is over 5.0 mg/L for ammonia reduction in fly ash. There are two basic methods to aerate wastewater — mechanical surface aeration by agitation and submerged bubble diffusers. Airmaster combines both processes into one surface unit, achieving both efficient mixing and efficient oxygen transfer.

Airmaster Aerator Turbo Features:

- High-capacity water movement with aeration incorporated in a discharge manifold.
- Turbo air blower combined with oxygen generator for maximum oxygen transfer.
- Performance exceeds aerators with over twice the horsepower, saving energy costs.
- Less expensive to purchase than fine-bubble aeration systems and less expensive to maintain.
- Produces two or four distinct mixing zones (depending on horsepower) for complete vertical and horizontal mixing of the biomass. Oxygen transfer is over three pounds of oxygen per nameplate horsepower per hour, under normal conditions.
- Synchronous belt-drive system means the speed, performance, and energy consumption of an aerator can be changed by the owner.
- Reduced maintenance needs by using stainlesssteel construction, maintenance-free bearing system, hinged intake housing for ease of cleaning, and no gear boxes or gear reducers.
- Effective in BOD, COD reduction; algae control; odor reduction; and sludge reduction.
- De-foaming spray.
- Floatation is impervious to diluted acids, alkalines, and petroleum products.
- Unique design enhances the performance of existing aeration equipment.
- One-year warranty.

PERFORMANCE DATA

Airmaster Aerator Turbo (U.S Patent No. 6,325,842)

MODEL SIZE	MOTOR REQUIREMENT	VOLTAGE	GPM	GPD	POUNDS* OXYGEN/HOUR	POUNDS OXYGEN/DAY
AA101SS	10 HP	230/1 PHASE	1,325	1,908,000	25	600
AA103SS	10 HP	208/230/460/3 PH	1,400	2,016,000	30	720
AA153SS	15 HP	208/230/460/3 PH	2,100	3,024,000	45	1,080
AA203SS	20 HP	208/230/460/3 PH	2,800	4,032,000	60	1,440
AA253SS	25 HP	208/230/460/3 PH	3,500	5,040,000	75	1,800
AA50355XM (Magnum)	50 HP	208/230/460/3 PH	8,060	12,500,000	150	3,600

* Approximate transfer rate based on OTR of 3.0 lbs/HP/HR

PERFORMANCE, DESIGN, & WARRANTY SPECIFICATIONS

We pledge that each of our Airmaster Aerator Turbo products will meet the following specifications:

PERFORMANCE

Each aerator is capable of producing 3.0 lbs. of oxygen per nameplate horsepower per hour under normal conditions. Each aerator is capable of pumping and mixing approximately 1,908,000 to 12,500,000 gallons per day (depending on horsepower) under normal conditions and continuous operation.

The aerator produces two or four (depending on horsepower) distinct mixing zones within the lagoon cell for complete mixing of the biomass.

The aerator has one-third of the liquid being pumped, directed into a high-pressure spray. This spray is used for aeration, stripping gases from the liquid, and as a de-foaming spray.

The aerator has a synchronous belt-drive system and is shaft driven to allow the owner to vary the speed and performance of the aerator in the field. No gear box or gear reducer is used.

DESIGN

Motor:

- 1. Motor complies with EPACT '92 efficiency standards.
- Service factor of 1.15 to 1.25 (depending on motor type), over the motor nameplate at 60 HZ.
- 3. Class Finsulation.
- Double-shielded bearings with re-greasing provisions on the shaft end.
- 5. Motor is designed for 230-volt 1-phase or 208-, 230- or 460-volt, 3-phase operation.
- 6. Motor is IEEE series 841 or Severe-duty motor.
- 7. Motor has 3- or 5-year warranty, depending on motor type.

Frame and Components are fabricated of 316-L and 304-L stainless steel. A 304-L electrical conduit tray is provided for securing the electrical conduit. Stainless-steel lifting lugs are provided for equipment lifting.

Floatation:

- Floats have an expanded polystyrene core with a hybrid urethane coating.
- Coating is impervious to diluted acids, alkalis, and petroleum products.
- Floats are covered with 304-L stainless-steel expanded metal and designed to support the weight of two 240-lb. service technicians.

Impeller is 316-L stainless-steel construction capable of pumping approximately 1,908,000 to 12,500,000 gallons per day (depending on horsepower) under normal conditions and continuous operation. The impeller is capable of pumping 1.5"-diameter solids.

Impeller shaft is of 1.5"- or 2.44"-diameter, 17-4 PH 1150 stainlesssteel construction.

Turbo Blower is of 6-blade, 316-L stainless-steel construction, capable of injecting air into the wastewater stream without requiring a separate motor.

Bearings:

- 1. Top bearings are "Double Tapered Roller" pillow-block bearings with Temkin® lubricator.
- Bottom bearings are maintenance-free, Poly-Round Solution[®] or ALL-ROUND Solution[®] pillow-block bearings.

Drive system is "Poly-Chain GT2"." The toothed, synchronous belt is constructed of non-stretch material to prevent re-tensioning.

Inlet intake cage is of 304-L stainless-steel construction and hinged for ease of cleaning. A 1/4" stainless-steel lifting chain is provided.

Motor hood is of 304-L stainless-steel construction. It covers the motor, drive belt, and the "Double Roller" pillow-block bearings. The motor hood is hinged for ease of access to the above-mentioned parts with a safety-locking device installed to eliminate accidental closure of the motor hood. It is constructed to prevent direct exposure to rain, sleet, snow, sun, and water spray.

Options include:

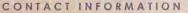
- A NEMA-4 stainless-steel electrical junction box with power block, grounding lugs, and pre-wired to the motor. The junction box allows the electrical contractor to terminate their power cable from the motor starter.
- A 304-L stainless-steel standoff assembly for anchoring the aerator. The stand-off assembly secures to the lagoon bank through two 304-L stainless-steel spud legs. The other end of the stand-off assembly connects to the aerator through 304-L stainless-steel receptacles fixed to the end of the frame assembly. The stand-off assembly allows the aerator to be positioned the desired distance from the lagoon bank and is designed to allow the operator to move the aerator to the bank for routine maintenance and inspection. No mooring cables or anchors are required to secure the aerator in position.

WARRANTY

The aerator will be warranted for defects in materials and workmanship for the period of one year from date of start-up.

- 1. We excel in extreme conditions.
- Don't waste your money on expensive or high-maintenance equipment when the Airmaster Aerator Turbo can get the same job done at less cost and more reliably.
- If you qualify, units are available on 30-day trial basis, at your location.
- 4. Want to learn more? Call us at 888-813-3680.

20



P.O. Box 546 • 1935 North Pine Street • DeRidder, LA 70624 Phone: 888-813-3680 • Fax: 337-463-9119 www.airmasteraerator.com



http://www.airmasteraerator.com P.O. Box 546 • DeRidder, LA 70634 1-888-813-3680 • Fax (337) 463-9119

December 14, 2016

Kevin Turner City of Scappoose 34484 East Columbia Avenue Scappoose, OR 97056

QUOTE

Airmaster Aerator, LLC will furnish one (1) Model #AA253SSX, 25 Hp 230/460/3 Ph, 60 Hz Airmaster Aerator "Turbo X-Treme" aerator for the purchase price of \$ 31,400.00 (Thirty-one Thousand Four Hundred Dollars).

Price Includes The Following:

•	Airmaster Aerator "Turbo X-Treme" Aerator 25 Hp, 230/460/3ph, Model #AA253SSX				
	Premium Efficiency Motor				
	Pre-Wired With Stainless Steel 12"X14"X6" NEMA 4 Electrical Enclosure				
	Gates® Poly-Chain GT2 Drive System				
	Poly-Round Solution® Underwater Bearing With "NCB" Sleeve				
	1" High Spray Holes				
	15 Degree Oxygen Generator Tube				
	Stainless Steel Installation Assembly (17 Feet)				
	\$ 27,450.00 Each\$ 27,450.00				
•	Shipping Charges from Wisner, LA to Scappoose, OR <u>\$ 3,950.00</u>				
	Total\$ 31,400.00				

Terms: 30 % due when purchase order is received and balance of payment due upon delivery. This proposal is effective for 60 days. City of Scappoose will be responsible for all electrical requirements including, motor starter, wire, and installation labor. City of Scappoose will be responsible for providing the equipment for unloading the aerator. Airmaster Aerator, LLC, will deliver the aerator within 3 to 5 weeks after purchase is accepted.

Sincerely,

Dean Caldwel Digitally signed by Dean Caldwell DN: cn=Dean Caldwell, o=Airmaster Aerator, LLC, ou, email=deanc@airmasteraerat or.com, c=US Date: 2016.12.14 14:00:39 -06'00'

Dean Caldwell President Airmaster Aerator, LLC



AQUA-AEROBIC SYSTEMS, INC.

PROPOSAL # 42676

TO: SCAPPOOSE WWTP

SCAPPOOSE
OREGON
USA

PROJECT: SCAPPOOSE WWTP SCAPPOOSE OR USA-MUN PROPOSAL DATE: August 9, 2016

CC: Davidson Sales & Engineering, Paul Mora

If billing and/or shipping address is different, please advise.

Qty	Description	Unit Price	Total Price
	We are pleased to quote, for acceptance within (30) days of this date, prices and terms on equipment listed below. Shipment of equipment will be completed (4-6) weeks* after receipt of purchase order with mutually acceptable terms and conditions, subject to credit approval, or engineer approved submittals, if required. Aqua-Aerobic Systems' proposal is based upon supply of equipment models as noted. *Note: Actual shipment is dependent on equipment availability at the time of receipt of order.		
	Equipment will be furnished by Aqua-Aerobic Systems, Inc. with civil work and installation by the purchaser.		
4	7.5 HP Model FSS Endura® Series Aqua-Jet® Aerator. Float is fiber reinforced polyester skin (FRP), filled with closed cell polyurethane foam. Volute and intake cone are 304 stainless steel. Propeller is cast stainless steel. Diffusion head is monolithic casting of 304 stainless steel. Motor will be TEFC, 460 volt, 3 phase, 60 hertz, 1800 RPM with 1.15 Service Factor and Class F nonhygroscopic insulation. Motor shaft is one-piece 17-4 PH stainless steel.	\$7,010.00	\$28,040.00
	WARNING: The Aqua-Jet® Aerator has a high velocity, upwardly directed hydraulic flow directly below the unit. In addition, horizontal surface velocities persist for some distance from the unit. These flow patterns may, in some instances, cause damage to basin bottoms or walls, creating leaking potential. In earthen or lined basins, Aqua-Aerobic Systems recommends the use of a concrete pad on the basin bottom directly below the aerator. If concrete is known to be nonresistant to the waste, other materials should be investigated. Riprapping, or similar means of bank protection can protect basin walls. If basin contains toxic wastes, user is advised to obtain engineering advice as to basin design and construction necessary to prevent possible erosion and leakage. Aqua-Aerobic Systems assumes no liability or responsibility for any damage to basin bottoms or walls, or for any injuries or damages resulting therefrom.		
4	304 stainless steel anti-erosion assembly for 7.5 HP aerator.	\$500.00	\$2,000.00
2	10 HP Model FSS Endura® Series AquaDDM® Mixer. Motor base and intake volute assemblies will be of 304 stainless steel. Float is fiber reinforced polyester skin (FRP), filled with closed cell	\$12,200.00	\$24,400.00

Page 1 of 6

Propos	sal Date: August 9, 2016 Proposal	# 42676	AQUA-AEROBIC SYSTEMS, INC.
	polyurethane foam. Propeller is cast stainless steel. TEFC, 460 volt, 3 phase, 60 hertz, 900 RPM with 1.15 factor and Class F nonhygroscopic insulation. Motor s piece 17-4 PH stainless steel.	service	
	WARNING: The AquaDDM® Mixer has a high velocity downflow d directly below the unit. This flow pattern may, in some cause damage to basin bottoms, creating leaking pote earthen or lined basins, Aqua Aerobic Systems recom use of a concrete pad on the basin bottom directly belo mixer. If concrete is known to be nonresistant to the w materials should be investigated. If basin contains tox user is advised to obtain engineering advice as to bas and construction necessary to prevent possible erosio leakage. Aqua Aerobic Systems assumes no liability of responsibility for any damage to basin bottoms or wall injuries or damages resulting therefrom.	instances, ential. In mends the ow the vaste, other vastes, other in design on and or	
2	Adder for 90° directional flow discharge elbow assemb stainless steel for 10HP mixer.	bly of 304 \$2,215.00	\$4,430.00
980	Feet, 7 X 19 X 3/16" high flex 304 stainless steel moo	ring cable. \$0.65	\$637.00
72	3/16" 316 stainless steel U-bolt cable clip(s).	\$4.10	\$295.20
36	3/16" - 1/4" 316 stainless steel wire rope thimble(s).	\$4.05	\$145.80
36	3/8" diameter 316 stainless steel quick disconnect sna	aphook(s). \$8.35	\$300.60
420	Feet, #12 AWG flexible service cable for 460 V, 7.5 H and 10HP mixer operation. Cable has three power co and an insulated ground conductor assembled togethe nonhygroscopic filler material in a hard usage outer ja	onductors er with a	\$1,176.00
6	5/8" - 3/4", 2 eye, wire mesh strain relief cord grip asse	embly. \$33.10	\$198.60
6	1/2" spiral wrap abrasion protection for power supply o	cable. \$32.00	\$192.00
73	Aerial support electrical cable tie wraps.	\$1.20	\$87.60
	COMMERCIAL NOTES:		
	 Freight charges are NOT included in this proposal. I charges will be prepaid with actual charges to be adde invoice. 		
	- Startup supervision is NOT included.		0

- Payable net 30 days from date of shipment subject to credit review; no retainage allowed.

6306 N. Alpine Rd. Loves Park, IL 61111-7655 p 815.654.2501 f 815.654.2508 www.aqua-aerobic.com Copyright 2016, Aqua-Aerobic Systems, Inc., Rockford, IL Printed: 8/9/2016 2:55:38 PM



- Unless specifically stated herein, no taxes were included in Aqua-Aerobic Systems' price. State and/or local taxes will be charged unless we receive a valid resale/exemption certificate.

- Aqua-Aerobic Systems is not registered to collect state sales taxes in the states of Alabama, Alaska, Delaware, Massachusetts, Montana, New Hampshire, North Dakota, Ohio, Oregon, South Dakota, Utah, Vermont, Wyoming and Washington D.C. If the purchase is taxable, please provide a letter indicating it is your company policy to accrue the tax and pay it directly to the state.

SCOPE / EQUIPMENT NOTES:

- The accessory prices quoted herein are only valid with the purchase of the complete units. If accessories are purchased independently, now or at a later date, pricing is void and must be obtained from the Aqua-Aerobic Systems' Aftermarket Sales Department.

- Unless specifically stated herein, control panels, junction boxes, anchors and eyebolts are not included in Aqua's scope of supply and shall be supplied by others.

- Based on the current instability in stainless steel pricing, Aqua-Aerobic Systems, Inc. reserves the right to re-evaluate the pricing quoted prior to order acceptance.

- Aqua-Aerobic Systems' offer is based upon the supply of Aqua-Aerobic Systems' standard equipment as described within this proposal, including the warranty as included within Terms and Conditions of Aqua-Aerobic Systems, Inc., and Aqua-Aerobic Systems' standard factory test(s) prior to shipment. Aqua-Aerobic Systems' scope of supply does not include any process or performance guarantees or warranties or process or performance testing unless specifically detailed within this proposal.

- TRADEMARKS: Aqua-Aerobic, AquaSBR, Aqua-Jet, Aqua-Jet II, AquaDDM, Endura Series, Aqua EnduraDisc, Aqua EnduraTube, Aqua CB-24, AquaCAM-D, AquaEnsure, IntelliPro, AquaExcel, Aqua MixAir, AquaPASS, Aqua MSBR, AquaMB Process, Aqua-Aerobic MBR, Aqua UltraFiltration, Aqua MultiBore, OxyMix, Aqua BioMax, AquaDisk, AquaDrum, AquaDiamond, Aqua MegaDisk, AquaDrum, Aqua MiniDisk, OptiFiber, OptiFiber PES-13, OptiFiber PA2-13, OptiFiber ACR-13, OptiFiber PES-14, AquaABF, Turbilite, and the Aqua-Aerobic logo are registered trademarks or pending trademarks of Aqua-Aerobic Systems, Inc. All other products and services mentioned are trademarks of their respective owners.

SHIPPING NOTES:

To expedite your order, please provide the shipping instructions below:

Earliest acceptable equipment on site date:

Ship to address (including zip code):

Proposal Date: August 9, 2016

Proposal # 42676



Driver to provide 24 or 48 or _____ HOURS pre-delivery notice to:

Jobsite contact name:

@ telephone number:

Deliveries are accepted on the following days of the week:

Monday Tuesday Wednesday Thursday Friday Saturday Sunday

Acceptable hours of delivery _____ AM to _____ PM

Special instructions to relay to the carrier and/or the driver:

Pricing Summary:

Equipment and/or Accessories:

\$61,902.80

Total Job Price:

\$61,902.80

Material and/or services not specifically listed in this proposal are not included in the quoted TOTAL JOB PRICE and are to be supplied by others.

Goods quoted above will be sold subject to the terms and conditions of sale set forth on the face hereof and the following pages entitled "Terms and Conditions of Aqua-Aerobic Systems, Inc. (A Metawater Company)": Any different or additional terms are hereby objected to.

Proposal Date: August 9, 2016



TERMS AND CONDITIONS OF AQUA-AEROBIC SYSTEMS, INC.

Page 1 of 2

This offer and all of the goods and sales of Aqua-Aerobic Systems, Inc. are subject only to the following terms and conditions. The acceptance of any order resulting from this proposal is based on the express condition that the Buyer agrees to all the terms and conditions herein contained. Any terms and conditions in any order, which are in addition to or inconsistent with the following, shall not be binding upon Aqua-Aerobic Systems, Inc. This proposal and any contract resulting therefrom, shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to conflicts of laws principles.

PAYMENT

Unless specifically stated otherwise, quoted terms are Net 30 Days from shipping date. Past-due charges are 1.5% per month and will apply only on any past-due balance. Aqua-Aerobic Systems, Inc. does not allow retainage of any invoice amount, unless authorized in writing by an authorized representative of our Loves Park, Illinois office.

DURATION OF QUOTATION

This proposal of Aqua-Aerobic Systems, Inc. shall in no event be effective more than 30 days from date thereof, unless specifically stated otherwise, and is subject to change at any time prior to acceptance.

SHIPMENT

Shipping dates are not a guarantee of a particular day of shipment and are approximate, being based upon present production information, and are subject to change per the production schedules existing at time of receipt of purchase order. Aqua-Aerobic Systems, Inc. shall not be responsible for any delay in shipment for causes beyond its control including, but not limited to, war, riots, strikes, labor trouble causing interruption of work, fires, other casualties, transportation delays, modification of order, any act of governmental authorities or acts of God. Quoted shipment dates in this proposal are approximate dates goods will be shipped and, unless agreed to in writing by Aqua-Aerobic Systems, Inc., Buyer may not postpone or delay the dates of shipment of goods from our plant or from our supplier's plants beyond the dates set forth in this proposal.

TITLE AND RISK OF LOSS

All prices and all shipments of goods are F.O.B. Aqua-Aerobic Systems, Inc.'s plant at Loves Park, Illinois unless specifically stated otherwise. Delivery of the goods sold hereunder to the carrier shall be deemed delivery to the Buyer, and upon such delivery, title to such goods and risk of loss or damage shall be upon Buyer.

TAXES

Prices quoted do not include any taxes, customs duties, or import fees. Buyer shall pay any and all use, sales, privilege or other tax or customs duties or import fees levied by any governmental authority with respect to the sale or transportation of any goods covered hereby. If Aqua-Aerobic Systems, Inc. is required by any taxing authority to collect or to pay any such tax, duty or fee, the Buyer shall be separately billed at such time for the amounts Aqua-Aerobic Systems, Inc. is required to pay.

INSURANCE

Unless the goods are sold on a CIF basis, the Buyer shall provide marine insurance for all risks, including war and general coverage.

SECURITY

If at any time the financial responsibility of the Buyer becomes unsatisfactory to Aqua-Aerobic Systems, Inc., or Aqua-Aerobic Systems, Inc. otherwise deems itself insecure as to receipt of full payment of the purchase price from Buyer hereunder, Aqua-Aerobic Systems, Inc. reserves the right to require payment in advance or security or guarantee satisfactory to Aqua-Aerobic Systems, Inc. of payment in full of the purchase price.

LIMITATION OF ACTION

No action shall be brought against Aqua-Aerobic Systems, Inc. for any breach of its contract of sale more than two years after the accrual of the cause of action thereof, and, in no event, unless the Buyer shall first have given written notice to Aqua-Aerobic Systems, Inc., of any claim of breach of contract within 30 days after the discovery thereof.

CANCELLATION CLAUSE

No acceptance of this proposal, by purchase order or otherwise, may be modified except by written consent of Aqua-Aerobic Systems, Inc. nor may it be cancelled except by prior payment to Aqua-Aerobic Systems, Inc. the following sums as liquidated damages therefor: 1) If cancellation is prior to commencement of production and prior to the assumption of any obligations by Aqua-Aerobic Systems, Inc. for any materials or component parts, a sum equal to 15% of the total purchase price; 2) If cancellation is after the commencement of production or after the assumption of any obligations by Aqua-Aerobic Systems, Inc. for any materials or component parts, a sum equal to the date of cancellation for labor, machine time, materials and any charges made to us by suppliers for cancellation, plus 30% of the total purchase price. All charges and expenses shall be as determined by Aqua-Aerobic Systems, Inc. In the event any items are used by Aqua-Aerobic Systems, Inc. to fill a subsequent order, then upon receipt of payment for such order, Aqua-Aerobic Systems, Inc. shall pay the Buyer a sum equal to the direct out-of-pocket expenses previously charged and received from Buyer.

PROPRIETARY INFORMATION

This proposal, including all descriptive data, drawings, material, information and know-how disclosed by Aqua-Aerobic Systems, Inc. to Buyer in relation hereto is confidential information intended solely for the confidential use of Buyer, shall remain the property of Aqua-Aerobic Systems, Inc. and shall not be disclosed or otherwise used to the disadvantage or detriment of Aqua-Aerobic Systems, Inc. in any manner.

Proposal Date: August 9, 2016

Proposal # 42676



TERMS AND CONDITIONS OF AQUA-AEROBIC SYSTEMS, INC.

Page 2 of 2

QUALIFIED ACCEPTANCE AND INDEMNITY

In the event the acceptance of this proposal by Buyer either is contingent upon or subject to the approval by any third party such as, but not limited to, a consulting engineer, with respect to goods, parts, materials, descriptive data, drawings, calculations, or any other matter, then upon such approval by any third party, Aqua-Aerobic Systems, Inc. shall have no liability to Buyer or to any third party so long as the goods sold and delivered by Aqua-Aerobic Systems, Inc. conform to this proposal. In the event any such third party requires modifications in the proposal prior to the approval thereof, Aqua-Aerobic Systems, Inc. may at its sole option and without liability to any party elect to cancel this proposal or return the purchase order to Buyer. In the event Aqua-Aerobic Systems, Inc. elects to modify this proposal to conform to the requirements for approval by any third party, Aqua-Aerobic Systems, Inc. in such event shall have no liability to Buyer or to any third party so long as the goods sold and delivered by Aqua-Aerobic Systems, Inc. conform to this proposal as modified.

Buyer agrees to indemnify and save harmless Aqua-Aerobic Systems, Inc. from and against all costs and expenses and liability of any kind whatsoever arising out of or in connection with claims by third parties so long as the goods sold hereunder conform to the requirements of this proposal as approved by any third party.

WARRANTY; LIMITATION OF LIABILITY; AND DISCLAIMER

In return for purchase and full payment for Aqua-Aerobic Systems, Inc. goods, we warrant new goods provided by us to be free from defects in materials and workmanship under normal conditions and use for a period of one year from the date the goods are put into service, or eighteen months from date of shipment (whichever first occurs). If the goods include an "Endura Series" motor, the complete Endura Series unit shall be warranted by Aqua to be free from defects in materials and workmanship under normal conditions and use for three years from the date the product is put into service or 42 months from the date of shipment (whichever occurs first).

OUR OBLIGATION UNDER THIS WARRANTY IS EXPRESSLY AND EXCLUSIVELY LIMITED to replacing or repairing (at our factory at Loves Park, Illinois) any part or parts returned to our factory with transportation charges prepaid, and which our examination shall show to have been defective. Prior to return of any goods or its parts to our factory, Buyer shall notify Aqua-Aerobic Systems, Inc. of claimed defect, and Aqua-Aerobic Systems, Inc. shall have the privilege of examining the goods at Buyer's place of business at or where the goods have otherwise been placed in service. In the event this examination discloses no defect, Buyer shall have no authority to return the goods or parts to our factory for the further examination or repair. All goods or parts shall be returned to Buyer, F.O.B. Loves Park, Illinois. This warranty shall not apply to any goods or part which has been repaired or altered outside our factory, or applied, operated or installed contrary to our instruction, or subjected to misuse, chemical attack/degradation, negligence or accident. This warranty and any warranty and guaranty of process or performance shall no longer be applicable or valid if any product, including any software program, supplied by Aqua-Aerobic Systems, Inc., is modified or altered without the written approval of Aqua-Aerobic Systems, Inc. Our warranty on accessories and component parts not manufactured by us is expressly limited to that of the manufacturer thereof.

THE FOREGOING WARRANTY IS MADE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND OF ALL OTHER LIABILITIES AND OBLIGATIONS ON OUR PART, INCLUDING ANY LIABILITY FOR NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE; AND ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IS EXPRESSLY DISCLAIMED; AND WE EXPRESSLY DENY THE RIGHT OF ANY OTHER PERSON TO INCUR OR ASSUME FOR US ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OF ANY GOODS PROVIDED BY US. THERE ARE NO WARRANTIES OR GUARANTEES OF PERFORMANCE UNLESS SPECIFICALLY STATED OTHERWISE.

UNDER NO CIRCUMSTANCES, INCLUDING ANY CLAIM OF NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, SHALL AQUA-AEROBIC SYSTEMS, INC. BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, COSTS OF CONNECTING, DISCONNECTING, OR ANY LOSS OR DAMAGE RESULTING FROM A DEFECT IN THE GOODS. LIMIT OF LIABILITY: AQUA-AEROBIC SYSTEMS, INC.'S TOTAL LIABILITY UNDER THE ABOVE WARRANTY IS LIMITED TO THE REPAIR OR REPLACEMENT OF ANY DEFECTIVE PART. THE REMEDIES SET FORTH HEREIN ARE EXCLUSIVE, AND OUR LIABILITY WITH RESPECT TO ANY CONTRACT OR SALE, OR ANYTHING DONE IN CONNECTION THEREWITH, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, OR OTHERWISE, SHALL NOT, IN ANY CASE, EXCEED THE PRICE OF THE GOODS UPON WHICH SUCH LIABILITY IS BASED.

Final acceptance of this proposal must be given to Aqua-Aerobic Systems, Inc. at their office in Loves Park, Illinois. Please acknowledge acceptance by signing the proposal and returning it to Aqua-Aerobic Systems, Inc.

Accepted by:		Offer Respectfully Submitted, Laurie Breit	
Ву:	Date:	Laurie Breit, Contract Administrator Aqua-Aerobic Systems, Inc.	

6306 N. Alpine Rd. Loves Park, IL 61111-7655 p 815.654.2501 f 815.654.2508 www.aqua-aerobic.com Copyright 2016, Aqua-Aerobic Systems, Inc., Rockford, IL Printed: 8/9/2016 2:55:39 PM

Page 6 of 6



AQUA-AEROBIC SYSTEMS, INC.





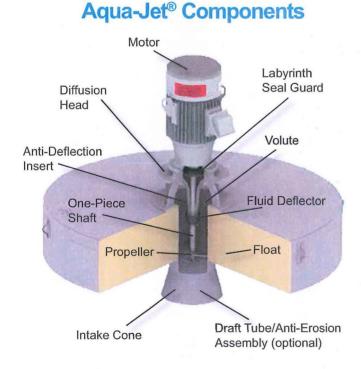


The Aqua-Jet[®] aerator is the most durable, highly efficient wastewater aerator on the market today. Since 1969, more than 80,000 Aqua-Jet aerators have been installed throughout the world, representing 1.5 million horsepower and over 9 billion hours of runtime.

The robust design and use of the highest quality materials have also made the Aqua-Jet the most trusted aerator in the industry, outlasting other aerators 2 to 1.

Features and Advantages

- · Vibration limiting design; velocity of 0.3 inches/second or less
- · Proven oxygen and mixing performance
- Easy and flexible installation
- · Short lead times



Motor - standard 3-year warranty, severe duty, totally enclosed fan-cooled (TEFC), Class F insulation, 1.15 service factor

Diffusion Head - monolithic casting, 304 stainless steel (ss), limits vibration

Motor Shaft - one-piece, 17-4 precipitation hardened (PH) ss, eliminates couplings

Float - Fiberglass or 304 ss exterior. Interior closed-cell polyurethane foam adds structural stability and prevents sinking. Heavy wall ss volute.

Propeller - two-blade design precision cast, 316 ss, non-clog operation Intake Cone/Anti-Vortex Cross - 304 ss, provides minimum headloss

- · Easily incorporated into existing plants
- · Units are retrievable for easy access
- · Various mooring arrangements available
- Endura[®] Series low maintenance motors save energy, reduce O&M costs and increase performance

Aqua-Jet® Operation

The Aqua-Jet aerator is a mechanical direct-drive unit designed to provide optimum oxygen transfer in a variety of municipal and industrial wastewater applications. The performance of the Aqua-Jet aerator also provides the mixing necessary to uniformly disperse oxygen and organic matter within the microbial population.

How it Works

Basin water is pumped up into the intake cone and through the volute, and is dispersed through the diffusion head in a spray pattern. Oxygenation occurs at two critical points: **1)** when the water exits the diffusion head and **2)** when the spray enters the water surface.



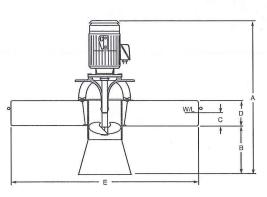
Typical Aqua-Jet® aerator operation.



Aqua-Jet® Unit Sizes and Dimensions

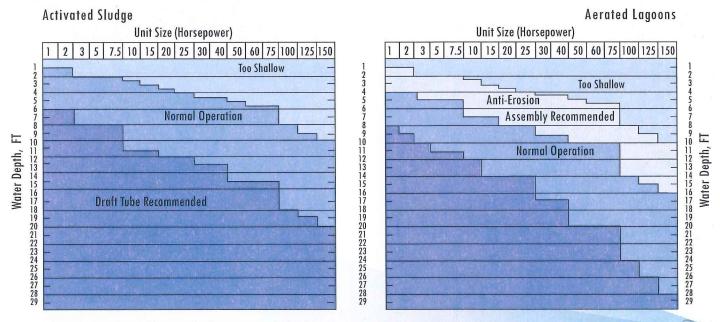
FSS	un	DDU	Approx	DIMENSIONS (inches)					Mooring	
Model	HP	RPM	Ship Wt (Ibs)	A	В	C	D	E	Shaft Dia.	Cable Dia.
3900111	1	1800	325	34.69	8.5	4	7.5	46.75	.875	A
3900211	2	1800	325	34.69	8.5	4	7.5	46.75	.875	
3900311	3	1800	525	44.13	8.5	5	11	59.5	1.250	
3900511	5	1800	525	44.13	8.5	5.25	11	59.5	1.250	
3900711	7.5	1800	625	46.63	8.5	6.75	11	59.5	1.250	3/16"
3901011	10	1800	945	51.69	10.38	6	12	70	1.750	
3901511	15	1800	970	55.63	10.38	6.25	12	70	1.750	
3902011	20	1200	1,300	79.94*	27.5*	6.5	13.5	82.88	2.125	
3902511	25	1200	1,350	80.81*	27.5*	6.75	13.5	82.88	2.125	
3903011	30	1200	1,845	86.94	30.63*	9.5	14.88	94.5	2.125	
3904011	40	1200	1,870	90.31	30.63*	10	14.88	94.5	2.500	
3905411	50	1200	1,900	90.31	30.63	10.5	14.88	94.5	2.500	
3905011	50	1200	2,850	101.06	40.69*	8.88	14.88	114.63	2.500	1/4"
3906011	60	1200	3,000	102.81	40.69*	10	14.88	114.63	2.703	
3907511	75	1200	3,000	102.81	40.69*	10	14.88	114.63	2.703	
3910021	100	900	4,500	113.5	42.5*	9.5	17	131	3.930	
3912511	125	900	5,240	125.5	46.5*	11.5	19	131	3.930	3/8"
3915011	150	900	5,390	128	46.5*	11.65	19	131	3.930	

SS Series (stainless steel)



* Includes allowance for anti-vortex cross. Dual speed units are available upon request.

Typical Aqua-Jet[®] Aerator Operating Depths*



*These charts are intended for approximation purposes only. Requirements are dependent upon basin geometry. Consult Aqua-Aerobic Systems for larger horsepower units or specific applications.

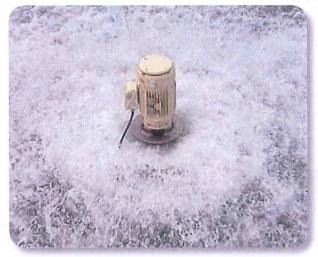
FSS Series (fiberglass)

FSS HP RPM Ship Wt DIN					DIMEN	DIMENSIONS (inches)				Mooring
Model	111		(lbs)	A	A B C D E				Dia.	Cable Dia.
4200111	1	1800	325	34.69	8.5	4	7	46.75	.875	♠
4200211	2	1800	325	34.69	8.5	4	7	46.75	.875	
4200311	3	1800	550	44.13	8.5	4	11	64	1.250	
4200511	5	1800	550	44.13	8.5	5	11	64	1.250	
4200711	7.5	1800	625	46.63	8.5	6	11	64	1.250	3/16"
4201011	10	1800	900	51.69	10.38	5.5	12	71	1.750	
4201511	15	1800	925	55.63	10.38	6	12	71	1.750	
4202011	20	1200	1,100	79.94*	27.5*	7	14	84	2,125	
4202511	25	1200	1,150	80.81*	27.5*	8	14	84	2.125	. × .,
4203011	30	1200	1,845	86.94	*30	8	15.5	94.5	2.125] ↓
4204011	40	1200	1,845	90.31	*30	9	15.5	94.5	2.500	1 1
4205011	50	1200	1,900	90.31	*30	9	15.5	94.5	2.500	
4205021	50	1200	2,350	101.06	40.69	5.5	15.25	114.75	2.500	1/4"
4206011	60	1200	2700	102.81	40.69	6.25	15.25	114.75	2.703	
4207517	75	1200	2700	102.81	40.69	6.25	15.25	114.75	2.703] 🖌

* Includes allowance for anti-vortex cross. Dual speed units are available upon request.

Aqua-Jet[®] Aerator Model SS-PW

- Ideal for Total Trihalomethane (TTHM) stripping in potable water applications with a minimum volume of 100,000 gallons
- · Certified to NSF/ANSI 61 by UL
- Endura® Series high efficiency, low maintenance motors



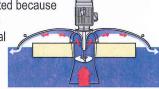
Aqua-Jet[®] aerator model SS-PW in operation in a TTHM stripping application.

Aqua-Jet® Accessory Options

Aqua-Jet II® Contained Flow Aerator

The Aqua-Jet II Contained Flow Aerator is designed for applications which require continued operation of aeration equipment during

cold weather months, but are limited because of an inadequate heat sink due to process selection or environmental conditions. This aerator has proven to operate efficiently in a variety of applications, even in

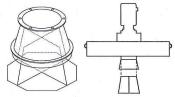


sub-zero temperatures. The dome is essentially a spray control shield mounted to the diffusion head of the Aqua-Jet aerator.

Anti-Erosion Assemblies

Anti-Erosion Assemblies consist of a stainless steel plate attached to the bottom of the Aqua-Jet aerator intake cone via an anti-vortex cross. The assembly causes water to be drawn from the sides of

the intake cone, rather than from directly below it; and prevents damage to the basin liner or erosion of the bottom. Anti-Erosion Assemblies are available for all horsepower Aqua-Jet aerators. Consult



your Aqua-Aerobic representative, or the factory for dimensions.

Draft Tubes

The Draft Tube accessory provides an extension of the intake cone and permits a deeper intake of water. Available in lengths of 3 and 6 feet.

Low Trajectory Diffuser (L.T.D.) Assembly

The Low Trajectory Diffuser (L.T.D.) Assembly is a high density polyethylene ring that is attached to the top of the diffusion head, increasing the diameter of the diffuser. This arrangement lowers the spray of the Aqua-Jet aerator reducing windblown spray and misting. Low trajectory diffusers are used in colder climates, and where a smaller, lower spray pattern is desired.

Arctic Pak

The Arctic Pak ring contains thermal resistance heaters which minimize the chance of icing on exposed surfaces of the Aqua-Jet aerator, such as the cast diffusion head. The Arctic Pak is

complete with its own junction box (which mounts on the motor fan cover), automatic controls and control panel. Operation of the Arctic Pak is controlled by an ambient temperature thermostat.

The unit is available in either 230 or 460 volts, and can be used on either floating or fix-mounted Aqua-Jet aerators. Drawings and wiring diagrams are available on request. Contact your Aqua-Aerobic representative.



Aqua-Jet[®] Mooring Arrangements

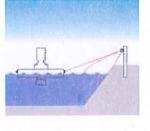
There are four standard mooring arrangements for the Aqua-Jet aerator. The type selected is dependent on the specific application.

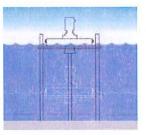
Post/Maintenance Mooring

A mooring post is installed on shore and the mooring line is attached to an eyebolt in the post. A maintenance loop enables the operator to pull the unit to shore or opposite side of the basin without disconnecting the line. Available for 3 or 4 point mooring.

Restrained Mooring

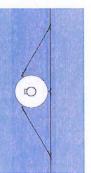
Restrained Mooring is used in applications with varying water levels. The Aqua-Jet mooring frame fits around the mooring posts and allows the aerator to slide up and down the posts as the water level changes.





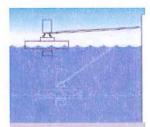
Span Mooring

Span Mooring is used in larger lagoon applications, allowing more than one (1) aerator to be attached to a single mooring cable across the lagoon. Each aerator is attached to the cable using a 3 point mooring concept and can be removed individually for service (*plan view shown to the right*).



Pivotal Mooring

A Pivotal Mooring arm is used in applications with varying water levels with arm lengths up to 40 feet. The arm fits at the base of the motor allowing the aerator to adjust to varying water levels.



Aqua-Jet® Typical Applications

- Extended aeration
- Aerobic digestion
- Equalization
 Aerated lagoons
- Oxidation ditchesSludge holding
- Municipal-industrial combinations
- Batch reactor processes



Pulp and Paper Mills

- Simple and flexible installation
- · Equipment is easily retrievable without dewatering basin
- Short lead times
- · High efficiency motors reduce energy consumption
- · Low installation cost
- · Easily retrofitted into existing aeration systems



Digesters/Sludge Holding Basins

- · Provides efficient oxygen transfer and complete mixing
- Pivotal Mooring or Restrained Mooring accomodates large changes in water level
- Units can be pulled to the side of the basin for service without dewatering
- Aerator can be cycled on/off to control dissolved oxygen (D.O.) and save energy

Providing TOTAL Water Management Solutions

Visit our website at www.aqua-aerobic.com to learn more about the Aqua-Jet[®] Surface Mechanical Aerator and our complete line of products and services:

Aeration & Mixing

Biological Processes

Filtration

Membrane Systems

Controls & Monitoring Systems

Aftermarket Products and Services



AQUA-AEROBIC SYSTEMS, INC.

6306 N. Alpine Rd Loves Park, IL 61111-7655 p 815.654.2501 f 815.654.2508 www.aqua-aerobic.com solutions@aqua-aerobic.com

The information contained herein relative to data, dimensions and recommendations as to size, power and assembly are for purpose of estimation only. These values should not be assumed to be universally applicable to specific design problems. Particular designs, installations and plants may call for specific requirements. Consult Aqua-Aerobic Systems, Inc. for exact recommendations or specific needs. Patents Apply.

CITY OF SCAPPOOSE

Council Action & Status Report

Date Submitted:	December 15, 2016
Agenda Date Requested:	December 19, 2016
То:	Scappoose City Council
Through:	City Manager, Michael Sykes Public Works Director, Robyn Bassett
From:	Wastewater Supervisor, Kevin Turner
Subject:	Sole Source Emergency Purchase-Aerator for Wastewater Treatment Facility

TYPE OF ACTION REQUESTED:

]	1	Resolution	[]	Ordinance
[X]	Formal Action	[]	Report Only

ISSUE: The aeration basin is dealing with aged (1992) and deteriorating aeration equipment. The most recent equipment failure has reduced the mixing and aeration capabilities need to adequately support current flows and population of microorganisms in the aeration basin.

<u>ANALYSIS</u>: As mentioned at the July 5, 2016 Council Meeting, the equipment installed in 2012 has proven to require costly maintenance and continues to have mechanical failures.

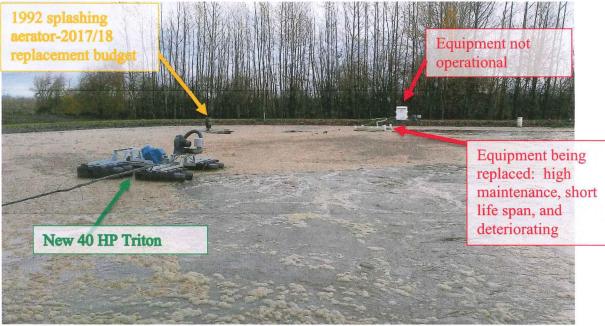
The 40 horsepower Triton that was purchased and installed in August 2016 has performed exceptionally well and has an outstanding operational record. The addition of another Triton would support mixing for the east side of the aeration basin as well as supply oxygen.

The staff goal is to return to the previously configured aeration setup as the unreliable equipment fails and replace the aged equipment before its end of useful life.

FINANCIAL IMPACT: The \$51,500 would come out of 41-410-300, equipment upgrades.

RECOMMENDATION: Staff recommends City Council approve the sole source purchase of one TR-40 AIRE-O₂ Triton Aerator from Aeration Industries for \$51,500.

SUGGESTED MOTION: I move that Council approve the sole source emergency purchase of a new TR-40 AIRE-O₂ Triton Aerator from Aeration Industries for a not to exceed amount of \$51,500.



2

Figure 1. Aeration basin with current equipment

CITY OF SCAPPOOSE

Council Action & Status Report

Date Submitted:	June 29, 2016			
Agenda Date Requested:	July 5, 2016			
То:	Scappoose City Council			
Through:	City Manager Michael Sykes			
From:	Public Works Director Robyn Bassett			
Subject:	Sole Source Emergency Purchase-Aerator for Wastewater Treatment Facility			

TYPE OF ACTION REQUESTED:

[1	Resolution	[]	Ordinance
[X]	Formal Action	I]	Report Only

ISSUE: The 1.9 million gallon mixed liquor basin has experienced a significant increase in solids over the past five years which requires increased oxygen supply to achieve effective treatment. In 2012, the original aeration equipment was removed and new equipment installed with the goal of continued effective treatment and a reduction in power consumption. Since installing the new equipment, staff has been unable to meet the oxygen demand for effective treatment.

<u>ANALYSIS</u>: The equipment installed in 2012 has proven to require frequent maintenance and several mechanical issues. Every third month, staff must rent a large crane to lift the diffusers out of the basin for cleaning at a cost of approximately \$3500 per day.

The diffusers are easily plugged, creating excessive wear on the blowers and inadequate oxygen delivery thus reducing treatment. Within the past four years, three blowers have had significant repairs completed and as of last week, another blower motor caught fire and is not repairable.

Staff is not confident in the future operation of the currently installed diffuser/blower combination and would like to return to the proven treatment combination with the Aire-O₂ configuration. The quote and specifications are attached.

FINANCIAL IMPACT: \$49,000.

RECOMMENDATION: Staff recommends City Council approve the sole source purchase of one TR-40 AIRE-O₂ Triton Aerator from Aeration Industries for \$47,000 plus shipping and handling (approx.\$49,000).

SUGGESTED MOTION: I move that Council approve the sole source emergency purchase of a new TR-40 AIRE- O_2 Triton Aerator from Aeration Industries for a not to exceed amount of \$49,000.

Request for Council Action



A.I.I. PROJECT NO.:

15-11-5317

DATE:

December 15, 2016

TO: Scappoose, Oregon Kevin Turner	PROJECT NAME: Scappoose, OR RE: Aeration Equipment
(503)543-7183	REPRESENTATIVE: Pedroni & Co. / All CONTACT: Victor Pedroni / Brian Jones PHONE: (425)369-6164 / (501)416-8928

AIRE-O2 TRITON® PROCESS AERATOR/MIXER

AERATION INDUSTRIES INTERNATIONAL is pleased to offer the following:

One (1) TR40 (47.5HP) AIRE-O2 Triton® Aerators, consisting of:

- 40 HP, 230/460 volt, 3 phase, 60 Hz, 900 RPM, TEFC motor
- 7.5 HP regenerative blower
- Field replaceable, water lubricated lower bearing
- Field replaceable, wear-resistant sleeve
- 316 SS Dual-bladed primary PowerMix[™] propeller
- 304 SS Saturn Ring diffuser
- 304 SS housing, mounting flange, & hollow shaft Note: Aerators shall arrive fully assembled for immediate mounting

One (1) Universal Eight-Float Assembly, consisting of:

- Eight (8) molded, low-density polyethylene, closed cell, foam filled pontoons
- Hot-dipped galvanized steel rails and mounting hardware
- Floating vortex shield cabled to the frame Note: Flotation devices require field assembly
- One (1) Galvanized Steel Walkway

Freight FOB Jobsite

Three (3) Year Warranty (See General T&C's)

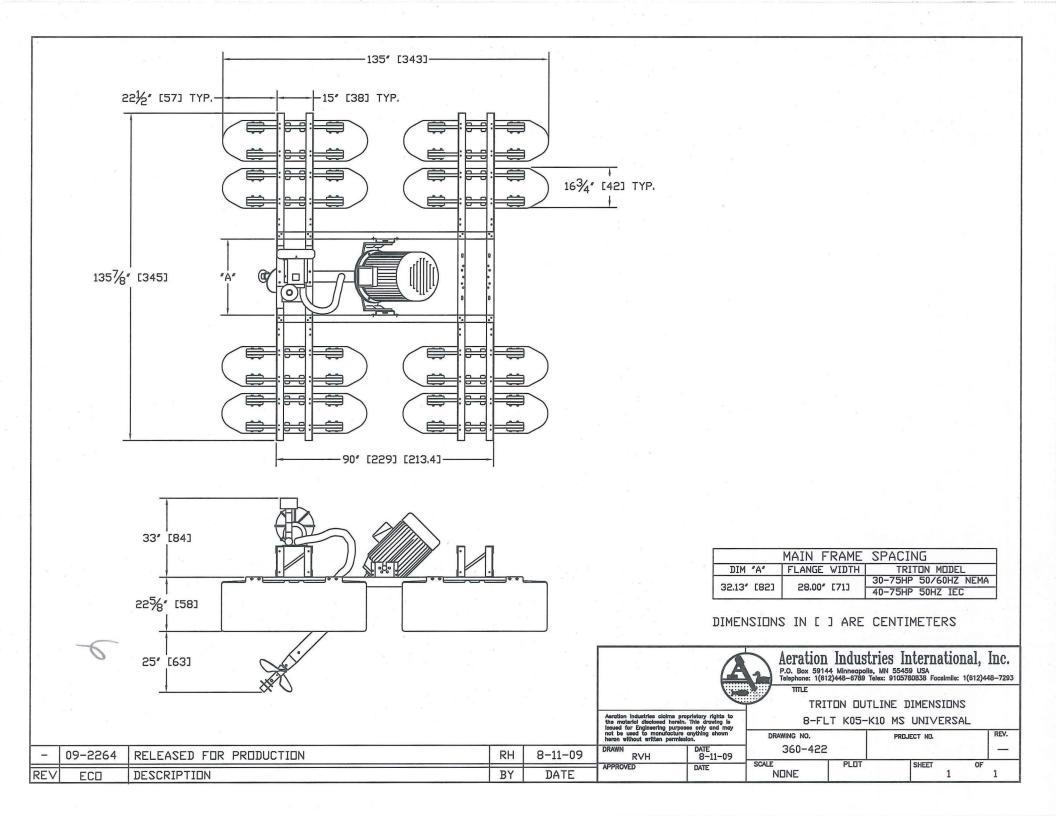
PRICE: \$51,500

EXCLUSIONS: Installation, duties and taxes are not included. Electrical cable, controls, cord grips, anchoring hardware, mooring posts, mooring cable and all items not specifically listed above are excluded.
 NOTE: If required, submittals will be done two weeks from receipt of purchase order. Delivery is four to six weeks from submittal approval. Quotation valid for 30 days.

TERMS:

General Terms and Conditions Attached (2 pages).

4100 Peavey Road D Chaska, Minnesota 55318 D USA Telephone: (952) 448-6789
 Email: aiii@aireo2.com
 Fax: (952) 448-7293



	-		_
PART	TS I	ITST	-

2

1			FARTS LIST
ITE	QTY	PART NUMB	DESCRIPTION
1	1		MOTOR, 50/60 HZ NEMA
2	1	A	MOUNTING FLANGE
3	A	A	HEX HEAD BOLT # 1
4	A	A	HEX HEAD BOLT # 2
5	8	215-151	LOCK WASHER, .625" SPLIT SS
6	1		BLOWER ASSY
7	1	\triangle	PROPELLER
8	1	\triangle	SHAFT ASSEMBLY
9	2	215-127	SET SCREW, .375"-16 UNC X .375"
10	1	330-107	HOUSING ASSEMBLY, 4" AIR TUBE
11	1	213-054	ARB 40-75 HP
		213-027	CRB 40-75 HP
12	1	215-628	WASHER, BRONZE, 3.25" ID
13	1	247-033	SLEEVE
14	1	215-559	WASHER, BRONZE, 2.88" ID
15	1	223-074	ATOMIZER ASSEMBLY
17	1	215-777	SPACER, .250" X 1.627" ID
18	1	224-152	DECAL, ROTATION LABEL
19	1	224-114	DECAL, TRITON
20	1	224-013	DECAL, SERIAL NO.
21	1	224-021	DECAL, CAUTION
22	1	224-154	DECAL, WATER LEVEL
23	1	234458S	PROP 20HP60HZ MIX

В

-

2		REVISION HISTORY		
REV	ECO NO	DESCRIPTION	BY	DATE
-	14-2657	RELEASED FOR PRODUCTION	R.P.H.	10/17/14
А	14-2658	MODIFIED NOTE 2, MOTOR HP	R.P.H.	11/13/14
В	15-2667	ADDED SHEET 2, MODIFICATIONS TO SELECTION TABLE	R.P.H.	01-16-15

2

8

DRAWING NO.

360-584

1

SCALE _

17

5

3

CONSULT AIII WHEN ORDERING REPLACEMENT MOTORS, PROPELLERS, OR BLOWERS

15

SEE PART SELECTION TABLE ON SHEET 2 OF THIS DRAWING FOR SPECIFIC PART NUMBERS THAT VARY WITH MOTOR SIZE

2

16

Aeration Industries claims proprietary rights to the material	DECIMAL ONE PLACE 2 ± 0.06	3 PLACE ± 0.015		
isclosed herein. This drawing is issued for Engineering urposes only and may not be used to manufacture anyth hown heron without written permission. C 2011 Aeratic	DRAWN Ray.Hedelson		DATE 10/17/2014	
shown heron without written permission. C 2011 Aeration Industries Int'l, LLC. All Rights Reserved	CHECKED Jing.Huang		DATE 10/17/2014	

4

9

22

(21

TOLERANCES:

 $\begin{array}{l} FRACTIONS \pm 1/32 \\ ANGLE \pm 1^\circ \end{array}$

4

EXCEPT AS NOTED REMOVE BURRS & SHARP EDGES FINISH 125

5

17

6

Ľ

10

(12)

13

14

(11)

Aeration Industries International, LLC.
4100 Peavey Rd, Chaska MN 55318 USA, www.aireo2.com Phone: +1-952-448-6789, Fax: +1-952-448-7293, aii@aireo2.com
TITLE
TOTTON ACCEMPLY 20 CO UD EO/COUZ

B

20

19

(13)

REV.

2

SHEET 1 OF

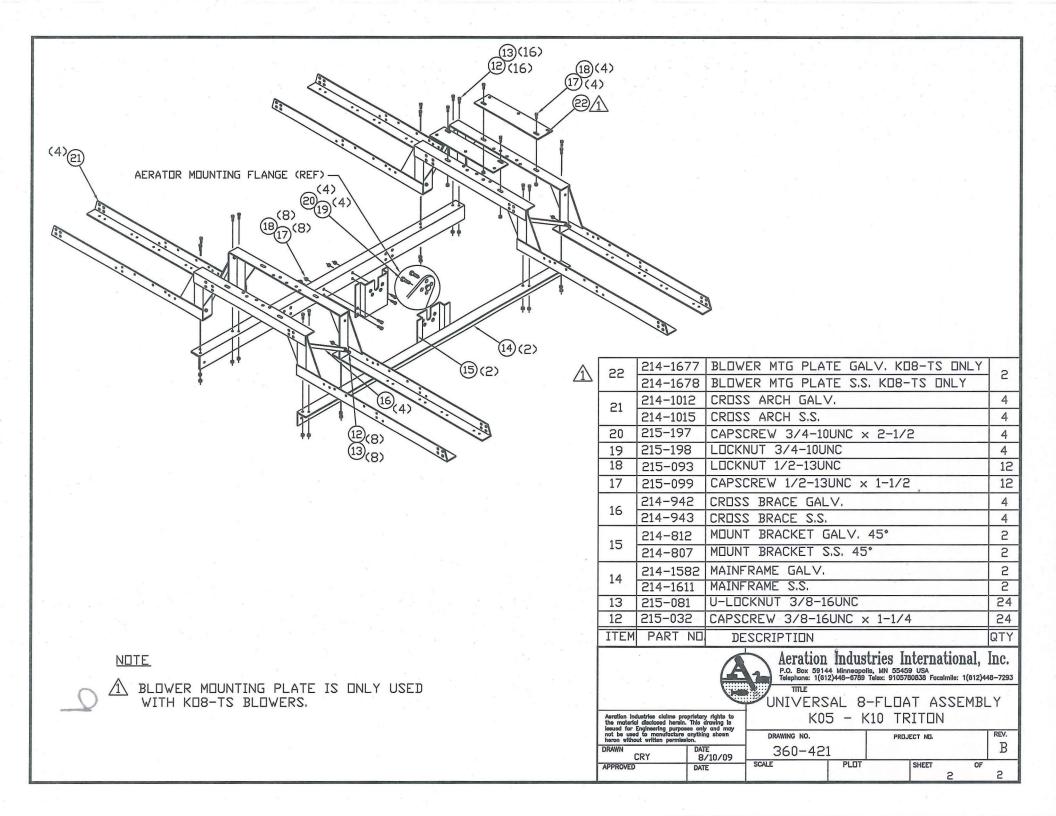
В

TRITON ASSEMBLY 20-60 HP 50/60HZ NEMA LARGE HOUSING

SIZE

A4

	REV ECD ND. DESCRIPTION DF CHANGE BY DAT - 09-2264 RELEASED FOR PRODUCTION CY 8/1	10/09
		12/10
SPAN DIRECT	B 10-2396 ADDED 214-1677 & 214-1678 RH 10-	1-10
(URDERED SEPARATELY) (URDERED SEPARATELY) (1) (4) (4) (4) (4) (4) (4) (4) (4		
	11 221-053 WIRE ROPE CLAMP	4
	10 410-591 VORTEX SHIELD ASSY	1
	9 215-207 EYEBOLT 3/8-16 × 4-1/2" S.S.	4
	8 215-027 5/16 LOCKWASHER	64
	7 215-052 HEX NUT 5/16-18 SS	64
	6 215-184 U-BOLT SS	32
	5 336-005 PENTEEN ASSY S.S.	- 8
	336-001 PENTEEN ASSY GALV.	0
	4 224-019 LABEL, FLOATATION SAFETY	1
(9)(4)	3 224-017 LABEL, MOUNT BRACKET	1
	2 224-113 LABEL, PHONE # INTERNATIONAL	2
	1 224-112 LABEL, PHONE # DOMESTIC	5
5(8)	ITEM PART NO DESCRIPTION	QTY
	Aeration Industries International, P.O. Box 59144 Minneepolis, MN 55459 USA Telephone: 1(612)448-6789 Telex: 9105760838 FaceImile: 1(612)4 TILE UNIVERSAL 8-FLOAT ASSEMBL	148-7293
	Aerotion Industries claims proprietory rights to the moterial disclosed herein. This drawing is leaved for Engineering purposes only and may not be used to monufacture anything shown heren without written permission. K05 - K10 TRITEN DRAWIN DRAWING NO. PROJECT NEL DRAWN DATE 8/10/09 360-421 APPERVED DATE SCALE PLOT	B REV.
	APPROVED DATE SCALE PLUT SHEET OF	2







THE NEW TR SERIES TRITONS®

Simplicity Optimized

The Industry's Most Advanced Aerator/Mixer

Driven by the proven performance of our patented Aire- O_2 Triton[®] Process Aerator and Mixer, Biological Nutrient Removal (BNR) processes are now easier to regulate and more cost effective by combining mixing and aeration in a single compact unit with independent aeration control. Combining wide-dispersion, fine bubble aeration with industry leading mixing capabilities provides an effective means of optimizing oxygen dispersion. Together with our Aire- $O_2^{\mbox{@}}$ aspirator aerator, over 70,000 units have been delivered in the U.S. and over 92 countries since 1974.

Built Tough to Withstand Corrosive Environments.

Our 900 and 750 RPM premium efficient, severe-duty motors enable our Aire-O₂ Triton to withstand the punishing conditions found in wastewater treatment. We've incorporated unique features including a stainless steel dual-bladed PowerMix[™] propeller, field replaceable, water lubricated lower bearing with wear-resistant sleeve, UV resistant and caustic environment hoses and fittings, and your choice of galvanized or stainless steel for the float rails and pedestal – all working together to optimize performance and efficiency while maximizing oxygen transfer and mixing capability. "The Triton aerators are working really good and do a good job of mixing. Now, I don't have to do any maintenance ... except to grease them every 6 months."

> - John Ford, Franklin Wastewater Treatment Plant, Franklin, LA

The Aire-O₂ Triton, the ultimate upgrade. It simply works for process water treatment.

SIMPLICITY IN DESIGN BUILT TO OUTLAST AND OUT PERFORM

Heavy Duty Hose Wire reinforced, UV and temperature resistant for harsh environments

> Slip Free Walkway With UV resistant coating

High Performance Floats High strength, rigid, UV resistant

> Patented Prop & Diffuser 316 stainless Power Mix Prop and Saturn Ring fine bubble diffuser on polished 304 stainless shaft

Onboard Regenerative Blower

Severe Duty Motor

Easy Maintenance Hinged flange with breakaway housing

Heavy Duty Frame Your choice of stainless or galvanized structural steel

Anti-Vortex Shield

THE NEW TR SERIES AIRE-0, TRITON® FEATURES:

- Field replaceable, water lubricated lower bearing with wear-resistant sleeve
- High efficiency, TEFC enclosure
- 8-pole motor (900 RPM 60HZ / 750 RPM 50 HZ)
- Stainless steel Saturn Ring[™] diffuser
- UV resistant and caustic environment hoses and fittings
- Designed for easy maintenance without removal or draining of basin
- · Years of operation with minimal maintenance
- Surface mounted, horizontal mixing provides better dispersion, better directional control and NO splashing or aerosoling
- Available in 5 through 70 hp (3.75 to 52.5 kW) sizes, and worldwide voltage, phase and Hz combinations



WHETHER YOUR WASTEWATER TREATMENT SYSTEM IS A WIDESPREAD AERATED LAGOON OR AN ACTIVATED SLUDGE PROCESS, THE TR SERIES TRITON PROVIDES AN EFFECTIVE AND RELIABLE SOLUTION.

FOR MORE INFORMATION CONTACT OUR SPECIALISTS AT: +1-952-448-6789 OR +1-800-328-8287.



Aeration Industries International 4100 Peavey Road • Chaska, MN 55318-2353 USA +1-952-448-6789 / FAX +1-952-448-7293 www.aireo2.com • aii@aireo2.com

AERATION INDUSTRIES INTERNATIONAL, LLC

General Terms and Conditions

1. **Price.** Published prices are subject to change without notice and shall not be binding on Seller until reduced to writing signed by Seller. All prices are F.O.B. Chaska, MN, and do not include transportation cost or charges relating to transportation, which costs and charges shall be solely the responsibility of Purchaser. Prices quoted include standard packing according to Seller's specifications. Special packing requested by Purchaser, including packing for exports, shall be paid by the Purchaser as an additional charge.

2. Taxes. To the extent legally permissible, all present and future taxes, imposed by any Federal, State, Local or foreign authority, which Seller may be required to pay or collect upon or with reference to the sale, purchase, transportation, delivery, storage, use or consumption of goods or services, including taxes upon, or measured by the receipts therefrom, shall be paid by Purchaser. Amounts covered hereby shall be added to the price, or billed as a separate item as the law may require or as the Seller may determine. No offset against or reduction in price shall be allowed Purchaser by reason of taxes owed, paid or payable by Purchaser, or charged by Purchaser's account.

3. **Credit and Payment.** Credit accounts will be opened only with firms or individuals approved by Seller's Credit Department. Unless otherwise provided, in any case where delivery is made on credit, Purchaser shall have thirty (30) days from date of the invoice in which to make payment for the goods. Seller reserves the right at any time upon notice to Purchaser, to alter or suspend credit, or to change the credit terms provided herein, when in its sole opinion the financial condition of the Purchaser so warrants. In addition, the Seller may at any time, with or without notice to Purchaser, and at its option, suspend work and shipment under this contract if, in the Seller's sole opinion, the financial condition of the Purchaser so warrants. In such cases, in addition to any other remedies herein, or by law provided, cash payment or satisfactory security from the Purchaser may be required by the Seller before credit is restored or Seller continues performance. If the Purchaser fails to make payment or fails to furnish security satisfactory to Seller, then Seller shall also have the right to enforce payment of the full contract price of the work completed and in process. Upon default by Purchaser in payment when due, Purchaser shall pay immediately to Seller the entire unpaid amounts for any and all shipments made to purchaser irrespective of the terms of said shipment and whether said shipments are made pursuant to this contract or any other contract of sale between Seller and Purchased, and Seller may withhold all subsequent shipments until the full account is settled. Acceptance by the Seller of less than full payment shall not be a waiver of any or its rights hereunder. The seller reserves the right, at its discretion, to charge up to 1½% per month for amounts not paid within stated terms.

4. **Cancellation.** Cancellation of orders once placed with and accepted by us can only be made by us. Should the Purchaser, due to change in design or other good and sufficient cause, desire to effect cancellation of the order, same will be accepted on the following basis:

Purchaser shall pay in full the costs of all material, dies, tools, patterns and fixtures provided for this order, that are on hand or for which we are obligated, together with all labor and other expense incurred in connection therewith. Invoices covering said costs shall be due and payable immediately upon our acceptance of cancellation.

5. **Patents.** To the best of our knowledge, the articles purchased hereunder do not infringe any Letters Patent granted to others by the United States of America or by any country foreign thereto. We do not assume any responsibility or liability for any claim of infringement brought against the Purchaser, its successors, assigns, customers or udders of its product. The Purchaser agrees to hold us harmless against any claim of infringement which arises out of compliance by us with specifications furnished by Purchaser.

6. **Risk of Loss, Title.** The risk of loss of the goods shall pass to the Purchaser as soon as they are deposited with the carrier for shipment to the Purchaser, but title to the goods shall remain in the seller until the purchase price therefore has been paid.

7. **Shipment.** All shipments shall be F.O.B. Chaska, MN, and the date of shipment shall be contingent upon the date of acceptance of Seller's offer. Seller's obligation with respect to shipments of the goods shall not extend beyond a) putting the goods in the possession of such a carrier and making such a contract for the transportation thereof as may be reasonable having regard to the nature of the good; b) obtaining and delivering within a reasonable time such documents as may be necessary for Purchaser to obtain possession of goods; and c) notifying the Purchaser of the shipment within a reasonable time. Seller shall have the right to ship all of the goods at one time or in portions from time to time within the time of shipment. This contract shall be deemed separable as to the goods sold. Purchaser may not refuse to accept any lot or portion of the goods shipped hereunder on the grounds that there has been a failure to ship any other lot or that goods in any other lot were nonconforming. Any such default by Seller will not substantially impair the value of this contract as a whole and will not constitute a breach of the contract as a whole. The goods shall be deemed to have been tendered to Purchaser when they have been deposited with the carrier.

8. **Inspection and Acceptance.** Purchaser shall have the right to inspect the goods upon receipt of them and shall have the opportunity, at that time, to run adequate tests to determine whether the goods shipped conform to the specification of this contract.

Purchaser shall recompense Seller, at the contract price, for all goods used in testing and Purchaser shall bear any expense incurred in the inspection of the goods used in testing, whether or not the goods are non-conforming. Failure to inspect the goods or failure to notify the Seller in writing that the goods are nonconforming with ten (10) days of the receipt of the goods by Purchaser, shall constitute a waiver of Purchaser's rights of inspection and rejection for nonconformity and shall be equivalent to an irrevocable acceptance of the goods by Purchaser. Acceptance – Unless we receive notification to the contrary promptly from you, we will consider the foregoing conditions as been acceptable to you.

9. **Excuse in Seller's Performance.** This contract is subject to an the Seller shall not be responsible or liable for any delay directly or indirectly resulting from or contributed limitations on Seller's production, capabilities, prompt settlement of all details relating to the materials covered by this proposal, and to delays due to fires, explosions, acts of God, strikes or other differences with workmen, shortage of utility, facility, components or labor, delay in transportation, breakdown or accident, war and acts of war, compliance with or other action taken to carry out the intent of purposes of any law or regulation, changes, or revisions, accidents or any other causes or contingencies not caused by Seller or other which Seller had no reasonable control. In the event that any one or more deliveries hereunder is suspended or delayed by reason of any one or more of the occurrences or contingencies aforesaid, any and all deliveries so suspended or delayed shall be made after such disabilities have ceased to exist, and nothing herein contained shall be construed as lessening in any event the full amount of goods herein purchased and sold, but only as deferring delivery and payment in the events and to the extent herein provided for. Neither shall any delay in shipment be considered as a default under this contract or give rise to any liability on the part of Seller for items of incidental, special consequential damage unless such delay was directly and proximately caused by the willful and wanton act of gross negligence of Seller. Acceptance of material on delivery shall constitute a waiver of any claims against seller for damages on accounts of delay.

10. Warranty. Seller warrants that it will, at its option, repair or replace the goods, or return the purchase price thereof, which are found to be defective in material or workmanship or not in conformity with the contract requirements provided that, within three (3) year of shipment thereof, Purchaser gives written notice of such defect to Seller, the Purchaser returns the goods to Seller at point of original manufacture, with transportation charges prepaid by Purchaser, and an examination by Seller discloses to its satisfaction the existence of such defect or nonconformity with the contract requirements. In no event shall Seller be liable for any incidentals, special or consequential damages resulting from said effects or nonconformity. This warranty specifically excludes all labor charges that could be incurred.

THE FOREGOING DOES NOT APPLY TO COMPONENTS WHERE WERE NOT MANUFACTURED BY SELLER, AND IS EXPRESSLY IN LIEU OF OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE OR USE. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FOREGOING, NO AGENT, EMPLOYEE OR REPRESENTATIVE OF THE SELLER HAS ANY AUTHORITY TO BIND THE SELLER TO ANY AFFIRMATION, REPRESENTATION OR WARRANTY CONCERNING THE GOODS SOLD UNDER THIS SALES CONTRACT, AND UNLESS AN AFFIRMATION, REPRESENTATION OR WARRANTY MADE BY AN AGENT EMPLOYEE OR REPRESENTATIVE IS SPECIFICALLY INCLUDED WITHIN THIS WRITTEN AGREEMENT, IT SHALL NOT BE ENFORCEABLE TY THE PURCHASER.

11. **Remedies of Purchaser.** If goods are tendered which do not conform with the specifications under the sales contract and these goods are rejected by Purchaser, Seller shall have the right to cure the tender by either correcting the goods or substituting conforming goods. In the event that such substituted goods fail to conform to the contract or in the event of any other breach or repudiation of this contract by Seller, Purchaser shall not be entitled to recover any incidental or consequential damages as those terms are defined in Section 2-715 of the Minnesota Uniform Commercial Code and Purchaser's right to damages shall be limited to the difference between the contract and the market price of the goods as provided in Section 2-713 of the Minnesota Uniform Commercial Code. Purchaser shall not have the right to "cover" as provided in Section 2-712 of the Minnesota Uniform commercial code nor any rights to recover damages for any loss resulting in the ordinary course of events from nonconformity of tender as contained in Section 2-714(1) of the Minnesota Uniform Commercial Code.

12. **Assignments.** No right to interest in this contract shall be assigned by Purchaser, without the written permission of Seller, and no delegation of any obligation owned by Purchaser shall be made without permission of the Seller. Any attempted assignment of delegation shall be wholly void and totally ineffective for all purposed.

13. Alterations, Interpretations and Definitions. This contract shall be governed by the laws of Minnesota and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the parties, and no usage of the trade shall be relevant to supplement or explain any term used in this contract. Acceptance or acquiescence to a course of performance rendered under this contract shall not be relevant to determine the meaning of this contract, even though the accepting or acquiescing party has knowledge of the nature of the performance and an opportunity for objection. Waiver by Seller of a breach by Purchaser of any provision of this contract shall not be deemed a waiver of future compliance therewith, and such provision shall remain in full force and effect. Any term used in this contract which is not defined herein shall have the same definition as that contained in the Minnesota Uniform Commercial Code.

DRAFT

1,6

CITY OF SCAPPOOSE EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into this 19 day of December, 2016, between the City of Scappoose, Oregon, a municipal corporation, hereinafter "City," and Michael Sykes, hereinafter "Employee."

WHEREAS the City desires to engage Michael Sykes as City Manager of Scappoose to perform best effort management skills and other activities on behalf of the City, and Michael Sykes, wishes to be so employed;

NOW, THEREFORE, the parties mutually agree as follows:

1. Employment Term. The term of this Agreement shall begin January 1, 2017.

2. Duties and Responsibilities. Employee shall perform all duties required of the position of City Manager, including, but not limited to, those duties and responsibilities outlined in the City Charter, in the job description attached hereto and incorporated herein as Exhibit A, and any other duties and responsibilities authorized or directed by the City Council. At the discretion of Employee, any other duties described above may be delegated to subordinates, as appropriate. In performance of all duties and responsibilities, Employee shall abide by the policies, rules and directives of the City Council, shall inform the City Council before making any major decisions, and shall perform such duties and responsibilities in accordance with the Charter and ordinances of the City of Scappoose and the Constitution, and laws of the State of Oregon and the United States. Employee shall abide by all the terms and conditions contained in the current Personnel Resolution of the City of Scappoose, as amended from time to time, or other personnel regulations. In the event of conflict between the Personnel Resolution or regulations and this Agreement, this Agreement shall control.

3. Hours of Work. Employee shall perform work full-time for a total of a 40-hour work week, Monday through Friday. Employee shall attend City Council meetings and committee meetings at other hours as requested at no additional compensation.

4. Compensation. City shall pay Employee an annual salary of \$125,000 (less applicable withholdings) for the first year, increasing each January 1 thereafter by the same cost of living adjustment as city management non-represented employees. Salary shall be divided into 12 equal monthly installments and paid pursuant to regular pay periods. The City Council will annually review job performance and if favorable the salary may be increased. Merit adjustments to annual salary may be granted annually at the discretion of the Council based upon employment evaluations.

5. Bonus pay. Employee shall be paid an additional \$10,000 (less applicable withholdings) if Employee receives a satisfactory evaluation by the City Council.

6. **Performance Evaluation.** Employee shall be evaluated annually by the City Council for compliance with the terms of this Agreement and adequacy of performance of designated duties and responsibilities. Such annual evaluation may include merit salary

adjustments, if appropriate. In addition, Employee shall be evaluated at the end of the first six months of employment.

7. **Benefits.** Except as expressly provided herein, Employee shall be entitled to all standard employee benefits as provided in the Personnel Resolution of the City, or as may be otherwise agreed upon by both parties.

8. Professional Development. City encourages the continuing professional growth of Employee through participation in courses, seminars, meetings, and other occasions relating to the Employee's professional development and scope of work. Consistent with the annual budget, and subject to prior notice to the City Council, City shall pay for or reimburse Employee for the reasonable costs of attending in-state seminars, meetings, courses, and other occasions including attendance at the ICMA national conference. City shall also pay for or reimburse Employee for memberships in professional associations which will advance Employee's professional growth, including, but not limited to, membership in the OCCMA and ICMA. Out-of-state travel for any purpose shall be subject to City Council prior approval on a case-by-case basis.

9. Expenses. City shall reimburse Employee for all actual and necessary expenses incurred, including the IRS standard mileage rate for use of Employee's personal automobile, as provided in the budget and as necessary to perform assigned duties and responsibilities. Supporting vouchers and receipts shall be provided by Employee for such expenditures according to City procedures.

10. Outside Activities. Employee shall not spend more than 10 hours per week in teaching, consulting or other non-Employer connected business without the prior approval of the City Council.

11. Vacation, Holidays, Sick Leave, Health and Retirement.

11.1 Employee shall be eligible for paid vacation as provided in the Policy and Procedure Manual. Employee shall accrue vacation at the accrual rate of 200 hours per year.

11.2 Employee shall accrue sick leave at the rate provided in the Policy and Procedure Manual for supervisors.

11.3 Employee shall be entitled to paid holidays, personal leave days, and health insurance benefits consistent with all other supervisors.

11.4 City shall pay retirement benefits for Employee, as provided in the Public Employee Retirement System (PERS).

11.5 City shall provide a match of up to 5% of the annual salary to be placed in a 457B retirement account.

11.6 Termination by City or Employee. City may terminate this Agreement for any reason by providing to the other thirty (30) days' written notice of the intent to terminate. City reserves the right to pay Employee one (1) month's salary in lieu of notice. City would appreciate thirty (30) days' notice if the Employee decides to end employment. Employee's failure

to provide thirty (30) days' notice will result in forfeiture of any accrued and unused vacation time at the end of employment.

11.7 Termination of Employee for Misconduct. City may terminate this Agreement immediately for Employee's willful negligence, dishonesty, fraud or commission of any criminal act, willful failure or refusal to comply with the policies or rules of the City as are established from time to time; failure to perform any provision of this Agreement or to perform the duties and responsibilities assigned to him; or failure to be bondable at normal rates. Termination Compensation as referenced under this section will not be paid if Employee is terminated under this subsection.

11.8 Termination Compensation. In the event of termination of Employee's employment by the City, without cause, employee shall be paid severance compensation equal to six months' salary, provided Employee signs a full and final release of all claims, known or unknown, arising out of his employment or termination from employment, as a condition precedent to receiving severance compensation.

12. **Residency Requirements.** Residency in South Columbia County area shall be a condition of employment.

13. Bonding. City shall bear the full cost of any fidelity or other bonds required of Employee under any law or ordinance.

14. Other Terms and Conditions of Employment.

14.1 The City, in consultation with the City Manager, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the City charter or any other law.

14.2 All provisions of the City charter and code, and regulations and rules of the City relating to vacation and sick leave, holidays and other benefits, except for compensatory time, and working conditions, as they now exist or hereafter may be amended, also shall apply to Employee as they would to other employees of City, except as specifically enumerated herein. Where this Agreement differs from the benefits afforded to other employees, this Agreement shall control.

15. Other Provisions.

15.1 Entire Agreement. This Agreement is the entire agreement between the parties pertaining to its subject matter and it supersedes all prior agreements, representations, and understandings of the parties, except that Employee is subject to the policies, rules, charter, code and regulations as they currently exist or are subsequently modified. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by Employee and the mayor of the City.



15.2 Notices. Any notice permitted or required by this Agreement shall be in writing and shall be effective on the earlier of the actual receipt or two days after the mailing thereof by certified mail, return receipt requested.

15.2.1 If to City, to:

Scappoose Mayor 33568 E. Columbia Avenue Scappoose, Oregon 97056

15.2.2 If to Employee, to:

Michael Sykes 51230 Bankston Road Scappoose, Oregon 97056

15.3 Applicable Law. The terms and conditions of the Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

15.4 Attorney Fees. In the event legal proceedings are instituted to enforce the terms of this Agreement, each party shall pay their attorney fees.

15.5 Waivers. No waiver of any provision of this Agreement shall be valid unless approved in writing by the party giving such waiver. No waiver of a breach under any provision of this Agreement shall be deemed to be a waiver of such provision, any other provision of this Agreement, or any subsequent breach. No failure on the part of either City or Employee to exercise, and no delay in exercising any right or remedy conferred by law or this Agreement shall operate as a waiver of such right or remedy, and no exercise or waiver, in whole or in part, of any right or remedy conferred by law or in this Agreement shall operate as a waiver of any other right or remedy.

15.6 Severability. If any provision of this Agreement shall be held unlawful or otherwise invalid or unenforceable in whole or in part, such unlawfulness, invalidity, or unenforceability shall not affect any other provision of this Agreement. Only that portion of the Agreement which is unlawful, invalid, or unenforceable shall be stricken. The remainder of the Agreement shall remain in full force and effect.

15.7 Assignability. Employee may not assign this Agreement to anyone to perform.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

CITY

EMPLOYEE

Michael Sykes



CITY OF SCAPPOOSE

By:_____ Name:_____ Its: Mayor

ATTEST:

By:_____ Name:_____

Its: City Recorder

Page 5 - CITY OF SCAPPOOSE

City Manager Employment Contract

CITY OF SCAPPOOSE

December 2016								
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday		
				1	2	3		
4	5 Work Session 6pm City Council 7pm	6	7	8 Planning Commission 7pm	9 Chapman Landing Ad Hoc meeting 11am	10		
11	12	13 Park & Rec Committee 6pm	14	15	16	17		
18	19 City Council 7pm	20	21	22	23 City Offices closed	24		
25	26 City Offices closed	27	28	29 Planning Commission 7pm	30	31		

CITY OF SCAPPOOSE

January 2017								
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday		
1 Happy New Year!!	2 City offices closed	3 Welcome new Council members reception 6pm City Council 7pm	4	5	6	7		
8	9	10	11	12	13 Chapman Landing Ad hoc meeting 11am	14		
15	16 Martin Luther King Jr. Day City offices closed	17 Work Session 6pm City Council 7pm	18	19 EDC ~ noon Park & Rec 6pm	20	21		
22	23	24	25	26	27	28		
29	30	31						