

November-08

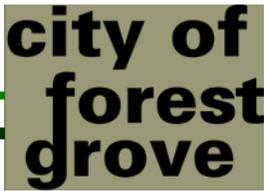
| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|-----------------------|---|---|---------------------------------|---|--|--|
| | | | | | | 1 COUNCIL WS 8am-10am Coffee Hour |
| Daylight Savings Ends | 2 Planning Comm 7pm CITY COUNCIL WORK SESSION - TBA | 3 General Election Fire Bd 7pm | 4 | 5 Charter Review 2nd Hrg 7:00 pm - Comm Aud EDC Noon | 6 | 7 8 |
| 9 | 10 CITY COUNCIL 7:00 PM - REGULAR MEETING 8:00 PM - JT WS w/PC (Reserves) 9:00 PM - EXECUTIVE SESS (Prop) COMMUNITY AUDITORIUM | 11 CITY OFFICES CLOSED HOLIDAY | 12 Water Providers EC 5:30pm | 13 PAC 5pm | 14 Swearing-In Newly-Elected Officials Outgoing Recognition 5:00 PM - Comm Aud | 15 Thompson out |
| 16 | 17 Planning Comm 7pm CITY COUNCIL WORK SESSION - TBA | 18 Senior Ctr Bd 11:45am CCI 4pm Library 7pm | 19 P&R 7am CFC 5:15pm | 20 Fernhill Wetlands 6pm | 21 | 22 |
| <i>Thompson out</i> | | | | | | |
| 23 | 24 CITY COUNCIL 6:00 PM - JT WORK SESSION (Charter) 7:00 PM - REGULAR MEETING COMMUNITY AUDITORIUM | 25 HLB 7pm | 26 PSAC 7:30am | 27 CITY OFFICES CLOSED HOLIDAY | 28 | 29 |
| 30 | | | | | | |

December-08

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|--|--|-----------------------------|---|--------|--|
| | 1 Planning Comm 7pm 5:30 PM - B&C INTERVIEWS 7:00 PM - JT WORK SESSION W/PC COMMUNITY AUDITORIUM | 2 Fire Bd 7pm | 3 Water Providers CB 7pm | 4 EDC Noon | 5 | 6 COUNCIL WS 8am-10am Coffee Hour |
| 7 | 8 CITY COUNCIL 7:00 PM - REGULAR MEETING COMMUNITY AUDITORIUM | 9 CCI 4pm | 10 | 11 PAC 5pm | 12 | 13 |
| 14 | 15 Planning Comm 7pm CITY COUNCIL WORK SESSION - TBA | 16 Senior Ctr Bd 11:45am Library 7pm | 17 P&R 7am CFC 5:15pm | 18 Fernhill Wetlands 6pm | 19 | 20 |
| 21 | 22 NO CITY COUNCIL MEETING | 23 HLB 7pm | 24 PSAC 7:30am | 25 CITY OFFICES CLOSED HOLIDAY | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

January-09

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|---|---|---|--|--------|--|
| | | | | 1 CITY OFFICES CLOSED HOLIDAY | 2 | 3 COUNCIL WS 8am-10am Coffee Hour |
| 4 | 5 Planning Comm 7pm CITY COUNCIL WORK SESSION - TBA | 6 Fire Bd 7pm | 7 | 8 EDC Noon PAC 5pm | 9 | 10 |
| 11 | 12 CITY COUNCIL 7:00 PM - REGULAR MEETING COMMUNITY AUDITORIUM | 13 CCI 4pm | 14 | 15 B&C RECOGNITION DINNER RECEPTION 6:30 PM - COMM AUD Fernhill Wetlands 7pm | 16 | 17 |
| 18 | 19 CITY OFFICES CLOSED HOLIDAY | 20 Planning Comm 7pm Senior Ctr Bd 11:45am Library 7pm | 21 P&R 7am CFC 5:15pm | 22 | 23 | 24 |
| 25 | 26 CITY COUNCIL 7:00 PM - REGULAR MEETING COMMUNITY AUDITORIUM | 27 HLB 7pm | 28 Mayors' Day at Capitol PSAC 7:30am | 29 | 30 | 31 |
| 30 | | | | | | |



FOREST GROVE CITY COUNCIL

Monday, November 24, 2008

6:00 PM – Joint Work Session (Charter Review Committee)
7:00 PM – Regular Meeting

Community Auditorium
1915 Main Street
Forest Grove, OR 97116

Thomas L. Johnston
Victoria J. Lowe
Camille Miller

Richard G. Kidd, Mayor

Ronald C. Thompson
Peter B. Truax
Elena Uhing

All meetings of the City Council are open to the public and all persons are permitted to attend any meeting except as otherwise provided by ORS 192. The public may address the Council as follows:

→ **Public Hearings** – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign in for any Public Hearing prior to the meeting. The presiding officer will review the complete hearing instructions prior to testimony. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Council, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any Council action.

→ **Citizen Communications** – Anyone wishing to address the Council on an issue not on the agenda should sign in for Citizen Communications prior to the meeting. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Council, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Citizen Communications is limited to two minutes unless the presiding officer grants an extension.

The public may not address items on the agenda unless the item is a public hearing. Routinely, members of the public speak during Citizen Communications and Public Hearings. If you have questions about the agenda or have an issue that you would like to address to the Council, please contact the City Recorder at 503-992-3235.

City Council meetings are handicap accessible. Assistive Listening Devices (ALD) or qualified sign language interpreters are available for persons with impaired hearing or speech. For any special accommodations, please contact the City Recorder at 503-992-3235, at least 48 hours prior to the meeting.

AGENDA

6:00

JOINT WORK SESSION: CITY COUNCIL AND CHARTER REVIEW COMMITTEE:

The City Council and Charter Review Committee will convene in the Community Auditorium to conduct a joint work session. The purpose of the Joint Work Session is to present to Council the Charter Review Committee's Final Charter Document and Recommendations. The public is invited to attend and observe the work session; however, no public comment will be taken. The Council will take no formal action during the work session.

7:00

1. **REGULAR MEETING:** Roll Call and Pledge of Allegiance

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- 2. **CITIZEN COMMUNICATIONS:** Anyone wishing to speak to Council on an item not on the agenda may be heard at this time. *Please sign-in before the meeting on the Citizen Communications form posted in the foyer.* In the interest of time, please limit comments to two minutes. Thank you.
 - 3. **CONSENT AGENDA:** See Page 3
 - 4. **ADDITIONS/DELETIONS:**
 - 5. **PRESENTATIONS:** None.
 - 6. **RESOLUTION NO. 2008-66 AUTHORIZING THE CITY MANAGER TO ENDORSE THE 20-YEAR WHOLESALE POWER SALES AGREEMENT BETWEEN THE CITY OF FOREST GROVE AND BONNEVILLE POWER ADMINISTRATION, EFFECTIVE OCTOBER 1, 2011**

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|--|-------------|--|--|--|
| <p>Janet Lonneker Light and Power Director</p> | <p>7:10</p> | | | |
|--|-------------|--|--|--|
 - 7. **RESOLUTION NO. 2008-67 AUTHORIZING THE CITY MANAGER TO ENDORSE THE PARKING EASEMENT AGREEMENT BETWEEN THE CITY OF FOREST GROVE AND PACIFIC UNIVERSITY**

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|---|-------------|--|--|--|
| <p>Tom Gamble Parks and Recreation Director</p> | <p>7:30</p> | | | |
|---|-------------|--|--|--|
 - 8. **RESOLUTION NO. 2008-68 AUTHORIZING THE CITY MANAGER TO ENDORSE THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF FOREST GROVE, CITY OF PORTLAND TRANSIT POLICE SERVICES, AND TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT FOR TRIMET POLICE SERVICES**

| | | | | |
|--|-------------|--|--|--|
| <p>Kerry Aleshire Police Chief Jeff Williams Police Captain</p> | <p>7:45</p> | | | |
|--|-------------|--|--|--|
 - 9. **DIRECT STAFF TO PREPARE MATERIALS CALLING AN ELECTION ON MARCH 10, 2009, TO SUBMIT TO THE CITY OF FOREST GROVE VOTERS A NEW HOME RULE CHARTER**

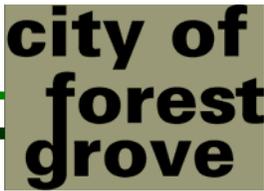
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|--|-------------|--|--|--|
| <p>Michael Sykes City Manager Anna Ruggles City Recorder</p> | <p>8:00</p> | | | |
|--|-------------|--|--|--|
 - 10. **CITY MANAGER'S REPORT:**

| | | | | |
|---------------------------------------|-------------|--|--|--|
| <p>Michael Sykes City Manager</p> | <p>8:15</p> | | | |
|---------------------------------------|-------------|--|--|--|
 - 11. **COUNCIL COMMUNICATIONS:**

| | | | | |
|--|-------------|--|--|--|
| | <p>8:30</p> | | | |
|--|-------------|--|--|--|
 - 12. **ADJOURNMENT**

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|--|-------------|--|--|--|
| | <p>8:45</p> | | | |
|--|-------------|--|--|--|

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3. **CONSENT AGENDA:** Items under the Consent Agenda are considered routine and will be adopted with a single motion, without separate discussion. Council members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the Consent Agenda item(s).
- A. Approve City Council Regular Meeting and Joint Work Session with the Planning Commission (Urban and Rural Reserves) Minutes of November 10, 2008.
 - B. Approve City Council Executive Session (Real Property) Meeting Minutes of November 10, 2008.
 - C. Accept Charter Review Committee Meeting Minutes of November 6, 2008.
 - D. Community Development Monthly Building Activity Informational Report for October 2008.
 - E. Fire Department Monthly Statistics Report for October 2008.
 - F. Library Department Monthly Circulation Statistics Report for November 2008.
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FOREST GROVE CHARTER REVIEW COMMITTEE WORK SESSION

Monday, November 24, 2008

6:00 PM

Community Auditorium
1915 Main Street
Forest Grove, OR 97116

Meredith "Bud" Bliss
Rod Fuiten
Carl Heisler
Don Jones
Mike Maloney

Larry Hatch, Chair

Monica Marvin
Lisa Nakajima
Mike Olson
Gene Walters

All meetings of the Forest Grove Charter Review Committee are open to the public and all persons are permitted to attend any meeting. The public may address the Committee as follows:

→ Public Hearings – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign in for any Public Hearing prior to the meeting. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Committee, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to five minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any Committee action.

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AGENDA

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- 6:00 1. CALL TO ORDER & ROLL CALL:
2. APPROVE CHARTER REVIEW COMMITTEE MEETING MINUTES OF NOVEMBER 6, 2008
3. JOINT WORK SESSION: CHARTER REVIEW COMMITTEE AND CITY COUNCIL:
The Charter Review Committee and City Council will convene in the Community Auditorium to conduct a joint work session. The purpose of the Joint Work Session is to present to Council the Charter Review Committee's Final Charter Document and Recommendations. The public is invited to attend and observe the work session; however, no public comment will be taken. The Committee will take no formal action during the work session.
4. ADJOURNMENT:
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**FOREST GROVE CHARTER REVIEW COMMITTEE PUBLIC HEARING
NOVEMBER 6, 2008 – 7:00 P.M.
COMMUNITY AUDITORIUM
PAGE 1**

Minutes are unofficial until approved by the Charter Review Committee.

1. ROLL CALL

Larry Hatch, Charter Review Committee Chair, called the Charter Review Committee Public Hearing to order at 7:05 p.m. **ROLL CALL: COMMITTEE MEMBERS PRESENT:** Meredith “Bud” Bliss, Rod Fuiten, Carl Heisler, Mike Maloney, Monica Marvin, Lisa Nakajima, Mike Olson, and Larry Hatch, Chair. **COMMITTEE MEMBERS ABSENT:** Don Jones and Gene Walters. **COUNCIL LIAISON PRESENT:** Councilor Peter Truax. **STAFF PRESENT:** Michael Sykes, City Manager; Tom Sponsler, City Attorney; and Anna Ruggles, City Recorder.

2. APPROVE CHARTER REVIEW COMMITTEE WORK SESSION MEETING MINUTES OF OCTOBER 21, 2008:

Hearing no discussion from the Committee, Hatch asked for a motion and vote to approve the October 21, 2008, minutes as presented.

MOTION: Committee Member Heisler moved, seconded by Committee Member Fuiten, to approve the Charter Review Committee Work Session Meeting Minutes of October 21, 2008, as presented. **ABSENT:** Don Jones and Gene Walters. **MOTION CARRIED 8-0 by voice vote.**

3. CHARTER REVIEW COMMITTEE - SECOND PUBLIC HEARING:

Staff Report:

Sykes and Ruggles presented a copy of the amended “Charter Review Committee Report and Recommendations”. Staff reported the Committee held its first Public Hearing on October 21, 2008, noting no one provided testimony and no written comments were received; however, the Committee made a recommendation pertaining to Section 42, non-conforming uses, as noted in Page 6 of the Committee’s Report. Ruggles advised that the Committee would hold its second Public Hearing this evening for the purpose of receiving public input on the proposed amendments to the “Draft” City of Forest Grove Charter (Exhibit C). Ruggles explained that the Charter Review Committee would be taking public testimony and would be asked to take into consideration any points mentioned during the public testimony phase before the Committee submits a final proposed Charter document and recommendation to the City Council, who will ultimately make the final decision on whether or not to submit a new Home Rule Charter to the voters of Forest Grove for consideration.

**FOREST GROVE CHARTER REVIEW COMMITTEE PUBLIC HEARING
NOVEMBER 6, 2008 – 7:00 P.M.
COMMUNITY AUDITORIUM
PAGE 2**

Public Hearing Opened:

Hatch opened the Public Hearing.

The Forest Grove Chamber of Commerce Director, Mayor Richard Kidd, and one citizen were present in the audience.

Proponents:

Mayor Richard Kidd reported that after closely reviewing “Draft 4” with Councilor Peter Truax and staff he was proposing the following amendments for the Committee’s consideration.

SECTION 3. BOUNDARIES

Include as a reference the City of Forest Grove “Area of Influence Map”. Mayor Kidd indicated the Committee had concluded the map was unnecessary; however, Mayor Kidd felt the map was necessary for Forest Grove, because Forest Grove is different than other cities in the State. Mayor Kidd explained that Forest Grove is located in Metro and Washington County and as such, future aspirations are required to be expressed, noting the map is a way to express those aspirations. Mayor Kidd advised the Committee that Forest Grove is the only City in Washington County that has its own public electrical utility that provides service outside of the City limits and the only City in Washington County that owns a watershed outside of the City limits, and Forest Grove also contracts fire services outside of the City limits. Mayor Kidd explained the map would meet the Charter requirements as the official designation of the City boundaries and would be a tool for future mayors, councilors, and staff when meeting and discussing with State, County, and Metro officials as to the future aspirations and responsibilities of Forest Grove.

After hearing Mayor Kidd’s testimony, the Committee concluded that the map had significant purpose but felt the City Charter was not the appropriate document to reference the map. The Committee affirmed that the purpose of Section 3, Boundaries, is for the purpose of identifying only those territories/boundaries within the corporate limits of the City.

In addition, Mayor Kidd proposed the following amendments (as highlighted) and the Committee concurred as follows:

SECTION 10. COUNCIL RULES

The Council must adopt by resolution rules to govern its meetings and proceedings.

**FOREST GROVE CHARTER REVIEW COMMITTEE PUBLIC HEARING
NOVEMBER 6, 2008 – 7:00 P.M.
COMMUNITY AUDITORIUM
PAGE 3**

SECTION 16. ORDINANCE ENACTMENT

- (b) The Council may enact an ordinance at a single meeting by unanimous approval by at least five members, provided the proposed ordinance is available to the public at least ~~one week~~ **seven (7)** days before the meeting.
- (e) After enactment of an ordinance **and signature by the Mayor**, the City Recorder must attest to the ordinance by name, title, and date of enactment.

SECTION 19. RESOLUTION ADOPTION

- (d) After adoption of a resolution **and signature by the Mayor**, the City Recorder must attest to the resolution by name, title, and date of adoption.

SECTION 22. ORDER ADOPTION

- (d) After adoption of an order **and signature by the Mayor**, the City Recorder must attest to the order by name, title, and date of adoption

SECTION 29. TERMS

The term of an officer elected at a general election begins at the first Council meeting ~~of the year~~ immediately after the election is certified by county elections officials, and continues until the successor qualifies and assumes the office.

SECTION 33. CITY MANAGER

- (c) The Manager need not reside in the City at the time of employment, but must within six months become and remain a resident of the City while appointed as Manager. A majority of the Council may modify the contract to extend the time to comply. ~~or waive this residency requirement.~~
- (h) When the Manager is temporarily disabled from acting as Manager or when the office becomes vacant, the Council must appoint a Manager pro tem **as prescribed by Council rules**. The Manager pro tem has the authority and duties of Manager, except that a Manager pro tem may not appoint or remove employees without Council approval

Opponents:

No one else wished to testify and no written comments were received.

Others:

No one wished to testify and no written comments were received.

**FOREST GROVE CHARTER REVIEW COMMITTEE PUBLIC HEARING
NOVEMBER 6, 2008 – 7:00 P.M.
COMMUNITY AUDITORIUM
PAGE 4**

Public Hearing Closed:

Hearing no further testimony, Hatch closed the Public Hearing.

Charter Review Committee Meeting Schedule:

Ruggles reviewed the upcoming Committee Meeting Schedule, noting the Committee is scheduled to hold a joint work session with Council to present its final document and recommendations. Ruggles advised that she would incorporate the above amendments into the Charter as “Draft 5” and would include the Committee’s discussion points pertaining to the map in the Committee’s Final Report and Recommendations.

4. ADJOURNMENT

Hearing no further discussion from the Charter Review Committee, Hatch adjourned the meeting at 8:41 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

CITY OF FOREST GROVE

CHARTER REVIEW COMMITTEE

COMMITTEE MEMBERS

Larry Hatch, Chair
Meredith "Bud" Bliss
Rod Fuiten
Carl Heisler
Don Jones
Mike Maloney
Monica Marvin
Lisa Nakajima
Mike Olson
Gene Walters

ADMINISTRATIVE MEMBERS

Peter Truax, Council Liaison
Michael J. Sykes, City Manager
Anna Ruggles, City Recorder
Tom Sponsler, City Attorney

November 24, 2008

Forest Grove City Council
City of Forest Grove
PO Box 326
Forest Grove, OR 97116-0326

Honorable Mayor Kidd and City Councilors,

Attached is the Charter Review Committee's Final Report and Recommendations for the City Council as required by Resolution No. 2008-58, Expectations of the Charter Review Committee. The report contains the Committee's findings, conclusions, and recommendations, including proposed amendments to the City Charter.

The Committee began its work in August, 2008, and held three work sessions and two Public Hearings. The Committee made a comprehensive study of the existing Charter and proposed Model Charter as instructed by the City Council. The Charter Review Committee's record includes a detailed report, detailed minutes, and other pertinent materials that have been filed with the City Recorder.

The Charter Review Committee makes the following recommendations:

- 1) The Committee recommends that the City Council submit a New Home Rule Charter, marked as Exhibit A, "Draft 5", to the Forest Grove Voters at the March 10, 2009, Election.
- 2) The Committee has prepared a "draft" resolution calling for the above election and a "draft" explanatory statement for Council's review and consideration.
- 3) The Committee recommends that the City Council adopt ordinances and resolutions as noted in Exhibit B, Charter Amendment Cross-References and Exhibit C, Charter Amendment Deletions, to implement the new City Charter if approved by the Voters and upon its enactment date of July 1, 2009.

Finally, I'd like to thank my fellow Committee members and City staff, especially Anna Ruggles, for their work on this project.

Respectfully submitted by:

Charter Review Committee

Larry Hatch, Chair

Attachments:

Draft Resolution and Explanatory Statement

Charter Review Committee Final Report and Recommendations:

- Exhibit A Proposed City Charter "Draft 5"
- Exhibit B Charter Amendment Cross-References
- Exhibit C Charter Amendment Deletions
- Exhibit D Existing City Charter Enacted 1985
- Exhibit E Resolution No. 2008-58 Appointing the Charter Review Committee

RESOLUTION NO. ____

RESOLUTION CALLING FOR AN ELECTION IN THE CITY OF FOREST GROVE, WASHINGTON COUNTY, OREGON, ON MARCH 10, 2009, TO SUBMIT A NEW HOME RULE CHARTER TO CITY VOTERS

WHEREAS, Voters enacted the current City of Forest Grove Charter in 1985. Some provisions in the current Charter no longer meet present City needs or best practices and some provisions conflict with State law and need to be updated to include improvements made to the 2004 League of Oregon Cities Model Charter (2004 Model).

WHEREAS, The City Council formed a Charter Review Committee to thoroughly review the existing City Charter and the future needs of the City. The Charter Review Committee held three work sessions and two Public Hearings on the proposed Forest Grove Charter. The Committee prepared, approved, and recommends a new City Charter based on the 2004 Model that includes provisions made by the Charter Review Committee that they found to be unique and important to the City.

WHEREAS, The City Council finds that the proposed new City Charter is consistent with State law and is more concise and easier to use and understand. The new Charter will better meet the present and future needs of the City. The City Council concurs with the recommendation of the Charter Review Committee and finds that it is in the best interests of the City to submit the recommended Home Rule Charter to City voters for approval or rejection.

NOW, THEREFORE, THE CITY OF FOREST GROVE RESOLVES AS FOLLOWS:

Section 1: An Election is called for the City of Forest Grove, Washington County, Oregon, to submit to City voters a new Home Rule Charter (attached as Exhibit A).

Section 2: March 10, 2009, is designated as the date for holding the Election for voting on this measure.

Section 3: The Washington County Elections Office will conduct the Election on behalf of the City of Forest Grove.

Section 4: The precincts for this Election will include all of the territory within the corporate limits of the City of Forest Grove.

Section 5: The ballot title will read as follows:

CAPTION (not to exceed 10 words)
CITY OF FOREST GROVE HOME RULE CHARTER

QUESTION (not to exceed 20 words)

Shall the City of Forest Grove adopt a new Home Rule Charter?

SUMMARY (not to exceed 175 words)

This measure would adopt a new Home Rule Charter for the City of Forest Grove. The Charter Review Committee and the City Council approved the new Charter for submission to City voters.

The Oregon Constitution gives City voters the right to adopt charters. Charters grant legal authority to cities and assign duties to city officials. Forest Grove voters enacted the current Charter in 1985.

The new Charter is based on the 2004 League of Oregon Cities Model Charter. The new Charter retains the existing Charter provisions unique and important to the City. It retains the current form of government with a Mayor and six councilors elected at large to govern the community and more clearly defines the legal authority of the City Council, defines the role and responsibilities of the Mayor, and lists the duties of the City Manager. The new Charter is consistent with State law and is more concise and easier to use and understand.

Section 6: The Mayor is authorized to endorse and the City Recorder is authorized to submit the attached impartial Explanatory Statement for the Washington County voters' pamphlet on behalf of the City of Forest Grove.

Section 7: The City Recorder will publish the ballot title as provided by State law.

Section 8: The City Recorder will advertise and post the required Notice of the Election as required by the current City Charter.

Section 9: This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 8th day of December, 2008.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 8th day of December, 2008.

Richard G. Kidd, Mayor

EXPLANATORY STATEMENT FOR COUNTY VOTERS' PAMPHLET

Election Date: March 10, 2009

Ballot Title Caption: City of Forest Grove Home Rule Charter

Measure Number: _____

EXPLANATORY STATEMENT (not to exceed 500 words)

This measure is a proposed new Home Rule Charter for the City of Forest Grove. The new City Charter would replace the current Charter that was enacted by Forest Grove voters in 1985. A Charter Review Committee and the City Council approved the new Charter for submission to City voters.

The Oregon Constitution gives City voters the right to adopt home rule charters. A Charter grants legal authority to a city government and sets the duties of the Council and Mayor and creates the office and duties of the City Manager.

The new Charter is based on the 2004 League of Oregon Cities Model Charter. The new Charter retains the existing Charter provisions unique and important to the City. It retains the current form of government with a Mayor and six councilors elected at large to govern the community and more clearly defines the legal authority of the City Council, defines the role and responsibilities of the Mayor, and lists the duties of the City Manager. The new Charter is consistent with State law and is more concise and easier to use and understand.

The Charter Review Committee and the City Council believe the new City of Forest Grove Home Rule Charter will better meet the current and future needs of the City.

Respectfully submitted,

Richard G. Kidd, Mayor
City of Forest Grove

CHARTER REVIEW COMMITTEE

FINAL REPORT AND RECOMMENDATIONS

NOVEMBER 24, 2008

Larry Hatch, Chair
Meredith “Bud” Bliss
Rod Fuiten
Carl Heisler
Don Jones
Mike Maloney
Monica Marvin
Lisa Nakajima
Mike Olson
Gene Walters

Peter Truax, Council Liaison
Michael J. Sykes, City Manager
Anna Ruggles, City Recorder
Tom Sponsler, City Attorney

INTRODUCTION:

The Forest Grove Charter Review Committee was created on August 11, 2008, by the City Council pursuant to Resolution No. 2008-58 (refer to Exhibit E). The members of the Committee include: Larry Hatch, Chair, Meredith "Bud" Bliss, Rod Fuiten, Carl Heisler, Don Jones, Mike Maloney, Lisa Nakajima, Mike Olson, and Gene Walters. In addition, Peter Truax served as Council Liaison and Michael Sykes, City Manager, Anna Ruggles, City Recorder, and Tom Sponsler, City Attorney, served as liaisons to the Committee.

BACKGROUND:

The Oregon Constitution gives City voters the right to adopt Charters. A Charter grants legal authority to a City government and sets the duties of the Council and Mayor and creates the office and duties of the City Manager. The current City Charter was enacted by the voters in 1985. Some of the provisions no longer meet present City needs or best practices and some provisions conflict with State law.

The task of the Charter Review Committee was to thoroughly review the current City Charter (refer to Exhibit D) and develop a new Charter that would be tailored and adaptable to meet the traditions and needs of Forest Grove. The Committee began its review using a draft Charter, based on the 2004 League of Oregon Cities Model

Charter. In addition, the Committee studied several Charters of other cities and studied State law as it pertained to municipal charters.

The Committee held three work sessions to study, review, and research appropriate Charter recommendations for consideration by the City Council. In addition, the Committee held two advertised Public Hearings on October 21 and November 6, 2008. No citizens testified and no written comments were received; however, Mayor Richard Kidd attended the November 6, 2008, hearing and asked the Committee to consider including as a reference to Section 3, Boundaries, the City of Forest Grove "Area of Influence Map", which included the boundaries of the Forest Grove Rural Fire Protection District, City's Watershed, and City's Light and Power Utilities. After hearing Mayor Kidd's testimony, the Committee concluded that the map had significant purpose but felt the City Charter was not the appropriate document to reference the map. The Committee affirmed that the purpose of Section 3, Boundaries, is for the purpose of identifying only those territories within the City's corporate limits.

In addition to the public hearings, general information about the City Charter review and public involvement process, and the Committee's agendas, minutes, and issue summaries were posted on the City's website.

The Committee studied and reviewed each Chapter and Section in the proposed Charter and debated at length in order to determine if there was sufficient basis upon which to modify and/or remove a particular Chapter or Section.

Based on the Committee's review, the Committee determined that some provisions currently present in the Charter could be deleted as superseded by State law or could be implemented by Council adopted resolution or ordinance (refer to Exhibit B).

During the course of the process, the Committee was asked to address several issues. Following are the most significant issues that were discussed.

The issue of the duties and requirements of the City Manager and Manager Pro Tem created some discussion. In the end, the Committee modified the language to allow the Council to modify the contract to extend residence compliance and prohibited appointing a mayor as pro tem and lifted the pro tem term appointment restriction of six months.

The issue of the Council having the ability to enact an ordinance at a single meeting by unanimous approval created concern for the

Committee. The Committee felt it was important that Council be restricted in having the ability to enact ordinances without providing adequate public notice or having an emergency reason. In the end, the Committee modified the language to allow Council to enact an ordinance at a single meeting by unanimous approval by at least five members providing the ordinance was available to the public at least seven days before the meeting.

The issue of the appointed office of the City Auditor created the most debate by the Committee. The Committee was undecided if they should retain or remove the appointed position from the Charter. The Committee heard testimony from City staff and testimony from the City Attorney expressing pros and cons. At the end of the debate, the Committee felt it was important to retain the City Auditor in the Charter to ensure the work remained independent and to protect the public's trust in City government. The Committee compromised by moving the Section to Miscellaneous Provisions and modified the language to require the City Council to approve contracts for annual audits of City accounts and fiscal affairs as required by State law.

Additionally, Section 42, non-conforming uses, created significant concern for the Committee. The Committee was undecided if they should retain or remove Section 42 from the Charter, because the

provision protects any property use that was classified as a non-conforming use under the Forest Grove Zoning Ordinance on December 2, 1982, to be considered permitted uses. City staff provided information pertaining to the existing non-conforming uses and supported the City Attorney's recommendation to remove the provision from the Charter. The Committee voiced concern that by removing the provision the properties would not be protected or be grandfathered without some other provision in place. In the end, the Committee made a recommendation to remove the provision only under the condition that the City Council adopt an ordinance to replace Section 42 to protect those properties affected if the new Charter is approved by the voters.

The Committee also studied the proposed Sections to be deleted and unanimously supported removing the Sections based on the reasons cited (refer to Exhibit C).

CONCLUSION:

The Charter Review Committee has found the proposed Charter (refer to Exhibit A) to be more concise, easier to use and understand, and has ensured the new Charter is consistent with State law. The Committee hopes the new Charter will better meet the present and future needs of the City. The Charter Review Committee took into

consideration recommendations mentioned during the public testimony phase before submitting its final proposed Charter document and recommendations to the City Council, who will ultimately make the final decision on whether or not to submit a new Home Rule Charter to the voters of Forest Grove for consideration.

In conclusion, the Charter Review Committee members, Councilor Peter Truax, City staff, and City Attorney are highly commended for their professionalism and hard work. The Committee took their role very seriously and took time to review and study each issue to ensure they were doing everything possible in the new Charter to protect the public's interest.

Respectfully submitted by:

Charter Review Committee

Larry Hatch, Chair

This report was prepared by Anna Ruggles, City Recorder, on behalf of the Charter Review Committee.

EXHIBIT A

PROPOSED
CITY CHARTER
“DRAFT 5”

city of forest grove

2009 CHARTER

PREAMBLE

We, the voters of Forest Grove, Oregon exercise our power to the fullest extent possible under the Oregon Constitution and laws of the State, and enact this Home Rule Charter.

CHAPTER I
NAME AND BOUNDARIES

SECTION 1. TITLE This Charter may be referred to as the 2009 City of Forest Grove Charter.

SECTION 2. NAME The City of Forest Grove, Washington County, Oregon continues as a municipal corporation with the name City of Forest Grove.

SECTION 3. BOUNDARIES The City includes all territory within its boundaries as they now exist or are legally modified. The City will maintain as a public record an accurate and current description of its boundaries.

CHAPTER II

POWERS

SECTION 4. POWERS The City has all powers that the constitutions, statutes and common law of the United States and State of Oregon expressly or impliedly grant or allow the City, as fully as though this Charter specifically enumerated each of those powers.

SECTION 5. CONSTRUCTION This Charter will be liberally construed so that the City may exercise fully all powers possible under this Charter and under United States and Oregon law.

SECTION 6. DISTRIBUTION The Oregon Constitution reserves initiative and referendum powers as to all municipal legislation to City voters. This Charter vests all other City powers in the Council, except as the Charter otherwise provides. The Council has legislative, administrative, and quasi-judicial authority. The Council exercises legislative authority by ordinance, administrative authority by resolution, and quasi-judicial authority by order. The Council may not delegate its authority to adopt ordinances.

CHAPTER III

COUNCIL

SECTION 7. COUNCIL The Council consists of a Mayor and six Councilors nominated and elected from the City at large.

SECTION 8. MAYOR

- (a) The Mayor presides over and facilitates Council meetings, preserves order, enforces Council rules, and determines the order of business under Council rules.
- (b) The Mayor is a voting member of the Council and has no veto authority.
- (c) The Mayor, with the consent of Council, appoints members of boards, commissions and committees established by ordinance or resolution.
- (d) The Mayor must sign all records of Council decisions.
- (e) The Mayor serves as the political head of the City government.

SECTION 9. COUNCIL PRESIDENT At its first meeting each year, the Council must elect a President from its membership. The President presides in the absence of the Mayor and acts as Mayor when the Mayor is unable to perform duties.

SECTION 10. COUNCIL RULES The Council must adopt by resolution rules to govern its meetings and proceedings.

SECTION 11. MEETINGS The Council must meet at least once a month at a time and place designated by Council rules, and may meet at other times in accordance with the Council rules.

SECTION 12. QUORUM A majority of the Council members is a quorum to conduct business, but a smaller number may meet and compel attendance of absent members as prescribed by Council rules.

SECTION 13. VOTE REQUIRED The express approval of a majority of a quorum of the Council is necessary for any Council decision, except when this Charter requires approval by a majority of the Council.

SECTION 14. RECORD A record of Council meetings must be kept in a manner prescribed by the Council rules.

CHAPTER IV
LEGISLATIVE AUTHORITY

SECTION 15. ORDINANCES The Council will exercise its legislative authority by adopting ordinances. The enacting clause for all ordinances must state "The City of Forest Grove ordains as follows:"

SECTION 16. ORDINANCE ENACTMENT

- (a) Except as authorized by subsection (b), enactment of an ordinance requires approval by a majority of the Council at two meetings.
- (b) The Council may enact an ordinance at a single meeting by unanimous approval by at least five members, provided the proposed ordinance is available to the public at least seven days before the meeting as prescribed by Council rules.
- (c) Any substantive amendment to a proposed ordinance must be read aloud before the Council enacts the ordinance.
- (d) After the enactment of an ordinance, the vote of each member must be entered into the Council minutes.
- (e) After enactment of an ordinance and signature by the Mayor, the City Recorder must attest to the ordinance by name, title, and date of enactment.

SECTION 17. EFFECTIVE DATE Ordinances take effect on the 30th day after enactment, or on a later day provided in the ordinance. An ordinance may take effect as soon as enacted or other date less than 30 days after enactment if the ordinance contains an emergency clause.

CHAPTER V

ADMINISTRATIVE AUTHORITY

SECTION 18. RESOLUTIONS The Council will normally exercise its administrative authority by adopting resolutions. The adopting clause for all resolutions must state "The City of Forest Grove resolves as follows:"

SECTION 19. RESOLUTION ADOPTION

- (a) Adoption of a resolution or any other Council administrative decision requires approval by the Council at one meeting.
- (b) Any substantive amendment to a resolution must be read aloud before the Council adopts the resolution.
- (c) After adoption of a resolution or other administrative decision, the vote of each member must be entered into the Council minutes.
- (d) After adoption of a resolution and signature by the Mayor, the City Recorder must attest to the resolution by name, title, and date of adoption.

SECTION 20. EFFECTIVE DATE Resolutions and other administrative decisions take effect on the date of adoption, or on a later day provided in the resolution.

CHAPTER VI

QUASI-JUDICIAL AUTHORITY

SECTION 21. ORDERS The Council will normally exercise its quasi-judicial authority by adopting orders. The adopting clause for all orders must state "The City of Forest Grove orders as follows:"

SECTION 22. ORDER ADOPTION

- (a) Adoption of an order or any other Council quasi-judicial decision requires approval by the Council at one meeting.
- (b) Any substantive amendment to an order must be read aloud before the Council adopts the order.
- (c) After adoption of an order or other Council quasi-judicial decision, the vote of each member must be entered in the Council minutes.
- (d) After adoption of an order and signature by the Mayor, the City Recorder must attest to the order by name, title, and date of adoption

SECTION 23. EFFECTIVE DATE Orders and other quasi-judicial decisions take effect on the date of final adoption, or on a later day provided in the order.

CHAPTER VII

ELECTIONS

SECTION 24. COUNCILORS At each general election after adoption of this Charter, three Councilors will be elected for four-year terms. The term of a Councilor in office when this Charter is adopted is the term for which the Councilor was elected.

SECTION 25. MAYOR At the 2010 general election and every other general election thereafter, a Mayor will be elected for a four-year term. The term of the Mayor in office when this Charter is adopted is the term for which the Mayor was elected.

SECTION 26. STATE LAW City elections must conform to State law, except as this Charter or ordinances provide otherwise. All elections for City offices must be nonpartisan.

SECTION 27. QUALIFICATIONS

- (a) The Mayor and each Councilor must be a qualified elector under State law, and reside within the City for at least one year immediately before election or appointment to office.
- (b) No person may be a candidate at a single election for more than one City office.
- (c) Neither the Mayor nor a Councilor may be employed by the City.
- (d) The Council is the final judge of the election and qualifications of its members.

SECTION 28. NOMINATIONS The Council must adopt an ordinance prescribing the manner for a person to be nominated to run for Mayor or a Councilor position.

SECTION 29. TERMS The term of an officer elected at a general election begins at the first Council meeting immediately after the election is certified by county elections officials, and continues until the successor qualifies and assumes the office.

SECTION 30. OATH The Mayor and each Councilor must swear or affirm to faithfully perform the duties of the office and support the constitutions and laws of the United States and State of Oregon, and the Charter, ordinances and resolutions of the City.

SECTION 31. VACANCIES The Mayor or a Councilor office becomes vacant:

- (a) Upon the incumbent's:
 - (1) Death,
 - (2) Adjudicated incompetence, or
 - (3) Recall from the office.
- (b) Upon declaration by the Council after the incumbent's:
 - (1) Failure to qualify for the office within 10 days prior of the time the term of office is to begin,
 - (2) Absence from the City for 30 days or from all Council meetings within a 45-day period, without Council consent,
 - (3) Ceasing to reside in the City,
 - (4) Ceasing to be a qualified elector under State law,
 - (5) Conviction of a public offense punishable by loss of liberty,
 - (6) Resignation from the office, or
 - (7) Violation of Section 33(i).

SECTION 32. FILLING VACANCIES A Mayor or Councilor vacancy will be filled by appointment by a majority of the remaining Council members. The term of office for the appointee runs from appointment until expiration of the term of office of the last person elected to that office. If a disability prevents a Council member from attending Council meetings or a member is absent from the City, a majority of the Council may appoint a Councilor pro tem.

CHAPTER VIII

APPOINTIVE OFFICERS

SECTION 33. CITY MANAGER

- (a) The office of City Manager is established as the administrative head of the City government. The Manager is responsible to the Mayor and Council for the proper administration of all City business. The Manager will assist the Mayor and Council in the development of City policies and carry out policies established by ordinances and resolutions.
- (b) A majority of the Council may appoint and may remove the Manager. The appointment must be made without regard to political considerations and be solely on the basis of education and experience in competencies and practices of local government management.
- (c) The Manager need not reside in the City at the time of employment, but must within six months become and remain a resident of the City while appointed as Manager. A majority of the Council may modify the contract to extend the time to comply.
- (d) The Manager is appointed for a definite or an indefinite term, and may be removed at any time by a majority of the Council. The Council must fill the office by appointment as soon as practicable after a vacancy occurs.
- (e) The Manager must:
 - (1) Attend all Council meetings unless excused by the Mayor or Council;
 - (2) Make reports and recommendations to the Mayor and Council about the needs of the City;
 - (3) Administer and enforce all City ordinances, resolutions, franchises, leases, contracts, permits, and other City decisions;
 - (4) Appoint, supervise, and remove City employees;
 - (5) Organize City departments and administrative structure;
 - (6) Prepare and administer the annual City budget;
 - (7) Administer City utilities and property;
 - (8) Encourage and support regional and intergovernmental cooperation;
 - (9) Promote cooperation among the Council, staff and residents in developing City policies, and building a sense of community;
 - (10) Perform other duties as directed by the Council; and
 - (11) Delegate duties, but remain responsible for acts of all subordinates.

- (f) The Manager has no authority over the Council or over the judicial functions of the Municipal Judge.
- (g) The Manager and others designated by the Council may sit at Council meetings but have no vote. The Manager may take part in all Council discussions.
- (h) When the Manager is temporarily disabled from acting as Manager or when the office becomes vacant, the Council must appoint a Manager pro tem as prescribed by Council rules. The Manager pro tem has the authority and duties of Manager, except that a Manager pro tem may not appoint or remove employees without Council approval
- (i) No Council member may directly or indirectly attempt to coerce the Manager or a candidate for that office in the appointment or removal of any City employee, or in administrative decisions regarding City property or contracts. Violation of this prohibition is grounds for removal from office by a majority of the Council after a public hearing. In Council meetings, Council members may discuss or suggest anything with the Manager relating to City business.

SECTION 34. CITY ATTORNEY The City Attorney is appointed by the Council as the chief legal officer of the City. A majority of the Council will appoint and may remove the Attorney.

SECTION 35. MUNICIPAL COURT AND JUDGE

- (a) A majority of the Council may appoint and may remove a Municipal Judge. A Municipal Judge will hold court in the City at such place as the Council directs. The court will be known as the "Municipal Court of the City of Forest Grove".
- (b) All proceedings of this Court will conform to State laws governing justices of the peace and justice courts.
- (c) All areas within the City and areas outside the City as permitted by State law are within the territorial jurisdiction of the Court.
- (d) The Court has jurisdiction over every offense created by City ordinance. The Court may enforce forfeitures and other penalties created by ordinances. The Court also has jurisdiction under State law unless limited by City ordinance.

- (e) The Municipal Judge may:
- (1) Render judgments and impose sanctions on persons and property;
 - (2) Order the arrest of anyone accused of an offense against the City;
 - (3) Commit to jail or admit to bail anyone accused of a City offense;
 - (4) Issue and compel obedience to subpoenas;
 - (5) Compel witnesses to appear and testify and jurors to serve for trials before the Court;
 - (6) Penalize contempt of Court;
 - (7) Issue processes necessary to enforce judgments and orders of the Court;
 - (8) Issue search warrants; and
 - (9) Perform other judicial and quasi-judicial functions assigned by ordinance.
- (f) The Council may appoint and may remove Municipal Judge pro tems.
- (g) The Council may transfer some or all of the functions of the Municipal Court to a State court.

CHAPTER IX
PERSONNEL

SECTION 36. PERSONNEL RULES. The Council by resolution will adopt the rules governing recruitment, selection, promotion, transfer, demotion, suspension, layoff, and dismissal of city employees based on merit and fitness.

DRAFT

CHAPTER X

MISCELLANEOUS PROVISIONS

SECTION 37. CITY AUDIT The Council by resolution will approve contracts for annual audits of City accounts and fiscal affairs as required by State law.

SECTION 38. DEBT City indebtedness may not exceed debt limits imposed by State law. A Charter amendment is not required to authorize City indebtedness.

SECTION 39. ORDINANCE CONTINUATION All ordinances consistent with this Charter in force when it takes effect remain in effect until amended or repealed.

SECTION 40. REPEAL All Charter provisions adopted before this Charter takes effect are repealed.

SECTION 41. SEVERABILITY The terms of this Charter are severable. If any provision is held invalid by a court, the invalidity does not affect any other term of the Charter.

SECTION 42. TIME OF EFFECT This Charter takes effect July 1, 2009.

EXHIBIT B

CHARTER
AMENDMENT
CROSS-
REFERENCES

CHARTER AMENDMENT CROSS-REFERENCES

| NEW SECTION | NEW CHAPTER & TITLE | OLD SECTION | OLD CHAPTER & TITLE | RECOMMENDED ACTION: |
|--------------------|--|--------------------|--|---|
| | CHAPTER I NAME AND BOUNDARIES | | CHAPTER I NAME AND BOUNDARIES | |
| SECTION 1. | TITLE | SECTION 1. | TITLE OF ENACTMENT | |
| SECTION 2. | NAME | SECTION 2. | NAME OF CITY | |
| SECTION 3. | BOUNDARIES | SECTION 3. | BOUNDARIES | |
| | CHAPTER II POWERS | | CHAPTER II POWERS | |
| SECTION 4. | POWERS | SECTION 4. | POWERS OF THE CITY | |
| SECTION 5. | CONSTRUCTION | SECTION 5. | CONSTRUCTION OF CHARTER | |
| SECTION 6. | DISTRIBUTION | SECTION 7. | WHERE POWERS VESTED | |
| | CHAPTER III COUNCIL | | CHAPTER III FORM OF GOVERNMENT | |
| SECTION 7. | COUNCIL | SECTION 8. | COUNCIL | |
| SECTION 8. | MAYOR | SECTION 21. | RESPONSIBILITIES OF THE MAYOR | |
| SECTION 9. | COUNCIL PRESIDENT | SECTION 19. | CHAIRMAN OF THE COUNCIL | |
| SECTION 10. | RULES | SECTION 20. | RESPONSIBILITIES OF THE COUNCIL | MUST ADOPT RESOLUTION Rules to govern Council meetings and proceedings. |
| | | SECTION 22. | PERMITTED AND PROHIBITED ACTIVITIES OF COUNCILORS | |
| SECTION 11. | MEETINGS | SECTION 14. | MEETINGS | |
| SECTION 12. | QUORUM | SECTION 15. | QUORUM | |
| SECTION 13. | VOTED REQUIRED | SECTION 18. | VOTE REQUIRED | |
| SECTION 14. | RECORD | SECTION 16. | RECORD OF PROCEEDINGS | |
| | | SECTION 17. | PROCEEDINGS TO BE PUBLIC | |

| NEW SECTION | NEW CHAPTER & TITLE | OLD SECTION | OLD CHAPTER & TITLE | RECOMMENDED ACTION: |
|--------------------|--|--------------------|--|--|
| | CHAPTER IV LEGISLATIVE AUTHORITY | | CHAPTER VIII ORDINANCES | |
| SECTION 15. | ORDINANCES | SECTION 35 | ENACTING CLAUSE | |
| SECTION 16. | ORDINANCE ENACTMENT | SECTION 36. | MODE OF ENACTMENT | |
| SECTION 17. | EFFECTIVE DATE | SECTION 37. | WHEN ORDINANCES TAKE EFFECT | |
| | CHAPTER V ADMINISTRATIVE AUTHORITY | | | |
| SECTION 18. | RESOLUTIONS | | | |
| SECTION 19. | RESOLUTION ADOPTION | | | |
| SECTION 20. | EFFECTIVE DATE | | | |
| | CHAPTER VI QUASI-JUDICIAL AUTHORITY | | | |
| SECTION 21. | ORDERS | | | |
| SECTION 22. | ORDER ADOPTION | | | |
| SECTION 23. | EFFECTIVE DATE | | | |
| | CHAPTER VII ELECTIONS | | CHAPTER VI ELECTIONS | |
| SECTION 24. | COUNCILORS | SECTION 9. | COUNCILORS | |
| SECTION 25. | MAYOR | SECTION 10. | MAYOR | |
| SECTION 26. | STATE LAW | SECTION 28. | ELECTIONS | |
| | | SECTION 29. | REGULATIONS OF ELECTIONS | |
| SECTION 27. | QUALIFICATIONS | SECTION 13. | QUALIFICATIONS OF ELECTIVE OFFICERS | |
| SECTION 28. | NOMINATIONS | SECTION 32. | NOMINATIONS | MUST ADOPT ORDINANCE Prescribing the manner for a person to be nominated to run for Mayor or a Councilor position. |
| SECTION 29. | TERMS | SECTION 30. | COMMENCEMENT OF TERMS OF OFFICE | |
| SECTION 30. | OATH | SECTION 31. | OATH OF OFFICE | |
| SECTION 31. | VACANCIES | SECTION 33. | WHAT CREATES A VACANCY | |

| NEW SECTION | NEW CHAPTER & TITLE | OLD SECTION | OLD CHAPTER & TITLE | RECOMMENDED ACTION: |
|--------------------|---|--------------------|--|----------------------------|
| SECTION 32. | FILLING VACANCIES | SECTION 34. | MANNER IN WHICH VACANCIES IN ELECTIVE OFFICE SHALL BE FILLED | |
| | CHAPTER VIII APPOINTEE OFFICERS | | CHAPTER V POWERS AND DUTIES OF CERTAIN APPOINTED OFFICERS | |
| SECTION 33. | CITY MANAGER | SECTION 23. | CITY MANAGER | |
| SECTION 34. | CITY ATTORNEY | SECTION 26. | CITY ATTORNEY | |
| SECTION 35. | MUNICIPAL COURT AND JUDGE | SECTION 24. | MUNICIPAL JUDGE | |
| | CHAPTER IX PERSONNEL | | | |
| SECTION 36. | PERSONNEL RULES | SECTION 20(9)(10) | RESPONSIBILITIES OF THE COUNCIL | |
| | CHAPTER X MISCELLANEOUS PROVISIONS | | | |
| SECTION 37. | CITY AUDIT | SECTION 27. | CITY AUDITOR | |
| SECTION 38. | DEBT | SECTION 50. | DEBT LIMIT | |
| SECTION 39. | ORDINANCE CONTINUATION | SECTION 51. | EXISTING ORDINANCES CONTINUED | |
| SECTION 40. | REPEAL | SECTION 52. | REPEAL OF PREVIOUSLY ENACTED CHARTER PROVISIONS | |
| SECTION 41. | SEVERABILITY | | | |
| SECTION 42. | TIME OF EFFECT | SECTION 53. | TIME OF EFFECT OF CHARTER | |

EXHIBIT C

CHARTER
AMENDMENT
DELETIONS

**CHARTER AMENDMENT
DELETIONS:**

| NEW SECTION | | OLD SECTION | OLD CHAPTER & TITLE | RECOMMENDED ACTION: |
|---|--|--------------------|---|--|
| Replaced by CHAPTER III COUNCIL | | SECTION 6. | FORM OF GOVERNMENT | <u>Reason for deleting:</u> The proposed Charter, as well as the existing Charter, make the Mayor a part of the Council and contains a specific Section pertaining to City Manager. |
| Replaced by CHAPTER VIII APPOINTIVE OFFICERS | | SECTION 11. | ELECTED AND APPOINTED OFFICERS OF THE CITY | |
| | | SECTION 12. | SALARIES | <u>Reason for deleting:</u> State budget law (ORS 294.352(5) requires the City budget to contain a list of salaries for each officer and employee. |
| Replaced by SECTION 33(l) | | SECTION 22. | PERMITTED AND PROHIBITED ACTIVITIES OF COUNCILORS | |
| Replaced by SECTION 10 and SECTIONS 16(e), 19(d), and 22(d) | | SECTION 25. | CITY RECORDER | |
| | | SECTION 38. | IMPROVEMENTS | <u>Reason for deleting:</u> The Council has such authority under proposed Section 4. ORS Chapter 223 provides local improvement procedures. |
| | | SECTION 39. | CONDEMNATION | <u>Reason for deleting:</u> The Council has such authority under proposed Section 4. ORS Chapter 223 provides condemnation authority. |

| NEW SECTION | | OLD SECTION | OLD CHAPTER & TITLE | RECOMMENDED ACTION |
|---|--|--------------------|---|--|
| | | SECTION 40. | SPECIAL ASSESSMENTS | <u>Reason for deleting:</u> The Council has such authority under proposed Section 4. ORS Chapter 223 provides special assessment procedures. |
| | | SECTION 41. | BIDS | <u>Reason for deleting:</u> ORS Chapter 279 provides Public Contract Laws and City Code Section 2.501 adopts public contracting rules. |
| DELETE ONLY UNDER THE CONDITION THAT CITY COUNCIL ADOPT AN ORDINANCE TO REPLACE THIS SECTION TO PROTECT ANY PROPERTY USE THAT WAS CLASSIFIED A NON - CONFORMING USE UNDER THE FOREST GROVE ZONING ORDINANCE ON DECEMBER 2, 1982, SHALL BE CONSIDERED A PERMITTED USE. | | SECTION 42. | NON-CONFORMING USES | <u>Reason for deleting:</u> Land use law is controlled by State statutes, rules, courts and LUBA. This existing Section is for historic reason as a factual matter to determine if a non-conforming use existed as of 12/02/82. If there are non-conforming uses still in effect, the substance of this Section may continue by City ordinance. |
| | | SECTION 43. | NOTICE FOR PROPERTY OWNER BEFORE REZONING | <u>Reason for deleting:</u> Land use law notice requirements are set by State law and adopted by City Zoning Ordinance. |

| NEW SECTION | | OLD SECTION | OLD CHAPTER & TITLE | RECOMMENDED ACTION |
|--------------------|--|--------------------|---|--|
| | | CHAPTER XI | URBAN RENEWAL | <u>Reason for deleting:</u> |
| | | SECTION 44. | ACTIVATION OF AN URBAN RENEWAL AGENCY | This existing Chapter and referenced-Sections could duplicate and perhaps conflict with ORS Chapter 457 relating to the |
| | | SECTION 45. | ADOPTION OF AN URBAN RENEWAL PLAN | procedures for forming, operating and terminating Urban Renewal Districts. Urban Renewal Districts are governed by State law. |
| | | SECTION 46. | EXERCISE OF CONDEMNATION BY AN URBAN RENEWAL AGENCY | |
| | | SECTION 47. | AUTHORIZATION FOR TAX INCREMENT FINANCING OF URBAN RENEWAL INDEBTEDNESS | |
| | | SECTION 48. | TERMINATION OF THE URBAN RENEWAL AGENCY | |
| | | SECTION 49. | CHARTER AMENDMENTS | <u>Reason for deleting:</u> A City Charter amendment process is an initiative process that is controlled by the State Constitution and State statutes. This existing Section does not comply with current election law, particularly the 80 day submission requirement. |

EXHIBIT D

**EXISTING
CITY CHARTER
ENACTED 1985**

city of forest grove

CHARTER

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| <i>Section 21 Responsibilities of the Mayor</i> | <i>11-12</i> |
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Charter V: POWERS AND DUTIES OF CERTAIN

APPOINTED OFFICERS

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Charter Of The City of Forest Grove

As adopted by the people at the general election held November 6, 1984, and made effective January 1, 1985.

To provide for the government of the City of Forest Grove, Washington County, Oregon; and to repeal all Charter provisions of the City enacted to the time that this charter takes effect.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF FOREST GROVE,
WASHINGTON COUNTY, OREGON:

CHAPTER I

NAME AND BOUNDARIES

Section 1. TITLE OF ENACTMENT. This enactment may be referred to as the Forest Grove City Charter of 1985.

Section 2. NAME OF CITY. The municipality of Forest Grove, Washington County, Oregon, shall continue to be a municipal corporation with the name "City of Forest Grove".

Section 3. BOUNDARIES. The City shall include all territory encompassed by its boundaries as they now exist or hereafter are modified by the voters, by the Council, or by any other agency with legal power to modify them. The Recorder shall keep in her/his office at the City Hall at least two copies of this Charter and shall maintain an accurate, up-to-date description of the boundaries with both copies. The copies and descriptions shall be available for public inspection at any time during the regular office hours of the Recorder.

CHAPTER II

POWERS

Section 4. POWERS OF THE CITY. The City shall have all powers which the constitutions, statutes, and common law of the United States and of this State expressly or impliedly grant or allow municipalities, as fully as though this Charter specifically enumerated each of those powers.

Section 5. CONSTRUCTION OF CHARTER. In this Charter, no mention of a particular power shall be construed to be exclusive or to restrict the scope of the powers which the City would have if the particular power were not mentioned. The Charter shall be liberally construed to the end that the City may have all powers necessary or convenient for the conduct of its municipal affairs, including all powers that cities may assume pursuant to State laws and to municipal home rule provisions of the State constitution.

CHAPTER III

FORM OF GOVERNMENT

Section 6. FORM OF GOVERNMENT. The City of Forest Grove operates under the Council-Manager form of government.

Section 7. WHERE POWERS VESTED. Except as this Charter provides otherwise, all powers of the City are vested in the Council.

Section 8. COUNCIL. The Council shall consist of a Mayor and six Councilors elected from the City at large.

Section 9. COUNCILORS. The Councilors in office at the time this Charter is adopted shall continue in office, each until the end of her/his term of office as fixed by the Charter of the City in effect at the time this Charter is adopted. At each biennial general election after this Charter takes effect, three Councilors shall be elected, each for a term of four years.

Section 10. MAYOR. At the biennial general election held in 1986 and every fourth year thereafter, a Mayor shall be elected for a term of four years. The Mayor in office at the time this Charter becomes effective shall continue in office until the end of the term of office as fixed by the Charter in effect at the time this Charter is adopted.

Section 11. ELECTED AND APPOINTED OFFICERS OF THE CITY.

(1) The elected officers of the City are the Mayor and the six Councilors as defined in Section 8 of this Charter.

(2) Appointed officers of the City are the City Manager, the Municipal Judge, the City Attorney, and the City Auditor, each appointed by the Council, and the City Recorder and department directors, each appointed by the City Manager pursuant to Sections 20 and 23 of this Charter.

(3) The Council shall create such other appointive offices as it deems necessary, and may appoint qualified officers thereto. The Council may combine any two or more appointive offices, except the offices of the City Manager and the Municipal Judge. In no such combination shall the Municipal Judge be subject in her/his judicial functions to the supervision of any other elected or appointed officer of the City.

Section 12. SALARIES. The compensation for the services of City officers and employees shall be the amount fixed by the Council by resolution to be read at no less than two meetings of the Council and adopted by not less than five members of the Council.

Section 13. QUALIFICATIONS OF ELECTIVE OFFICERS. No person shall be eligible for an elective office of the City unless at the time of election he/she is a qualified elector within the meaning of the State constitution and has resided in the City during the twelve months immediately preceding the election. The Council shall be the final judge of the qualifications and election of its own members.

CHAPTER IV

COUNCIL

Section 14. MEETINGS. The Council shall hold a regular meeting at least once each month in the City at a time and place which it designates. Other meetings of the Council may be held 1) through consent of Council at a regular meeting; 2) with the consent of any five members; or 3) at the request of the Mayor. Notice of all Council meetings shall be given to the Council, press and public in accordance with State law.

Section 15. QUORUM. Except as this Charter otherwise provides, a majority of the incumbent Council positions shall constitute a quorum for its business, but a smaller number may meet and compel the attendance of absent members in a manner provided by ordinance.

Section 16. RECORD OF PROCEEDINGS. The Council shall cause an accurate record of its proceeding to be kept. Names of each Council member shall be recorded for their aye or nay votes on all ordinances and resolutions. Voice votes may be used to decide other questions before the Council, provided that any Councilor may, upon request, obtain a roll call vote to record the ayes and nays.

Section 17. PROCEEDINGS TO BE PUBLIC. No action by the Council shall have legal effect unless the motion for the action and the vote takes place at an authorized Council meeting open to the public.

Section 18. VOTE REQUIRED. Except as this Chapter otherwise provides, a majority of the incumbent members of the Council present and voting is necessary to decide any question before the Council. For exceptions, see Section 15, 20(3), 34, and 37.

Section 19. CHAIRMAN OF THE COUNCIL. At its first meeting after this Charter takes effect, and thereafter at its first meeting following each general election, the Council shall elect a Chairman from its membership. In the Mayor's absence from a Council meeting, the Chairman of the Council shall preside. Whenever the Mayor is unable to perform the functions of her/his office, the Chairman shall act as Mayor.

Section 20. RESPONSIBILITIES OF THE COUNCIL. The City Council is responsible to the citizens of Forest Grove to establish and direct the policies governing the administration and management of the City. Unless otherwise restricted by this Charter, Council shall have the right to review any action by any board, commission, committee, or officer of the City and to take such action as is appropriate.

In accordance with Section 4 and Section 7, the delegated responsibilities of the Council are enumerated by, but are not limited to, the following directives.

The Council shall:

- (1) Adopt procedural rules for the conduct of its meetings.
- (2) Appoint the City Manager, the Municipal Judge, the City Attorney, the Auditor, and such other officers as the Council deems necessary.
- (3) Determine by resolution, to be read at no less than two Council meetings, the compensation and salaries for services of each City officer and employee. The resolution must be adopted by not less than five members of the Council.
- (4) Evaluate the City Manager's performance at least once each year, and establish the criteria for evaluation in accordance with the State's open meetings law.
- (5) Determine the need for, the function of, and the procedures for appointing citizens to boards, commissions, committees, and task forces. All such Council-appointed groups are directly responsible and advisory to the City Council unless the Council has delegated specific responsibilities to the group for independent actions.
- (6) Adopt by the end of the fiscal year a list of goals for the next fiscal year.
- (7) Direct the development of an annual report available to the public on the "State of the City".
- (8) Appoint a subcommittee of its own members to conduct a review of each year's Auditor's report.
- (9) Establish personnel policies by resolution following discussion and consultation with the City Manager.
- (10) Establish a personnel policy by resolution which affirms the rights of City employees to participate in political activities in the City, in accord with State guidelines.

Section 21. RESPONSIBILITIES OF THE MAYOR. The Mayor is a voting member of the Council, without veto, with added leadership, responsibilities listed below. The Mayor shall sign all records of proceedings approved by the Council within three days after passage.

The Mayor's leadership responsibilities include:

(1) Representing the City at ceremonial functions unless Council directs otherwise.

(2) Presiding and enforcing the Rules of the City Council at all meetings and overseeing and coordinating with the City Manager the development of the agenda for each meeting in accordance with directives, suggestions, or requests from: (a) Council actions; (b) individual Councilors; (c) staff recommendations; (d) standing commissions, committees, or boards; and (e) citizens and citizen organizations.

(3) Appointing, with the consent of Council, all committees, boards, and commissions, in accord with the adopted Rules of the City Council. The Mayor shall advise and consult with the appointed groups, unless the Council has specifically designated another Councilor or procedure.

(4) Appointing subcommittees of the Council for special projects or reports to facilitate deliberations of the Council.

(5) Routinely consulting and discussing with, and conveying to the City Manager any concerns or questions which the Mayor may have regarding the welfare of the City and its citizens.

Section 22. PERMITTED AND PROHIBITED ACTIVITIES OF COUNCILORS.

(1) Councilors are free to discuss and to seek information from the City Manager, officers, or other employees regarding City policies, actions, and practices. If any Councilor's request for information should require excessive staff time or expenditure of fiscal resources, the City Manager shall bring the proposal to the Council at a regular meeting for their authorization of the request.

(2) Individual Councilors shall not interfere with administrative or management procedures, issue instructions or orders, or bargain with the Manager, or any appointed officer of the City, to effect a change in (a) administrative practices;(b) personnel selection, retention, and severance procedures, or(c) purchasing, bidding, and leasing procedures. In the event of an alleged violation of administrative interference by a Councilor, the cognizant administrator shall inform the City Manager. At the discretion of the City Manager, the matter may be referred in writing to the City Council which shall determine the appropriate disciplinary action.

(3) Councilors wishing to make changes in administrative and management practices shall place their proposals on the agenda for the Council's consideration at any regular meeting.

CHAPTER V

POWERS AND DUTIES OF CERTAIN APPOINTED OFFICERS

Section 23. CITY MANAGER.

(1) Qualifications. The City Manager shall be the administrative head of the government of the City and shall be chosen by the Council solely with reference to her/his executive and administrative qualifications. The City Manager need not be a resident of the City at the time of appointment, but shall become and remain a resident while employed by the city.

(2) Term. The Manager shall be appointed for an indefinite term and may be removed at the pleasure of the Council. Upon vacancy occurring in the office of Manager, the Council shall adopt, at its next meeting, a resolution of its intention to appoint another Manager. No appointment shall be made until at least four weeks have elapsed after adoption of the resolution. Not later than six months after adopting the resolution, the Council shall appoint a Manager to fill such vacancy.

(3) Powers and Duties.

(a) The Manager shall devote her/his entire time to discharge of official duties, attend all meetings of the Council unless excused by the Council or the Mayor, keep the Council advised at all times of the affairs and needs of the City, and make reports annually, or more frequently if requested by the Council, of all the affairs and needs of the City, and make reports annually, or more frequently if requested by the Council, of all the affairs and departments of the City.

(b) The Manager shall see that all ordinances are enforced and that the provisions of all franchises, leases, contracts, permits and privileges granted by the City are observed. He/she shall ensure that the substance and intent of all Council adopted ordinances, resolutions, directives, and instructions are implemented by the appropriate City officer(s) and/or employee(s). In the event a question arises with respect to the intent of any Council adopted action, the Council shall be the sole determining authority.

(c) The Manager shall appoint and may remove appointive City officers and employees as provided by this Charter, see Section 11(2), or by City personnel policies, established in accordance with Section 20, and shall have general supervision over them and their work.

(d) The Manager or her/his designee shall act as purchasing agent for all departments of the City. All purchases shall be made by requisition signed by the Manager or such other person as he/she shall appoint.

(e) The Manager shall supervise the operation of all public utilities owned and operated by the City and shall have general supervision over all City property.

(f) The Manager shall be responsible for preparing and submitting to the Budget Committee the annual budget estimates and such reports as that body requests.

(4) Seats at Council Meetings. The Manager and such other officers as the Council designates shall be entitled to sit with the Council but shall have no vote on questions before it. The Manager may take part in all Council discussions.

(5) Manager Pro-Tem. Whenever the Manager is absent from the City, is temporarily disabled from acting as Manager, or whenever the office becomes vacant, the Council shall appoint a Manager pro-tem who shall possess the powers and duties of the Manager. No Manager pro-tem, however, may appoint or remove a City officer or employee except with the approval of the Council. See Section 11(2).

(6) Ineligible Persons. Neither the Manager's spouse, nor any persons related to the Manager or her/his spouse by consanguinity or affinity within the third degree may hold any appointive office or employment with the City.

Section 24. MUNICIPAL JUDGE. The Municipal Judge shall be appointed by the City Council, shall serve for an indefinite term, and may be removed at the pleasure of the Council. He/she shall be the judicial officer of the City and shall hold within the City a court known as the Municipal Court for the City of Forest Grove, Oregon. The Court shall be open for the transaction of judicial business on such dates and at such times as may be designated by the Municipal Judge.

All area within the City shall be within the territorial jurisdiction of the Court. The Municipal Judge shall have jurisdiction over all offenses defined and made punishable by ordinances of the City and of all actions brought to recover or enforce forfeitures or penalties defined or authorized by ordinances of the City. The Judge shall have authority to issue process for the arrest of any person accused of an offense against the ordinances of the City, to commit any such person to jail, or admit her/him to bail pending trial, to issue subpoenas, to compel witnesses to appear and testify in Court on the trial of any cause before the Court, to compel obedience to such subpoenas, to issue any process necessary to carry into effect the judgments of the Court, and to punish witnesses and others for contempt of court.

When not governed by ordinances or this Charter, all proceedings in the Municipal Court for the violation of a City ordinance shall be governed by the applicable general laws of the State governing justices of the peace and justice courts.

Notwithstanding this Section or Section 11 of this Chapter, the Council may provide for the transfer of powers and duties of the Municipal Court to the appropriate court of the State of Oregon.

Section 25. CITY RECORDER. The City Recorder, or designee, shall serve ex officio as Clerk of the Council, attend all meetings unless excused therefrom, and keep an accurate record of its proceedings. The City Recorder shall sign all orders on the treasury of the City.

Section 26. CITY ATTORNEY. The City Attorney shall be appointed by the City Council, shall serve for an indefinite term and may be removed at the pleasure of the Council. He/she shall be the chief legal officer of the City and shall perform whatever duties are required by the Council.

Section 27. CITY AUDITOR. The City Auditor shall be appointed by the City Council, shall serve under terms mutually agreed by the Council and the Auditor, and shall be the chief fiscal auditor of the City. He/she shall perform any and all audits of the City fiscal affairs as are required by State law, and such other audits of the City accounting and financial practices as may be required by the Council from time to time.

CHAPTER VI

ELECTIONS

Section 28. ELECTIONS. City elections shall be held in accordance with applicable State election laws.

Section 29. REGULATION OF ELECTIONS. The general laws of the State shall apply to the conduct of all City elections.

Section 30. COMMENCEMENT OF TERMS OF OFFICE. The term of office of a person elected at a regular City election shall commence on the tenth day following her/his election.

Section 31. OATH OF OFFICE. Before entering upon the duties of office, each officer shall take an oath affirming that he/she will support the constitutions, laws of the United States and of Oregon, and shall faithfully perform the duties of the office.

Section 32. NOMINATIONS. A qualified elector who has resided in the City during the twelve months immediately preceding an election may be nominated for an elective City office to be filled at the election.

The nomination shall be by a petition that specifies the office sought and shall be in a form prescribed by the Council. The petition shall be signed by not fewer than twenty five (25) electors. No elector shall sign more than one petition for each office to be filled at the election. If an elector does so, the signature shall be valid only on the first sufficient petition filed for office.

The signatures to a nominating petition need not all be appended to one paper, but to each separate paper of the petition shall be attached an affidavit of the circulator thereof, indicating the number of signers of the paper and stating that each signature appended thereto was made in her/his presence and is the genuine signature of the person whose name it purports to be. Opposite each signature shall be stated the signer's place of residence, identified by its street and number or other sufficient designation.

All nomination papers comprising a petition shall be assembled and filed with the Recorder as one instrument not earlier than ninety (90) nor later than seventy (70) days before the election. The Recorder shall make a record of the exact time at which each petition is filed and shall take and preserve the name and address of the person by whom it is filed.

If the petition is not signed by the required number of qualified electors, the Recorder shall notify the candidate and the person who filed the petition within five (5) days after

the filing. If the petition is insufficient in any other particular, the Recorder shall return it immediately to the person who filed it, certifying in writing wherein the petition is insufficient. The deficient petition may be amended and filed again as a new petition, or a substitute petition for the same candidate may be filed, within the regular time for filing nomination petitions.

The Recorder shall notify an eligible person of her/his nomination, and that person shall file with the Recorder written acceptance of nomination, within five (5) days of notification, in such form as the Council may require. Upon receipt of the acceptance of nomination, the Recorder shall cause the nominee's name to be printed on the ballots. The petition of nomination for a successful candidate at an election shall be preserved in the office of the Recorder until the term of office for which the candidate is elected expires.

CHAPTER VII

VACANCIES IN ELECTIVE OFFICE

Section 33. WHAT CREATES VACANCY. An elective office shall be deemed vacant upon the incumbent's death, adjudicated incompetence, conviction of a felony, other offense pertaining to the office, or unlawful destruction of public records, resignation or recall from office. Likewise, if the incumbent ceases to possess the qualifications for the office or fails to qualify for the office within ten (10) days after the time for her/his term of office to commence, that office shall be deemed vacant. The office of Mayor or Councilor shall be deemed vacant upon the incumbent's absence from the City for thirty (30) days without the consent of the Council or upon absence from meetings of the Council for sixty (60) days without like consent, and upon declaration by the Council of the vacancy.

Section 34. MANNER IN WHICH VACANCIES IN ELECTIVE OFFICE SHALL BE FILLED. Vacancies in elective offices shall be filled by appointment by a majority vote of the Council at any regular or other meeting. The person so appointed shall serve the full unexpired term and until a successor is elected and qualified. To fill a vacancy in the office of the Mayor, a majority vote by five members of the Council is required. An officer appointed to fill a vacancy shall, within 48 hours after appointment, qualify for office. Unless he/she does so, the office shall be considered vacant.

CHAPTER VIII
ORDINANCES

Section 35. ENACTING CLAUSE. The enacting clause of all ordinances hereafter shall be, "The City of Forest Grove Ordains as Follows".

Section 36. MODE OF ENACTMENT.

(1) Except as the second and third paragraphs of this section provide to the contrary, every ordinance of the Council shall, before being put upon its final passage, be read fully and distinctly in open Council meeting on two (2) different days.

(2) Except as the third paragraph of this section provides to the contrary, an ordinance may be enacted at a single meeting of the Council by unanimous vote of all Councilors present, upon being read first in full and then by title.

(3) Any of the readings may be by title only if (a) no Councilor present at the meeting requests to have the ordinance read in full, or (b) if (i) a copy of the ordinance is provided for each Councilor, (ii) if three copies are provided for public inspection in the office of the City Recorder not later than one week before the first reading of the ordinance, (iii) if notice of their availability is given forthwith upon filing by written notice posted at the City Hall and two other public places in the City and by advertisement in a newspaper of general circulation in the City. An ordinance enacted after being read by title alone shall have no legal effect if it differs substantially from its terms as it was filed prior to such reading, unless each section incorporating such a difference is read fully and distinctly in open Council meeting as finally amended prior to being approved by the Council.

(4) Upon the final vote on an ordinance, the ayes and nays of the members shall be taken and entered in the record of proceedings.

(5) Upon the enactment of an ordinance, the Recorder shall sign it with the date of its passage, her/his name and title of office, and within three days thereafter the Mayor shall sign it with the date, her/his signature, name, and the title of office.

Section 37. WHEN ORDINANCES TAKE EFFECT. An ordinance enacted by the Council shall take effect on the thirtieth (30) day after its enactment. When the Council deems it necessary, however, an ordinance may provide a later time for it to take effect, and in case of an emergency, it may take effect immediately upon the affirmative vote of four (4) members of the Council.

CHAPTER IX

PUBLIC IMPROVEMENTS

Section 38. IMPROVEMENTS. The procedure for making, altering, vacating, or abandoning a public improvement shall be governed by general ordinance or, to the extent not so governed, by the applicable general laws of the State.

Action on any proposed public improvements, except a sidewalk or except an improvement unanimously declared by the Council to be needed at once because of an emergency, shall be suspended for twelve months upon a remonstrance by the owners of two-thirds of the land to be specifically assessed. In this section, "owner" shall mean the record holder of legal title or where land is being purchased under a land sale contract recorded or verified to the Recorder in writing by the record holder of legal title to the land, the purchaser shall be deemed the "owner".

Prior to approval of any public improvement in which all or any part of the cost will be assessed against the owners of a property within an improvement district, the Council shall publish a notice of a public hearing in a newspaper of general circulation not less than twenty (20) days prior to the date of the public hearing and the Council shall cause notice to be sent by registered or certified mail to the property owners affected. This notice shall contain a description of the proposed improvements and benefited property, an estimate of the total cost of the improvement with the portion to be paid by the owner, a place where additional information may be obtained, a statement informing owners of their right to remonstrance, and the time and place for the public hearing.

Section 39. CONDEMNATION. Any necessity of taking property for the City by condemnation shall be determined by the Council and declared by a resolution of the Council describing the property and stating the uses to which it shall be devoted.

Section 40. SPECIAL ASSESSMENTS. The procedure for levying, collecting, and enforcing the payment of special assessments for public improvements or other services to be charged against real property shall be governed by general ordinance.

Section 41. BIDS. A contract in excess of \$2,500 for a public improvement to be made by a private contractor shall be awarded to the lowest responsible bidder and shall be done in accordance with plans and specifications approved by the Council.

CHAPTER X
LAND USE PLANNING

Section 42. NON-CONFORMING USES. Any property use that was classified a non-conforming use under the Forest Grove Zoning Ordinance on December 2, 1982, shall be considered a permitted use.

Section 43. NOTICE FOR PROPERTY OWNER BEFORE REZONING. In addition to any notice required by law, each owner of property proposed to be rezoned shall be sent a notice describing the proposed zone change by means of a type of mail which has a notice of receipt by the addressee returned to the sender.

CHAPTER XI
URBAN RENEWAL

Section 44. ACTIVATION OF AN URBAN RENEWAL AGENCY.

Determination of the need for, and the activation of, an Urban Renewal Agency in the City must be approved by the voters at a general election, based on a non-emergency ordinance approved by the Council or by an initiative petition filed in accord with State law. "Need" above means that the voters at a general election must declare that a blighted area(s) exist(s) which impairs economic values and tax revenues and that the approved remedy is through an Urban Renewal Agency.

Section 45. ADOPTION OF AN URBAN RENEWAL PLAN.

Any urban renewal plan, or a revision of an adopted plan, formulated by the Urban Renewal Agency, for rehabilitation of a blighted area, shall: (a) provide for adequate citizen participation at each stage of the planning process; (b) conform to all relevant provisions of the Comprehensive Plan; (c) be evaluated by the Planning Commission and Council; and (d) be approved by a majority of the voters at a regular election.

Section 46. EXERCISE OF CONDEMNATION BY AN URBAN RENEWAL AGENCY.

If an urban renewal plan proposed by the Urban Renewal Agency would require the Agency to exercise the power of condemnation for the acquisition of private property, the Council shall, before approving the plan, refer to the voters at a regular election the question of whether an agency should exercise the power of condemnation to acquire the private property described in the Urban Renewal Plan. If more than one parcel of property is proposed for acquisition by condemnation, the Council may, at its discretion, divide the issue.

Section 47. AUTHORIZATION FOR TAX INCREMENT FINANCING OF URBAN RENEWAL INDEBTEDNESS.

If an urban renewal plan proposed by the Urban Renewal Agency includes tax incremental financing of urban renewal indebtedness, the Council shall refer to the voters, at a regular election, the question of authorizing such financing for each plan before approving the plan.

Section 48. TERMINATION OF THE URBAN RENEWAL AGENCY.

If the City determines that there is no longer a need for an Urban Renewal Agency, the Council shall provide, by ordinance, for the termination of the Agency. See Section 20.

CHAPTER XII

AMENDING THE CHARTER

Section 49. CHARTER AMENDMENTS. Amendments to this Charter may be proposed and submitted to the people by the City Council, with or without an initiative petition, but the same shall be filed with the City Recorder for submission not less than 80 days before the election at which they are to be voted upon. No amendment of a City Charter so made shall be effective until it is approved by a majority of the votes cast by the voters of the City.

CHAPTER XIII

MISCELLANEOUS PROVISIONS

Section 50. DEBT LIMIT. Indebtedness of the City may not exceed the limits on City indebtedness under State law. All City officials and employees who create or officially approve any indebtedness in excess of this limitation shall be jointly and severally liable for the excess.

Section 51. EXISTING ORDINANCES CONTINUED.
All ordinances of the City consistent with this Chapter and in force when it takes effect shall remain in effect until amended or repealed.

Section 52. REPEAL OF PREVIOUSLY ENACTED CHARTER PROVISIONS. All Charter provisions of the City enacted prior to the time that this Charter takes effect are repealed.

Section 53. TIME OF EFFECT OF CHARTER. This Charter shall take effect January 1, 1985.

EXHIBIT E

RESOLUTION NO. 2008-58 APPOINTING CHARTER REVIEW COMMITTEE

RESOLUTION NO. 2008-58

**RESOLUTION APPOINTING A CHARTER REVIEW COMMITTEE
AND ASSIGNING DUTIES AND DURATION**

WHEREAS, the City of Forest Grove City Charter was last reviewed and amended in 1985; and

WHEREAS, a goal for Year 2008-09 of the City Council is to complete a Charter review and update; and

WHEREAS, the City Council has determined that it wishes to form a Charter Review Committee to evaluate the existing Charter and to determine if the existing Charter should be updated or changed.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

SECTION 1. The Charter Review Committee shall consist of eleven voting members who shall be appointed by the Mayor with the consent of the Council. At least two members of the committee shall be former elected city officials. No member shall be appointed who currently holds an elected position for the City of Forest Grove.

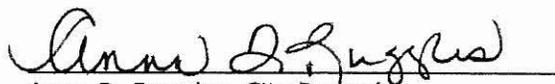
SECTION 2. The Committee shall be subject to, and shall follow, to the greatest extent feasible, the attached document (Exhibit A) entitled "Expectations of the Charter Review Committee".

SECTION 3. The City Council hereby appoints the following persons to the City of Forest Grove Charter Review Committee:

| <u>Last Name</u> | <u>First Name</u> | <u>Affiliation:</u> |
|------------------|-------------------|---|
| Bliss | Meredith (Bud) | Former Elected City Official, Budget Committee |
| Fuiten | Rod | Former Elected City Official, Public Safety Advisory Commission |
| Hatch | Larry | Former Elected City Official |
| Heisler | Carl | Former Elected City Official |
| Jones | Don | Downtown Business Association, Economic Development Commission |
| Maloney | Mike | Various Community Service Organizations |
| Marvin | Monica | Pacific University |
| Nakajima | Lisa | Planning Commission |
| Olson | Mike | Former Chamber President, Economic Development Commission |
| Stagnitti | Jon | Chair Historic Landmarks Board |
| Walters | Gene | Local Business Owner |

SECTION 4. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of August, 2008.


Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of August, 2008.

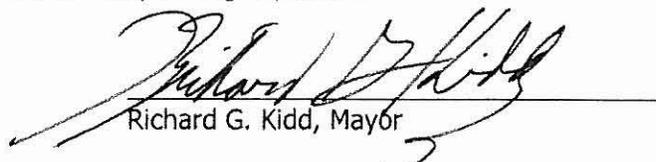

Richard G. Kidd, Mayor

EXHIBIT A

EXPECTATIONS OF THE CHARTER REVIEW COMMITTEE

Purpose and Overview

The primary function of the Charter Review Committee is to review the existing Charter to determine if the Charter will adequately serve the community well into the future. The Committee is to review and recommend to the Council a proposed Charter, Charter amendment, or no changes to the Charter. If approved by the Council, a proposed Charter will be placed on the ballot, proposed for March, 2009, for the voters of Forest Grove.

The Committee must be impartial, non-biased, and free of any perceived political gain and may approach the task in whatever means results in a document that best serves the citizens of Forest Grove.

In addition to adhering to the Oregon Public Meetings law, the Committee will strive to include the community. The Council encourages the Committee to seek opportunities to educate the community about the process and purpose of a Charter Review, the importance of a City Charter and to solicit community input.

It is the Council's experience that undertakings of this scope are best achieved within a set timeline during which Committee members are focused on achieving the task in a timely manner. As such, the Council requests that the Committee begin holding its meetings immediately in order to make a recommendation to the Council by November 1, 2008.

Membership

The Charter Review Committee shall consist of eleven voting members who shall be appointed by the Mayor with the consent of the Council. At least two members of the committee shall be former elected city officials. No member shall be appointed who currently holds an elected position for the City of Forest Grove. The mayor will appoint a member to serve as chair. The mayor may appoint a Council Liaison who will act in an advisory role and shall be a non-voting member to the Committee.

The City Manager, or designee, will attend all Committee meetings and will act in an advisory role and will staff the Committee.

The Charter Review Committee will adhere to the following policies and procedures.

Meetings

- 1) Meeting dates will be set as determined by the majority of the Committee.
- 2) Meetings will be held in the Community Auditorium or other City public facility and all meetings shall be open to the public.
- 3) The Committee shall hold at least two publicly advertised Public Hearings.
- 4) The Committee will consider written and oral testimony offered during the Charter Review Process.
- 5) At the first meeting, the Committee should elect a vice-chair who will serve as chair in the absence of the chair.
- 6) A quorum must be present to conduct business and is necessary to adopt a motion.

Subcommittees

Subcommittees may be formed for the purpose of gathering information and forming a recommendation to be brought forward to the full Committee. However, only the full Committee can vote on and accept the recommendation.

Testimony

- 1) Public testimony will be accepted at each meeting.
- 2) Meeting agendas will have a designated time for the purpose of hearing public testimony.
- 3) At least two publicly advertised Public Hearings will be scheduled as part of the Charter Review Process.
- 4) Guests may be invited to speak to the Committee.

Motions

- 1) The chair will strive to reach consensus of the Committee whenever possible.
- 2) A quorum must be present to conduct business and is necessary to adopt a motion.
- 3) Motions on changes to the Charter constitute tentative approval of such changes pending approval of the final report to the City Council.

City Manager

- 1) The City Manager, or designee, will act in an advisory role to the Committee and attend meetings of the Committee when Public Hearings are required.
- 2) City Manager, or designee, will support the work of the Committee and assist the chair/vice chair in preparing the agenda. Agendas will be mailed electronically to the Committee in advance of the meetings. City Manager, or designee, will conduct research as needed for the Committee. Should the Committee require additional staff support beyond what is provided, a request should be made to the City Manager.
- 3) Staff will prepare minutes for the Committee for meetings that required Public Hearings.
- 4) Staff will post to the City's web page all information related to the Committee's proceedings.
- 5) City Manager, or designee, will review the existing Charter, identify needed changes and updates, and request legal review if necessary of the existing Charter and/or proposed Charter and present the information to the Committee for its review.
- 6) Prepare and explain substantive provisions for consideration and draft alternative provisions for discussion and consideration.
- 7) Draft a Charter and revise the draft based on input from the Committee.
- 8) Prepare a final version of the new Charter for Committee review and Council approval.
- 9) Prepare the ballot title and explanatory statement.

Duration

The Charter Review Committee shall terminate at the time upon recommending to the Council a proposed Charter, Charter amendment, or no changes to the Charter.

**FOREST GROVE CITY COUNCIL REGULAR MEETING
CITY COUNCIL & PLANNING COMMISSION JOINT WORK SESSION
(URBAN AND RURAL RESERVES)
NOVEMBER 10, 2008 – 7:00 P.M.
COMMUNITY AUDITORIUM
PAGE 1**

Minutes are unofficial until approved by Council.

1. ROLL CALL:

Mayor Richard Kidd called the regular City Council meeting to order at 7:05 p.m. and led the Pledge of Allegiance. **ROLL CALL: COUNCIL PRESENT:** Victoria Lowe, Camille Miller, Thomas Johnston, Ronald Thompson, Peter Truax, Elena Uhing, and Mayor Richard Kidd. **STAFF PRESENT:** Michael Sykes, City Manager; Pam Beery, City Attorney; Susan Cole, Assistant Finance Director; Rob Foster, Public Works Director; Tom Gamble, Parks and Recreation Director; Jon Holan, Community Development Director; and Anna Ruggles, City Recorder.

2. CITIZEN COMMUNICATIONS:

Dayla Smoland, Forest Grove, voiced concern that several commercial properties along Pacific Avenue and 19th Avenue were being poorly maintained and were degrading the appearance of Forest Grove.

In response to Smoland's testimony, Mayor Kidd advised that the City Council is also very concerned and is working to address the issues.

3. CONSENT AGENDA: Items under the Consent Agenda are considered routine and will be adopted with a single motion, without separate discussion.

Council members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the Consent Agenda item(s).

- A. Approve City Council Regular Meeting Minutes of October 27, 2008.
- B. Approve City Council Joint Work Session (Forest Grove School District Board of Directors) Meeting Minutes of October 27, 2008.
- C. Accept Charter Review Committee Meeting Minutes of October 21, 2008.
- D. Accept Community Forestry Commission Meeting Minutes of September 17, 2008.
- E. Accept Historic Landmarks Board Meeting Minutes of September 23, 2008.

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MOTION: Councilor Johnston moved, seconded by Councilor Uhing, to approve the Consent Agenda as presented. MOTION CARRIED 7-0 by voice vote.

4. **ADDITIONS/DELETIONS:** None.

5. **PRESENTATIONS:**

5. A. **Engineering Report Pertaining to the Pavement Conditions of Pacific and 19th Avenue**

Foster reported the purpose of the above report was to inform Council of the status of several sections of roadway that are showing signs for asphalt pavement failure. Foster reported that staff and CH2MHill, engineering firm, conducted a field visit to the site to visually inspect and map the distressed areas, noting the field visit revealed that most of the failed areas are located on seams between two different thickness layers and may indicate that traffic has been driving off the edge of the thicker layer or the initial testing did not accurately locate the boundaries of the weaker sub-grade. Foster advised that in order to get a clearer picture of the reasons the pavement is failing, CH2MHill is recommending that core exploration be conducted in approximately 20 difference locations, noting the core evaluation will reveal actual constructed pavement thickness and construction deficiencies and what course of action needs to be taken to restore the pavement to an acceptable level. In response to Council concerns, Foster advised that staff recently met with the Oregon Department of Transportation to review the project and discuss the findings, noting the Oregon Department of Transportation has offered to perform the core explorations at no cost to the City.

5. B. **Progress Report Pertaining to Clean Water Services Delivery Study for Capital Improvement Projects and System Development Charges**

Cole and Foster reported the purpose of the above report was to inform Council of the status of Clean Water Services' (CWS) service delivery study to reconfirm and redefine program responsibilities for sewer and storm water management and capital improvement projects. Staff reported the City entered into an Intergovernmental Agreement with the Parties in June, 2008, which contained a Responsibility Matrix defining local and regional

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maintenance responsibilities. A separate effort is currently underway to develop a new rate model so that cities will have a local sanitary sewer rate and CWS will have a regional rate; both rates will be combined to calculate the total customer bill. Cole and Foster advised that the Parties are also reviewing the best way to fund capital improvement projects for sewer pipes. Currently, cities fund projects for pipe sizes less than 24 inches and CWS funds projects for pipe sizes equal to 24 inches and greater. CWS is proposing to change the pipe size split from the current 24-inch and greater to 12-inch pipes. Cities would fund capital projects for all pipes below 12 inches. Cole and Foster noted that changing the pipe size delineation from 24 inches to 12 inches also changes how the System Development Charges are determined. Instead of the City keeping 20 percent of the amount CWS charges, the City would need to come up with its own SDC to fund eligible local projects with pipe sizes below 12 inches. A new Capital Improvements Project (CIP) Committee has been formed to determine which pipe projects 12 inches or greater would receive funding from CWS. Cities are in the process of submitting their project applications. The CIP Committee will review project applications and apply criteria to determine project priorities. In addition, Cole and Foster asked for Council support to proceed with the pilot program to change the pipe size delineation, noting the City would need to develop its own SDC to fund capacity projects for pipe sizes lower than 12 inches in time for the 2009-10 budget year. In conclusion of the above discussion, Council collectively supported staff's recommendation to proceed with the pilot program to change the pipe size delineation.

6. RESOLUTION NO. 2008-65 APPROVING STITES PARK MASTER PLAN

Staff Report:

Gamble presented the above-proposed resolution for Council consideration, noting the 2002 Parks, Recreation, and Open Space Master Plan identified Stites Park, near 26th Avenue and Elm Street, as a neighborhood park and recreational facilities. Gamble reported the features of Stites Park includes a trail network, interpretive signs to educate viewers of plant species, ecological benefits, and drainage systems, and provides play fields, play structures, parking, picnicking and restroom facilities. Gamble noted staff met with neighbors, hosted a neighborhood meeting, and contacted the Stites family to review the Master Plan to ensure the Park was developed to comply with the property deed restrictions. In addition, the Parks and

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Recreation Commission unanimously approved the Master Plan at its October 15, 2008, meeting. In response to Council comments, Gamble introduced Alex Hurley, AKS Project Engineer, who addressed the various drainage improvements.

Before proceeding with Council discussion, Mayor Kidd asked for a motion to adopt Resolution No. 2008-65.

Beery read Resolution No. 2008-65 by title.

MOTION: Councilor Truax moved, seconded by Councilor Lowe, to adopt Resolution No. 2008-65 Approving Stites Park Master Plan.

Council Discussion:

Hearing no further discussion from the Council, Mayor Kidd asked for a roll call vote on the above motion.

ROLL CALL VOTE: AYES: Councilors Lowe, Johnston, Miller, Thompson, Truax, Uhing, and Mayor Kidd. NOES: None. MOTION CARRIED 7-0.

Mayor Kidd called for a recess from the regular meeting at 8:08 p.m. to convene in Joint Work Session with the Planning Commission at 8:20 p.m.

7. JOINT WORK SESSION WITH PLANNING COMMISSION: URBAN AND RURAL RESERVES:

Mayor Kidd called the Joint Work Session to order at 8:20 p.m. **ROLL CALL:** **COUNCIL PRESENT:** Thomas Johnston, Victoria Lowe, Camille Miller (left at 8:47 p.m.), Ronald Thompson, Peter Truax, Elena Uhing, and Mayor Richard Kidd. **PLANNING COMMISSION PRESENT:** Carolyn Hymes, Al Miller, Lisa Nakajima, Edward Nigbor, and Commissioner Chair Tom Beck. **PLANNING COMMISSION ABSENT/EXCUSED:** Luann Arnott and Cindy McIntyre.

Staff Report:

Holan introduced Kathryn Harrington, Metro Councilor District 4, who was present in the audience and provided opening comments. Holan reported the purpose of the Joint Work Session was to provide information to the Council and Planning Commission pertaining to Washington County's

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approach in assessing and evaluating the suitability of potential Urban and Rural Reserve areas and to discuss Forest Grove's aspirations. Holan provided a report from Washington County outlining the regional reserves study areas, which includes over 171,000 acres in Washington County, noting that Washington County's draft analysis shows suitability ratings indicating how urban and rural reserve areas meet the factors provided under the Administrative Rule. Holan presented preliminary results and maps showing potential reserve areas within and surrounding Forest Grove and maps showing Forest Grove's Concept Planning Areas and Forest Grove's Aspirations (Town Center District and Station Areas). Holan presented a PowerPoint presentation outlining the "Evolution of Urban and Rural Reserve Factors"; "Schematic for Applying Great Communities Urbanization Characteristics"; and maps and graphs showing Agricultural Lands Inventory, Wildland Forest Inventory, Natural Landscape Features, Rural and Urban Reserve Suitability Analysis, and Rural and Urban Reserves Factors.

Council/Commission Discussion:

Mayor Kidd opened the floor and roundtable discussion ensued pertaining to the methodology Washington County is using in identifying the rural and urban reserves. Holan addressed inquiries pertaining to the various maps and analysis pertaining to wetlands, floodplains, hillsides, and the five-mile study area outside of the Urban Growth Boundary (UGB). Discussion ensued pertaining to David Hill and Council Creek as areas that should have stronger consideration factors for urban reserves and potentially overlooking areas that are situated within proximity of a railroad. Discussion ensued pertaining to the need of maintaining Forest Grove's rural identity and protecting the City's surrounding natural resources when assigning values. In conclusion, Mayor Kidd explained that Washington County is attempting to establish a methodology that can be used to justify a recommendation to Metro, Core 4 Committee, noting the approach Washington County is using is accurate; however, Mayor Kidd advised that the weighting and percentage values for Forest Grove need be closely assessed to ensure suitability for Forest Grove.

In conclusion of the above discussion, Holan recapped the following comments from Councilors and Commissioners pertaining to the Urban and Rural Reserves and Washington County's approach.

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- There was no objection with Washington County's approach.
- The Urban and Rural Reserve assessment was incomplete because not all the factors were addressed. In particular, natural landscape features need to be included as part of the assessment.
- Slope should have more weighting. There is a relatively high urban reserve assessment near the current UGB on David Hill where slopes would preclude the ability to achieve 10-units per acre density.
- Proximity to rail should be a separate factor since it is important for industrial uses. This brought up the notion that urban reserve should be assessed separately for residential/commercial and industrial use.
- Although not a criteria, boundaries should not be hard edges, such as roads. This reduces the ability for private development on both sides of a major roadway to contribute to its improvement. A more appropriate boundary would be use of wetlands/creeks and for Washington County, vegetative corridors. Wetlands, creeks, and corridors should be within the urban area subject to preservation requirements since it would serve as a no build/no ag production buffer between urban and agricultural activities.

Councilor Miller dismissed herself at 8:47 p.m.

Mayor Kidd adjourned the Joint Work Session with the Planning Commission at 9:50 p.m. and reconvened the regular meeting at 10:00 p.m.

8. CITY MANAGER'S REPORT:

Sykes reported on upcoming events as noted in the Council calendar and reported on other various upcoming local meetings and events. Sykes reported the City received a *Notice of Intent to Appeal* from the Land Use Board of Appeals, which was filed by the Best Western University Inn and Suites who is appealing the City's land use decision for Rose Grove Recreational Park. In addition, Sykes reported staff is preparing this year's Citizen Survey Questionnaire, which will be mailed out soon.

9. COUNCIL COMMUNICATIONS:

Lowe had nothing to report.

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Johnston reported on the Public Safety Advisory Commission meeting, noting the Commission met the new Fire Chief, Michael Kinkade. In addition, Johnston reported on the Veterans' Day ceremony that was conducted at the Forest Grove High School.

Thompson reported on the Transit Committee meeting, noting the Committee discussed various transportation-related issues. In addition, Thompson reported on the Community Forestry Commission meeting, noting the Commission evaluated the Street Tree Program and reported that Sunset Drive has been successfully replanted. At Mayor Kidd's request, Thompson provided a brief update on the Street Tree Program, noting the program information is posted on the City's website.

Truax reported on the Forest Grove Rural Fire Protection District meeting, noting the Board met the new Fire Chief and discussed various issues pertaining to urban and rural reserves and enterprise zones. In addition, Truax reported on the Charter Review Committee meetings, noting the Committee held two public hearings, has completed its review of the Charter, and is planning to meet in joint work session with Council on November 24, 2008, to present the Committee's final report and recommendations. In conclusion, Truax shared closing comments in recognition of Veterans' Day.

Uhing reported on the Economic Development Commission and Historic Landmarks Board meetings, noting the Committee for Citizen Involvement met with each group and reviewed the pertinent sections of the Vision Statement Action Plan.

Mayor Kidd reported on various Metro and Washington County meetings and tours he attended and upcoming meetings and events he was planning to attend. Mayor Kidd reported on various Washington County transportation issues, various regional and local issues, and various upcoming community events and activities. Mayor Kidd distributed a letter received from the Home Builders Association of Metropolitan Portland (HBAMP), noting the HBAMP is proposing a Regional Residential Development Summit in the coming months to brainstorm changes that can be made to jumpstart the local housing market. Mayor Kidd advised that he would like to schedule a

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Council work session to discuss the proposed economic stimulus package, noting the package will serve several cities' requirements. In conclusion, Mayor Kidd congratulated the re-elected Councilors, Truax, Uhing and Lowe, noting the swearing-in ceremony is scheduled for Friday, November 14, 2008, 5:00 p.m. at the Community Auditorium.

10. **ADJOURNMENT:**

Mayor Kidd adjourned the meeting at 10:31 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

**FOREST GROVE CITY COUNCIL EXECUTIVE SESSION
ORS 192.660(2)(E) REAL PROPERTY
NOVEMBER 10, 2008 – 9:30 P.M.
COMMUNITY AUDITORIUM – CONFERENCE ROOM
PAGE 1**

Minutes are unofficial until approved by Council.

1. ROLL CALL:

Mayor Richard Kidd called the Executive Session to order at 10:35 p.m. **ROLL CALL: COUNCIL PRESENT:** Victoria Lowe, Thomas Johnston, Ronald Thompson, Peter Truax, Elena Uhing, and Mayor Richard Kidd. **COUNCIL ABSENT:** Camille Miller, excused. **STAFF PRESENT:** Michael Sykes, City Manager; Pam Beery, City Attorney; and Anna Ruggles, City Recorder

2. EXECUTIVE SESSION:

The City Council met in Executive Session in accordance with:

ORS 192.660(2)(e) to deliberate with persons designated by the governing body to negotiate in real property transactions.

3. ADJOURNMENT

Mayor Kidd adjourned the Executive Session at 10:55 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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**FOREST GROVE CHARTER REVIEW COMMITTEE PUBLIC HEARING
NOVEMBER 6, 2008 – 7:00 P.M.
COMMUNITY AUDITORIUM
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Minutes are unofficial until approved by the Charter Review Committee.

1. ROLL CALL

Larry Hatch, Charter Review Committee Chair, called the Charter Review Committee Public Hearing to order at 7:05 p.m. **ROLL CALL: COMMITTEE MEMBERS PRESENT:** Meredith “Bud” Bliss, Rod Fuiten, Carl Heisler, Mike Maloney, Monica Marvin, Lisa Nakajima, Mike Olson, and Larry Hatch, Chair. **COMMITTEE MEMBERS ABSENT:** Don Jones and Gene Walters. **COUNCIL LIAISON PRESENT:** Councilor Peter Truax. **STAFF PRESENT:** Michael Sykes, City Manager; Tom Sponsler, City Attorney; and Anna Ruggles, City Recorder.

2. APPROVE CHARTER REVIEW COMMITTEE WORK SESSION MEETING MINUTES OF OCTOBER 21, 2008:

Hearing no discussion from the Committee, Hatch asked for a motion and vote to approve the October 21, 2008, minutes as presented.

MOTION: Committee Member Heisler moved, seconded by Committee Member Fuiten, to approve the Charter Review Committee Work Session Meeting Minutes of October 21, 2008, as presented. **ABSENT:** Don Jones and Gene Walters. **MOTION CARRIED 8-0 by voice vote.**

3. CHARTER REVIEW COMMITTEE - SECOND PUBLIC HEARING:

Staff Report:

Sykes and Ruggles presented a copy of the amended “Charter Review Committee Report and Recommendations”. Staff reported the Committee held its first Public Hearing on October 21, 2008, noting no one provided testimony and no written comments were received; however, the Committee made a recommendation pertaining to Section 42, non-conforming uses, as noted in Page 6 of the Committee’s Report. Ruggles advised that the Committee would hold its second Public Hearing this evening for the purpose of receiving public input on the proposed amendments to the “Draft” City of Forest Grove Charter (Exhibit C). Ruggles explained that the Charter Review Committee would be taking public testimony and would be asked to take into consideration any points mentioned during the public testimony phase before the Committee submits a final proposed Charter document and recommendation to the City Council, who will ultimately make the final decision on whether or not to submit a new Home Rule Charter to the voters of Forest Grove for consideration.

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Public Hearing Opened:

Hatch opened the Public Hearing.

The Forest Grove Chamber of Commerce Director, Mayor Richard Kidd, and one citizen were present in the audience.

Proponents:

Mayor Richard Kidd reported that after closely reviewing “Draft 4” with Councilor Peter Truax and staff he was proposing the following amendments for the Committee’s consideration.

SECTION 3. BOUNDARIES

Include as a reference the City of Forest Grove “Area of Influence Map”. Mayor Kidd indicated the Committee had concluded the map was unnecessary; however, Mayor Kidd felt the map was necessary for Forest Grove, because Forest Grove is different than other cities in the State. Mayor Kidd explained that Forest Grove is located in Metro and Washington County and as such, future aspirations are required to be expressed, noting the map is a way to express those aspirations. Mayor Kidd advised the Committee that Forest Grove is the only City in Washington County that has its own public electrical utility that provides service outside of the City limits and the only City in Washington County that owns a watershed outside of the City limits, and Forest Grove also contracts fire services outside of the City limits. Mayor Kidd explained the map would meet the Charter requirements as the official designation of the City boundaries and would be a tool for future mayors, councilors, and staff when meeting and discussing with State, County, and Metro officials as to the future aspirations and responsibilities of Forest Grove.

After hearing Mayor Kidd’s testimony, the Committee concluded that the map had significant purpose but felt the City Charter was not the appropriate document to reference the map. The Committee affirmed that the purpose of Section 3, Boundaries, is for the purpose of identifying only those territories/boundaries within the City limits.

In addition, Mayor Kidd proposed the following amendments **(as highlighted)** and the Committee concurred as follows:

SECTION 10. COUNCIL RULES

The Council must adopt by resolution rules to govern its meetings and proceedings.

**FOREST GROVE CHARTER REVIEW COMMITTEE PUBLIC HEARING
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SECTION 16. ORDINANCE ENACTMENT

- (b) The Council may enact an ordinance at a single meeting by unanimous approval by at least five members, provided the proposed ordinance is available to the public at least ~~one week~~ **seven (7)** days before the meeting.
- (e) After enactment of an ordinance **and signature by the Mayor**, the City Recorder must attest to the ordinance by name, title, and date of enactment.

SECTION 19. RESOLUTION ADOPTION

- (d) After adoption of a resolution **and signature by the Mayor**, the City Recorder must attest to the resolution by name, title, and date of adoption.

SECTION 22. ORDER ADOPTION

- (d) After adoption of an order **and signature by the Mayor**, the City Recorder must attest to the order by name, title, and date of adoption

SECTION 29. TERMS

The term of an officer elected at a general election begins at the first Council meeting ~~of the year~~ immediately after the election is certified by county elections officials, and continues until the successor qualifies and assumes the office.

SECTION 33. CITY MANAGER

- (c) The Manager need not reside in the City at the time of employment, but must within six months become and remain a resident of the City while appointed as Manager. A majority of the Council may modify the contract to extend the time to comply. ~~or waive this residency requirement.~~
- (h) When the Manager is temporarily disabled from acting as Manager or when the office becomes vacant, the Council must appoint a Manager pro tem **as prescribed by Council rules**. The Manager pro tem has the authority and duties of Manager, except that a Manager pro tem may not appoint or remove employees without Council approval

Opponents:

No one else wished to testify and no written comments were received.

Others:

No one wished to testify and no written comments were received.

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Public Hearing Closed:

Hearing no further testimony, Hatch closed the Public Hearing.

Charter Review Committee Meeting Schedule:

Ruggles reviewed the upcoming Committee Meeting Schedule, noting the Committee is scheduled to hold a joint work session with Council to present its final document and recommendations. Ruggles advised that she would incorporate the above amendments into the Charter as “Draft 5” and would include the Committee’s discussion points pertaining to the map in the Committee’s Final Report and Recommendations.

4. ADJOURNMENT

Hearing no further discussion from the Charter Review Committee, Hatch adjourned the meeting at 8:41 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

3D

Monthly Building Activity Report

October-08

2008-09

| Category | Period: October-07 | | Period: October-08 | |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | # of Permits | Value | # of Permits | Value |
| Man. Home Setup | 1 | N/A | | |
| Sing-Family New | 7 | \$1,813,908 | 3 | \$1,089,513 |
| SFR Addition & Alt/Repair | 7 | \$71,054 | 3 | \$37,221 |
| Mult. Fam. New/At | | | | |
| Group Care Facility | | | 1 | \$6,500 |
| Commercial New | | | | |
| Commerical Addition | 1 | \$35,000 | | |
| Commercial Alt/Repair | 1 | \$65,000 | 4 | \$64,221 |
| Industrial New | | | | |
| Industrial Addition | | | 2 | \$83,226 |
| Industrial Alt/Repair | | | 1 | \$8,500 |
| Gov/Pub/Inst (new/add) | | | 1 | \$42,400 |
| Signs | | | 1 | \$14,900 |
| Grading | | | 1 | |
| Demolitions | | | | |
| Total | 17 | \$1,984,962 | 17 | \$1,346,480 |

Year-to-Date

| 2007-08 | | 2008-09 | |
|---------|--------------|---------|-------------|
| Permits | Value | Permits | Value |
| 94 | \$10,240,381 | 71 | \$5,918,947 |

FIRE DEPARTMENT MONTHLY REPORT

3E

October 2008

| ALARM RESPONSE | THIS MONTH | | | 7 AM - 4:59 PM | | | 5 PM - 6:59 AM | |
|------------------------------------|------------|------|-------|----------------|-----------------|-------|----------------------|------------|
| TOTAL CALLS | 237 | | | 123 | | | 114 | |
| TYPES OF ALARMS | City | Dist | Total | City | THIS Y-T-D DIST | Total | THIS MONTH LAST YEAR | LAST Y-T-D |
| Rescue & First Aid | 158 | 13 | 171 | 1417 | 207 | 1624 | 151 | 1503 |
| Structure Fire | 2 | 1 | 3 | 18 | 8 | 26 | 1 | 32 |
| Vehicle Fire (mobile property) | 1 | 0 | 1 | 5 | 5 | 10 | 0 | 9 |
| Brush, Grass, Leaves | 0 | 2 | 2 | 22 | 11 | 33 | 2 | 44 |
| Trash, Rubbish | 0 | 0 | 0 | 10 | 3 | 13 | 2 | 13 |
| Smoke & Odor Investigation | 4 | 1 | 5 | 34 | 15 | 49 | 14 | 72 |
| Illegal Burn | 1 | 4 | 5 | 14 | 18 | 32 | 1 | 35 |
| Hazardous Mat/Situation | 1 | 0 | 1 | 25 | 12 | 37 | 2 | 16 |
| Public Service/Good Intent | 15 | 1 | 16 | 182 | 21 | 203 | 27 | 228 |
| Mutual Aid | 0 | 0 | 4 | 0 | 0 | 77 | 5 | 82 |
| False Alarm/Alarm Malfunctions | 26 | 3 | 29 | 141 | 14 | 155 | 22 | 163 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| TOTAL CALLS | 208 | 25 | 237 | 1868 | 314 | 2259 | 227 | 2199 |
| CAUSES OF FIRES | City | Dist | Total | City | Dist | Total | Last Year | Last Y-T-D |
| Matches,smoking,discarded matl | - | - | - | 16 | 2 | 18 | 2 | 27 |
| Electrical, battery | 1 | - | 1 | 7 | 2 | 9 | - | 9 |
| Appliance Malfunction | - | - | - | 1 | - | 1 | - | - |
| Chimneys, flues, pellet stoves | 1 | - | 1 | 4 | 3 | 7 | - | 5 |
| Spontaneous Combustion,Rekindle | - | - | - | - | 3 | 3 | - | 3 |
| Machinery/Mechanical | - | - | - | 1 | 3 | 4 | - | 4 |
| Ignition of Hot Grease/Cooking | - | - | - | 5 | - | 5 | - | 5 |
| Explosions | - | - | - | - | 1 | 1 | - | 1 |
| Fuel System Malfunction | - | - | - | - | 2 | 2 | - | 2 |
| Sparks, Embers, Rekindle | 1 | - | 1 | 4 | 4 | 8 | - | 8 |
| Fireworks | - | - | - | 2 | - | 2 | - | 5 |
| Contact W/Heating Device | - | - | - | 2 | - | 2 | - | 4 |
| Incendiary/Suspicious | - | - | - | 4 | 1 | 5 | 2 | 16 |
| Undetermined | - | - | - | 3 | 1 | 4 | - | 4 |
| Juveniles With Fire | - | - | - | 4 | - | 4 | - | 2 |
| Burning Out of Control | - | 3 | 3 | - | 4 | 4 | 1 | 5 |
| Vehicle Problems, oil, trans, etc. | - | - | - | 2 | 1 | 3 | - | - |
| Other | - | - | - | - | - | - | - | - |

LEADING CAUSE THIS MONTH: Burning Out of Control
 LEADING CAUSE THIS Y-T-D: Matches, smoking & discarded material

CAUSE LAST YEAR: Various causes
 LAST YEAR TO DATE: Matches, smoking & discarded material

FIRE DEPARTMENT MONTHLY REPORT

October 2008

| | This Month | This Y-T-D | Last Year | Last Y-T-D |
|---|-------------------|-------------------|-------------------|-------------------|
| Calls occurring at same time | 34 | 300 | 27 | 308 |
| FIRE COSTS | This Month | This Y-T-D | Last Year | Last Y-T-D |
| Persons Injured by Fire | 0 | 0 | 0 | 1 |
| Fatalities by Fire | 0 | 0 | 0 | 1 |
| Estimated Fire Loss | \$0 | \$ 786,125 | \$ 100 | \$ 298,895 |
| Estimated Fire Savings | \$ 237,500 | \$ 22,978,330 | \$ 8,999,950 | \$ 58,193,744 |
| TRAINING | This Month | This Y-T-D | Last Year | Last Y-T-D |
| Total Hours | 475.19 hrs | 5,658.69 hrs | 1,014.75 hrs | 8,723.95 hrs |
| COMPANY ACTIVITIES | This Month | This Y-T-D | Last Year | Last Y-T-D |
| Assemblies | 5 | 80 | 11 | 124 |
| Educational Inspections | 16 | 71 | 7 | 59 |
| Institutional Inspections | 2 | 29 | 1 | 40 |
| Residential/Apts.,Motels,etc. | 8 | 36 | 8 | 158 |
| Stores & Offices | 17 | 181 | 20 | 158 |
| Industrial & Mfg Inspection | 0 | 12 | 0 | 31 |
| Storage/Farm,wrhses,etc. | 0 | 2 | 0 | 13 |
| Special/Bridges,vacant blds | 3 | 37 | 7 | 20 |
| Complaint Inspections | 3 | 24 | 1 | 11 |
| Home Business | 0 | 12 | 0 | 8 |
| Driveway Inspections | 5 | 32 | 3 | 37 |
| Smoke Alarms | 7 | 57 | 1 | 25 |
| Self Inspected Businesses | 0 | 0 | 0 | 30 |
| Total Inspections | 66 | 573 | 59 | 714 |
| PERSONNEL | | This Month | Last Month | Last Year |
| Total Paid Personnel | | 19 | 19 | 18 |
| Volunteer Roster | | 37 | 37 | 34 |
| Total Hours Lost for Sickness (paid) | | 84 hrs | 129.75 hrs | 232.50 hrs |
| Total Hours Lost for Injury | | 0 hrs | 54 hrs | 0 hrs |
| APPARATUS | | This Month | Last Month | Last Year |
| Gasoline | | gals | 99 gals | 22.70 gals |
| Diesel | | gals | 491.80 gals | 578.90 gals |
| Total Fuel Usage | | gals | 590.80 gals | 601.60 gals |
| Total Pump Hours | | hrs | 14.25 hrs | 7.25 hrs |
| REMARKS: | | | | |
| 34 calls @ same time. 18 times 2 calls @ same time, 5 times 3 calls @ same time, 2 times 4 calls @ same time. | | | | |
| 52 calls to Assisted Living Facilities, 6 calls to 24-hr Care Homes | | | | |

MONTHLY RECORD

MONTH/YEAR: OCTOBER 2008

| | | | | | |
|---------------------------|---|----------------|---|-----------------|---|
| NEW SMOKE ALARMS | 7 | COMPLAINTS | 3 | DRIVEWAYS | 5 |
| LOANER SMOKE ALARMS | 0 | INVESTIGATIONS | 0 | PLANS REVIEWED | |
| SELF INSPECTED BUSINESSES | 0 | JUVENILES | 0 | - COMMERCIAL | 3 |
| HOME OCCUPATIONS | 0 | ADDRESS SIGNS | 1 | - SUB-DIVISIONS | |

| OCCUPANCY | REGULAR INSPECTION | RE-INSPECTION | SPECIAL INSPECTION | HAZARDS NOTED | HAZARDS ABATED | PUBLIC EDUCATION PROGRAMS |
|---|--------------------|---------------|--------------------|---------------|----------------|---------------------------|
| ASSEMBLIES Amusement, recreation, churches, restaurants, clubs, etc. | 2 | 3 | 0 | 1 | 5 | 1 |
| EDUCATIONAL Schools, Colleges, Trade Schools, etc. | 1 | 12 | 3 | 1 | 22 | 29 |
| INSTITUTIONAL Day care, Hospitals, Assisted Living, Nursing, Jails, etc. | 1 | 1 | 0 | 8 | 1 | 0 |
| RESIDENTIAL Apartments, Hotels, Dorms, Motels, etc. | 0 | 2 | 6 | 3 | 4 | 0 |
| STORES AND OFFICES Retail, equipment sales and service, offices, repair shops, etc. | 7 | 8 | 2 | 10 | 12 | 0 |
| INDUSTRIAL AND MANUFACTURING Labs, Farms, Metal, Wood Products, Petroleum, Textile, Chemical, etc. | 0 | 0 | 0 | 0 | 0 | 0 |
| STORAGE Farms, Lumber, Petroleum, Chemicals, General Warehouses, etc. | 0 | 0 | 0 | 0 | 0 | 0 |
| SPECIAL PROPERTIES Vacant property, equipment, vehicles, bridges, etc. | 0 | 0 | 3 | 0 | 0 | 0 |

FOREST GROVE CITY LIBRARY
CIRCULATION STATISTICS REPORT: NOVEMBER 2008

| | OCT 2008 | SEPT 2008 | OCT 2007 |
|--|----------|-----------|----------|
| Total Check-outs: | 27,991 | 26,099 | 24,627 |
| Total Check-ins: | 22,655 | 21,372 | 12,097 |
| New Registrations: | 187 | 206 | 175 |
| Intra-library Holds To Forest Grove: | 9,856 | 9,252 | 8,761 |
| Intra-library Holds From Forest Grove: | 7,324 | 6,960 | 6,369 |
| Children's Programs: | 15 | 5 | 10 |
| Average Attendance at Children's Programs: | 43 | 25 | 33 |
| ILLs (Inter-library loans/out of county): | 129 | 72 | 133 |
| Self-Check Out* Patrons Accepted | 1,014 | 938 | 825 |
| Self-Check Out* Patrons Denied | 251 | 264 | 296 |
| Self-Check Out* Total Items | 3,742 | 3,388 | 2,765 |
| Self-Check Out* Items Denied | 43 | 54 | 28 |
| Self Check-Out* Items Renewed | 66 | 24 | 27 |
| Reference Questions | NA | NA | NA |
| Eye Count: | 16,820 | 14,184 | 14,018 |
| Number of Days Open: | 27 | 25 | 23 |
| SAM Stats for FGL to 7-16-2008 | | | |
| # of users logged | NA | NA | 938 |
| # of sessions | NA | NA | 3,692 |
| Total user hours | NA | NA | 1,821 |
| Average session time in minutes | NA | NA | 29 |
| ENVISIONWARE SOFTWARE INSTALLED 7-16-2008 | | | |
| # of sessions | 3,187 | 2,950 | NA |
| Total user hours | 1,759 | 1,640 | NA |
| Average session time in minutes | 33 | 33 | NA |

***SELF-CHECK OUT MACHINES BEGAN OPERATIONS 3-17-2007**
KH/FGL 11/7/08

November 24, 2008

**REPORT AND RESOLUTION ON THE BONNEVILLE POWER ADMINISTRATION
WHOLESALE POWER PURCHASE CONTRACT**

Project Team: Janet Lonneker, Director of Light and Power
Michael Sykes, City Manager
Paul Downey, Administrative Services Director
Cable, Huson Benedict – Attorney

Issue Statement: The City of Forest Grove purchases the majority of wholesale electric power from Bonneville Power Administration (BPA). This power is purchased under a 10-year contract that will expire September 30, 2011. A new 20-year wholesale power purchase contract to go into effect October 1, 2011, is ready for Council consideration and approval at this time.

Background: The current Bonneville Power Administration contact was entered into in 2001. The structure of the new 2012-2028 contract has changed dramatically from the previous agreement. The contract is still for the purchase of wholesale power only, as a Load Following customer of Bonneville Power Administration, where transmission services have a separate agreement, however the wholesale rate methodology has changed.

The proposed new BPA contract establishes the amount of power in average Megawatts (aMW) to be provided to the utility at the preference rate. The amount of power is referred to as the Contract High Water Mark (CHWM) and the cost of this power is the Tier 1 preference rate.

The rate structure has also changed. Currently, the wholesale rates consists of 5 components: Heavy Load Hour Energy, Light Load Hour Energy, Demand and Load Variance rates fixed for 5 years with an Adjustment Clause for unanticipated expenses and a "True-up" at the end of the year so that BPA revenues match the cost of service. The new contract changes wholesale rates to 3 components: Customer Charge, Load Shaping and Demand rates fixed for 2 years based on BPA *forecasted* expenses. The Customer Charge is a fixed monthly charge based on BPA's total expenses divided by our HWM. So, in other words, our proportional amount of the expenses incurred by BPA to provide power from the federal system. This *forecast* of BPA expenses includes a cushion called Planned Net Revenues for Risk (PNRR). It is similar to the Adjustment Clause, except instead of adjustments made in response to an

incurred expense, BPA builds in a cushion in the Customer Charge up front, like a reserve, and will use that reserve for the unexpected expenses incurred. The reserve will carry over year to year if it is not used, thus minimizing BPA risk. The Load Shaping rate will increase or decrease based on the utility's usage patterns, meaning the heavy load hour and light load hour usage. This will provide incentive still for customers to shift usage to off-peak hours. The Demand charge changes as well. Currently the utility is charged a rate (\$/kW) for peak load per month. With this new High Water Mark (HWM) methodology, our utility will also get a Demand "HWM" called a Contract Demand Quantity (CDQ). The Demand rate will be charged for any peak load that exceeds our CDQ. Our historical monthly peaks are "grandfathered" in and that cost captured in the Tier 1 rates. Anything over that CDQ will be charged at the Demand rate. This is not a freebie. It just simply establishes our historical peak demand that BPA will charge "preference rate" Tier 1 for, and anything above that CDQ, will be charged a higher rate established as the new Demand rate.

The new 20-year power purchase agreement provides an overview of the options available to purchase power from BPA for the power that exceeds the City's HWM. These options include long and short-term power purchases made by BPA on behalf of FGL&P, if the utility so chooses. The cost of this above HWM power will be subject to Tier 2 rates established by BPA. These rates are not included in this agreement and it is not the intention of this agreement to make that decision now. This power purchase agreement simply establishes the rights FGL&P has to choose BPA to provide this service in the future. The detailed Tier 2 decisions come up in November 2009.

BPA rates are still well below market price for wholesale electricity in the Northwest. This results from the fact that, by law, Federal power must be sold at cost. Market prices reflect supply and demand conditions, and have trended upward over the past 5 years as demand growth has outpaced supply in the region. Consequently, there are no other wholesale electricity suppliers currently offering to sell power at or near BPA Tier 1 prices.

BPA has set a target date of December 1, 2008, by which all post-2011 power sales contracts should be executed. Wholesale power customers such as the City that do not sign new contracts by that date will still be eligible for federal power, but will not be able to purchase it under the lowest rates or most favorable conditions.

Recommendation: It is recommended that the City Council adopt the attached Resolution approving and authorizing the City Manager to endorse the post-2011 Bonneville Power Administration 20-year Wholesale Power Contract (attached as Exhibit A). It is necessary to maintain the City's electric utility customers under preference rates and establish the City's HWM allocation of the federal based system. Again, this agreement is meant only for power purchase, to establish the City as a Load Following Customer of BPA at the Tier 1 rate and is not meant to address decisions for a Tier 2 product.

6

RESOLUTION NO. 2008-66

RESOLUTION APPROVING THE 20-YEAR WHOLESALE POWER SALES AGREEMENT BETWEEN THE CITY OF FOREST GROVE AND BONNEVILLE POWER ADMINISTRATION

WHEREAS, the City of Forest Grove (City) owns and operates an electric utility which must purchase wholesale power in order to provide service to customers within the City and some surrounding area; and

WHEREAS, the City of Forest Grove, as a preference customer obtains the majority of its wholesale electric power from the Bonneville Power Administration (BPA), and the current contract under which the City purchases power from BPA will expire in 2011; and

WHEREAS, it is necessary for the City to enter into a new contract with the Bonneville Power Administration to enable providing continued low cost electric service; and

WHEREAS, The City Council finds the Bonneville Power Administration 20-Year Power Sales Agreement, Contract No. 09PB-13046, to become effective October 1, 2011, to be appropriate for obtaining wholesale power for the City's electric utility operations.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1: The City Council of the City of Forest Grove hereby approves the 20-Year Wholesale Power Sales Agreement, Contract No. 09PB-13046, between the City of Forest Grove and Bonneville Power Administration, effective October 1, 2011 (attached as Exhibit A).

Section 2: The City Manager is hereby authorized to execute the agreement on behalf of the City of Forest Grove.

Section 3: This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 24th day of November, 2008.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 24th of November, 2008.

Richard G. Kidd, Mayor

POWER SALES AGREEMENT
 executed by the
BONNEVILLE POWER ADMINISTRATION
 and
THE CITY OF FOREST GROVE, OREGON

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This POWER SALES AGREEMENT (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA), and THE CITY OF FOREST GROVE, OREGON (Forest Grove), hereinafter individually referred to as “Party” and collectively referred to as the “Parties”. Forest Grove is a municipal corporation, organized and authorized under the laws of the State of Oregon, to purchase and distribute electric power to serve retail consumers from its distribution system within its service area.

RECITALS

Forest Grove’s current power sales agreement (Contract No. 00PB-12106) continues through September 30, 2011, and will be replaced by this Agreement on October 1, 2011.

BPA has functionally separated its organization in order to separate the administration and decision-making activities of BPA’s power and transmission functions. References in this Agreement to Power Services or Transmission Services are solely for the purpose of clarifying which BPA function is responsible for administrative activities that are jointly performed.

BPA is authorized to market federal power to qualified entities that are eligible to purchase such power. Under section 5(b)(1) of the Northwest Power Act, BPA is obligated to offer a power sales agreement to eligible customers for the sale and purchase of federal power to serve their retail consumer load in the Region that is not met by the customer’s use of its non-federal resources.

BPA has proposed the adoption of a tiered rate pricing methodology for federal power sold to meet BPA’s obligations under section 5(b) of the Northwest Power Act to eligible customers, in order to provide more efficient pricing signals and encourage the

timely development of regional power resource infrastructure to meet regional consumer loads under this Agreement.

To effect that purpose, in this Agreement BPA establishes a Contract High Water Mark for Forest Grove that will define the amounts of power Forest Grove may purchase from BPA at the Tier 1 Rate, as defined in BPA's Tiered Rate Methodology.

The Parties agree:

1. TERM

This Agreement takes effect on the date signed by the Parties and expires on September 30, 2028. Performance by BPA and Forest Grove shall commence on October 1, 2011, with the exception of those actions required prior to that date that are included in:

- (1) sections 3.3 through 3.7 of section 3, Power Purchase Obligation;
- (2) section 9, Elections to Purchase Power Priced at Tier 2 Rates;
- (3) section 14, Delivery;
- (4) section 17, Information Exchange and Confidentiality;
- (5) section 18, Conservation and Renewables;
- (6) section 19, Resource Adequacy;
- (7) section 22, Governing Law and Dispute Resolution;
- (8) section 25, Termination;
- (9) Exhibit A, Net Requirements and Resources;
- (10) Exhibit B, High Water Marks and Contract Demand Quantities;
- (11) Exhibit C, Purchase Obligations; and
- (12) section 2 of Exhibit D, Additional Products and Special Provisions.

Until October 1, 2011, section 22, Governing Law and Dispute Resolution will only apply to the extent there is a dispute regarding actions required in the above referenced sections and exhibits.

2. DEFINITIONS

Capitalized terms below shall have the meaning stated. Capitalized terms that are not listed below are either defined within the section or exhibit in which the term is used, or if not so defined, shall have the meaning stated in BPA's applicable Wholesale Power Rate Schedules, including the General Rate Schedule Provisions (GRSPs). Definitions in **bold** indicate terms that are defined in the TRM and that

the Parties agree should conform to the TRM as it may be revised. The Parties agree that if such definitions are revised pursuant to the TRM, they shall promptly amend this Agreement to incorporate such revised definitions from the TRM, to the extent they are applicable.

- 2.1 “5(b)/9(c) Policy” means BPA’s Policy on Determining Net Requirements of Pacific Northwest Utility Customers Under sections 5(b)(1) and 9(c) of the Northwest Power Act issued May 23, 2000, and its revisions or successors.
- 2.2 “7(i) Process” means a public process conducted by BPA to establish rates for the sale of power and other products pursuant to section 7(i) of the Northwest Power Act or its successor.
- 2.3 “Above-RHWM Load” means forecast annual Total Retail Load, less Existing Resources, NLSLs, and Forest Grove’s RHWM, as determined in the RHWM Process, except for the FY 2012-2013 Rate Period, when Above-RHWM Load will be determined differently, as specified in the TRM.
- 2.4 “Annexed Load” means existing load, distribution system, or service territory Forest Grove acquires after the Effective Date from another utility, by means of annexation, merger, purchase, trade, or other acquisition of rights, the acquisition of which has been authorized by a final state, regulatory or court action. The Annexed Load must be served from distribution facilities that are owned or acquired by Forest Grove.
- 2.5 “Average Megawatts” or “aMW” means the amount of electric energy in megawatt-hours (MWh) during a specified period of time divided by the number of hours in such period.
- 2.6 “Balancing Authority” means the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.
- 2.7 “Balancing Authority Area” means the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority.
- 2.8 “Business Days” means every Monday through Friday except Federal holidays.
- 2.9 “Carbon Credit” shall have the meaning as defined in section 1 of Exhibit H.
- 2.10 “CHWM Contract” means the power sales contract between a customer and BPA that contains a Contract High Water Mark (CHWM), and under which the customer purchases power from BPA at rates established by BPA in accordance with the TRM.

- 2.11 “Consumer-Owned Resource” means a Generating Resource connected to Forest Grove’s distribution system that is owned by a retail consumer, has a nameplate capability greater than 200 kilowatts, is operated or applied to load, and is not operated occasionally or intermittently as a back-up energy source at times of maintenance or forced outage. Consumer-Owned Resource does not include a resource where the owner of the resource is a retail consumer that exists solely for the purpose of selling wholesale power and for which Forest Grove only provides incidental service to provide energy for local use at the retail consumer’s generating plant for lighting, heat and the operation of auxiliary equipment.
- 2.12 “Contract Demand Quantity” or “CDQ” shall have the meaning as defined in the TRM, the definition of which is recited in section 6.6.1.
- 2.13 “Contract High Water Mark” or “CHWM” shall have the meaning as defined in the TRM, the definition of which is recited in section 6.6.1.
- 2.14 “Contract Resource” means any source or amount of electric power that Forest Grove acquires from an identified or unidentified electricity-producing unit or units by contract purchase, and for which the amount received by Forest Grove does not depend on the actual production from an identified Generating Resource.
- 2.15 “Dedicated Resource” means a Specified Resource or an Unspecified Resource Amount listed in Exhibit A that Forest Grove is required by statute to provide or obligates itself to provide under this Agreement for use to serve its Total Retail Load.
- 2.16 “Diurnal” means the division of hours within a month between Heavy Load Hours (HLH) and Light Load Hours (LLH).
- 2.17 “Diurnal Flattening Service” or “DFS” means a service that makes a resource that is variable or intermittent, or that portion of such resource that is variable or intermittent, equivalent to a resource that is flat within each of the 24 HLH and LLH periods of a year.
- 2.18 “Due Date” shall have the meaning as described in section 16.2.
- 2.19 “Effective Date” means the date on which this Agreement has been signed by Forest Grove and BPA.
- 2.20 “Eligible Annexed Load” shall have the meaning as defined in section 3.5.6.
- 2.21 “Environmental Attribute” shall have the meaning as defined in section 1 of Exhibit H.
- 2.22 “Environmentally Preferred Power RECS” or “EPP RECs” shall have the meaning as defined in section 1 of Exhibit H.

- 2.23 “Existing Resource” means a Specified Resource listed in section 2 of Exhibit A that Forest Grove was obligated by contract or statute to use to serve Forest Grove’s Total Retail Load prior to October 1, 2006.
- 2.24 “FERC” means the Federal Energy Regulatory Commission, or its successor.
- 2.25 “Firm Requirements Power” means federal power that BPA sells under this Agreement and makes continuously available to Forest Grove to meet BPA’s obligations to Forest Grove under section 5(b) of the Northwest Power Act.
- 2.26 “Fiscal Year” or “FY” means the period beginning each October 1 and ending the following September 30.
- 2.27 “Flat Annual Shape” means a distribution of energy having the same Average Megawatt value of energy in each month of the year.
- 2.28 “Flat Within-Month Shape” means a distribution of energy having the same Average Megawatt value of energy in each Diurnal period of the month.
- 2.29 “Forced Outage Reserve Service” or “FORS” means a service that provides an agreed-to amount of capacity and energy to load during the forced outages of a resource.
- 2.30 “Forecast Year” means the Fiscal Year ending one full year prior to the commencement of a Rate Period.
- 2.31 “Generating Resource” means any source or amount of electric power from an identified electricity-producing unit, and for which the amount of power received by Forest Grove or Forest Grove’s retail consumer is determined by the power produced from such identified electricity-producing unit. Such unit may be owned by Forest Grove or Forest Grove’s retail consumer in whole or in part, or all or any part of the output from such unit may be owned for a defined period by contract.
- 2.32 “Heavy Load Hours (HLH)” means hours ending 0700 through 2200 hours Pacific Prevailing Time (PPT), Monday through Saturday, excluding holidays as designated by the North American Electric Reliability Corporation (NERC). BPA may update this definition as necessary to conform to standards of the Western Electricity Coordinating Council (WECC), North American Energy Standards Board (NAESB), or NERC.
- 2.33 “HLH Diurnal Shape” means a distribution of energy between the Diurnal periods in which more megawatt-hours per hour are applied in the Heavy Load Hour (HLH) periods than megawatt-hours per hour applied in the Light Load Hour (LLH) periods. Such distributions are determined by Forest Grove consistent with section 8.2 of Exhibit A.
- 2.34 “Integrated Network Segment” shall have the meaning as defined in section 14.1.

- 2.35 "Interchange Points" means the points where Balancing Authority Areas interconnect and at which the interchange of energy between Balancing Authority Areas is monitored and measured.
- 2.36 "Issue Date" shall have the meaning as described in section 16.1.
- 2.37 "Light Load Hours (LLH)" means: (1) hours ending 0100 through 0600 and 2300 through 2400 hours PPT, Monday through Saturday, and (2) all hours on Sundays and holidays as designated by NERC. BPA may update this definition as necessary to conform to standards of the WECC, NAESB, or NERC.
- 2.38 "Net Requirement" means the amount of federal power that Forest Grove is entitled to purchase from BPA to serve its Total Retail Load minus amounts of Forest Grove's Dedicated Resources shown in Exhibit A, as determined consistent with section 5(b)(1) of the Northwest Power Act.
- 2.39 "New Large Single Load" or "NLSL" has the meaning specified in section 3(13) of the Northwest Power Act and in BPA's NLSL policy.
- 2.40 "New Resource" means (1) a Specified Resource listed in section 2 of Exhibit A that Forest Grove was or is first obligated by contract, or was or is obligated by statute, to use to serve Forest Grove's Total Retail Load after September 30, 2006, and (2) any Unspecified Resource Amounts listed in Exhibit A.
- 2.41 "Northwest Power Act" means the Pacific Northwest Electric Power Planning and Conservation Act, 16 U.S.C. §839, Public Law No. 96-501, as amended.
- 2.42 "Notice Deadlines" means the dates established in section 9.1.1.
- 2.43 "Onsite Consumer Load" means the electric load of an identified retail consumer of Forest Grove that is directly interconnected or electrically interconnected on the same portion of Forest Grove's distribution system with a Consumer-Owned Resource of that same identified retail consumer such that no transmission schedule is needed to deliver the generation from the Consumer-Owned Resource to the consumer load.
- 2.44 "Operating Year" means the period, beginning each August 1 and ending the following July 31, that is designated under the Pacific Northwest Coordination Agreement (PNCA) for resource planning and operational purposes.
- 2.45 "Pacific Northwest Coordination Agreement" or "PNCA" means Contract No. 97PB-10130, as such agreement may be amended or replaced, among BPA, the U.S. Army Corps of Engineers, the Bureau of Reclamation, and certain generating utilities in the Region that sets forth the terms and

conditions for the coordinated operation of generating resources in the Region.

- 2.46 “PNCA Update Shape” means the monthly shape of a Specified Resource that is a hydro resource that will be revised each Fiscal Year based on the monthly amounts for such resource that are in the final PNCA planning hydro-regulation study published for the Operating Year that began on the August 1 immediately preceding the Fiscal Year. If the final study is not published 30 days prior to the beginning of the Fiscal Year, then the monthly shape of Forest Grove’s Specified Resource that is a hydro resource will be revised based on the monthly amounts for such resource that are in the modified PNCA study published for the same Operating Year. The August and September amounts published for the Operating Year will be used as the August and September amounts for the Fiscal Year.
- 2.47 “Point of Delivery” or “POD” means the point where power is transferred from a transmission provider to Forest Grove.
- 2.48 “Point of Metering” or “POM” means the point at which power is measured.
- 2.49 “Power Services” means the organization, or its successor organization, within BPA that is responsible for the management and sale of Federal power.
- 2.50 “Primary Points of Receipt” shall have the meaning as defined in section 14.1.
- 2.51 “Purchase Periods” means the time periods established in section 9.1.1.
- 2.52 “Rate Case Year” means the Fiscal Year ending prior to the commencement of a Rate Period. The Rate Case Year immediately follows the Forecast Year and is the year in which the 7(i) Process for the next Rate Period is conducted.
- 2.53 “Rate Period” means the period of time during which a specific set of rates established by BPA pursuant to the TRM is intended to remain in effect.
- 2.54 “Rate Period High Water Mark” or “RHWM” shall have the meaning as defined in the TRM, the definition of which is recited in section 6.6.1.
- 2.55 “Region” means the Pacific Northwest as defined in section 3(14) of the Northwest Power Act.
- 2.56 “Renewable Energy Certificates” or “RECs” shall have the meaning as defined in section 1 of Exhibit H.
- 2.57 “Resource Diurnal Shape” means a distribution of energy within each Diurnal period that a Generating Resource is expected to produce, as agreed to by the Parties in accordance with section 3.4.1(1).

- 2.58 “Resource Monthly Shape” means a distribution of energy within each month that a Generating Resource is expected to produce, as agreed to by the Parties in accordance with section 3.4.1(1).
- 2.59 “Resource Support Services” or “RSS” means the Diurnal Flattening Service, Forced Outage Reserve Service, Transmission Curtailment Management Service, and Secondary Crediting Service. BPA may in the future include other related services that are priced in the applicable 7(i) Process.
- 2.60 “Scheduling Points of Receipt” shall have the meaning as defined in section 14.1.
- 2.61 “**Secondary Crediting Service**” or “SCS” means the optional service offered by BPA that provides a monetary credit for the secondary output from an Existing Resource that has a firm critical energy component and a secondary energy component.
- 2.62 “Small Non-Dispatchable Resource” means a Specified Resource connected to Forest Grove’s distribution system the output of which cannot be shifted between Diurnal periods or days by the resource owner or operator. Such resource is further defined as:
- (1) an Existing Resource that has a nameplate capability less than or equal to three megawatts, or
 - (2) a New Resource that has a nameplate capability less than or equal to one megawatt.
- 2.63 “Specified Resource” means a Generating Resource or Contract Resource that has a nameplate capability or maximum hourly purchase amount greater than 200 kilowatts, that Forest Grove is required by statute or has agreed to use to serve its Total Retail Load. Each such resource is identified as a specific Generating Resource or as a specific Contract Resource with identified parties and is listed in sections 2 and 4 of Exhibit A.
- 2.64 “Statement of Intent” shall have the meaning as defined in section 2.3 of Exhibit C.
- 2.65 “Submitted Schedule” shall have the meaning as defined in section 3.7.
- 2.66 “Super Peak Credit” means a reduction in Forest Grove’s demand billing determinants equal to the amount of additional energy provided by a Dedicated Resource, during a Super Peak Period, over the amount of energy that would have been provided by an equivalent amount of energy delivered flat across the monthly HLH period.
- 2.67 “Super Peak Period” means the hours BPA defines for each Rate Period in accordance with section 3.4.4.1 into which Forest Grove must reshape its HLH energy from its Dedicated Resources to receive a Super Peak Credit.

The hours BPA establishes for the Super Peak Period may vary by month and will be either two 3-hour periods each day or a single 6-hour period each day.

- 2.68 “Surplus Firm Power” means firm power that is in excess of BPA’s obligations, including those incurred under sections 5(b), 5(c), and 5(d) of the Northwest Power Act, as available.
- 2.69 “Third Party Transmission Provider” means a transmission provider other than BPA that delivers power to Forest Grove.
- 2.70 “Tier 1 Rate” means the Tier 1 Rate as defined in the TRM.
- 2.71 “Tier 1 RECs” shall have the meaning as defined in section 1 of Exhibit H.
- 2.72 “Tier 2 Cost Pools” means all of the Cost Pools to which Tier 2 Costs (as defined in the TRM) will be allocated by BPA.
- 2.73 “Tier 2 Load Growth Rate” means a Tier 2 Rate at which Load Following customers may elect to purchase Firm Requirements Power in accordance with section 2.2 of Exhibit C.
- 2.74 “Tier 2 Rate” means the Tier 2 Rate as defined in the TRM.
- 2.75 “Tier 2 RECs” shall have the meaning as defined in section 1 of Exhibit H.
- 2.76 “Tier 2 Short-Term Rate” means a Tier 2 Rate at which customers may elect to purchase Firm Requirements Power in accordance with section 2.4 of Exhibit C.
- 2.77 “Tier 2 Vintage Rate” means a Tier 2 Rate at which customers may elect to purchase Firm Requirements Power in accordance with section 2.3 of Exhibit C.
- 2.78 “Tiered Rate Methodology” or “TRM” means the long-term methodology established by BPA in a Northwest Power Act section 7(i) hearing as the Tiered Rate Methodology to implement the Policy (as defined in the TRM) construct of tiering BPA’s Priority Firm Power rates for serving load under CHWM Contracts.
- 2.79 “Total Retail Load” means all retail electric power consumption, including electric system losses, within Forest Grove’s electrical system excluding:
- (1) those loads BPA and Forest Grove have agreed are nonfirm or interruptible loads,
 - (2) transfer loads of other utilities served by Forest Grove, and

- (3) any loads not on Forest Grove's electrical system or not within Forest Grove's service territory, unless specifically agreed to by BPA.
- 2.80 "Total Retail Load Monthly Shape" means the distribution among months as listed in the table in section 8.1 of Exhibit A. The FY 2010 Total Retail Load Monthly Shape from the table will apply for the FY 2012-2014 and FY 2015-2019 Purchase Periods; the FY 2015 Total Retail Load Monthly Shape will apply for the FY 2020-FY 2024 Purchase Period; and the FY 2020 Total Retail Load Monthly Shape will apply for the FY 2025-2028 Purchase Period.
- 2.81 "Transfer Service" means the transmission, distribution and other services provided by a Third Party Transmission Provider to deliver electric energy and capacity over its transmission system.
- 2.82 "**Transmission Curtailment Management Service**" or "TCMS" means the service Power Services may provide to back up a qualifying resource when a transmission curtailment occurs between such resource and the customer load.
- 2.83 "Transmission Services" means the organization, or its successor organization, within BPA that is responsible for the management and sale of transmission service on the Federal Columbia River Transmission System.
- 2.84 "Uncontrollable Force" shall have the meaning as defined in section 21.
- 2.85 "Unspecified Resource Amount" means an amount of firm energy, listed in sections 3 and 4 of Exhibit A, that Forest Grove has agreed to supply and use to serve its Total Retail Load. Such amount is not attributed to a Specified Resource.

3. LOAD FOLLOWING POWER PURCHASE OBLIGATION

3.1 Purchase Obligation

From October 1, 2011, and continuing through September 30, 2028, BPA shall sell and make available, and Forest Grove shall purchase, Firm Requirements Power in hourly amounts equal to Forest Grove's hourly Total Retail Load minus the hourly firm energy from each of Forest Grove's Dedicated Resources as listed in Exhibit A. Forest Grove shall determine the hourly firm energy from each of its Dedicated Resources pursuant to section 3.3. Such amounts of energy are subject to change pursuant to section 3.5 and section 10.

3.2 Take or Pay

Forest Grove shall pay for the amount of Firm Requirements Power it has committed to purchase under section 3.1, and that BPA makes available at the rates BPA establishes pursuant to the TRM, as applicable to such power, whether or not Forest Grove took actual delivery of such power.

3.3 **Application of Dedicated Resources**

Forest Grove agrees to serve a portion of its Total Retail Load with the Dedicated Resources listed in Exhibit A as follows:

- (1) Specified Resources that are Generating Resources, except Small, Non-Dispatchable Resources, shall be listed in section 2.1 of Exhibit A,
- (2) Specified Resources that are Contract Resources shall be listed in section 2.2 of Exhibit A,
- (3) Specified Resources that are Small Non-Dispatchable Resources shall be listed in section 2.3 of Exhibit A, and
- (4) Unspecified Resource Amounts shall be listed in section 3.1 of Exhibit A.

Forest Grove shall use its Dedicated Resources to serve its Total Retail Load, and specify amounts of its Dedicated Resources in the tables shown in Exhibit A, as stated below for each specific resource and type. BPA shall use the amounts listed in Exhibit A in determining Forest Grove's Net Requirement. The amounts listed are not intended to govern how Forest Grove shall operate its Specified Resources, except for those resources that are Small Non-Dispatchable Resources and those resources supported with DFS or SCS from BPA.

3.3.1 **Specified Resources**

3.3.1.1 **Application of Specified Resources**

Forest Grove shall apply the output of all Specified Resources, listed in section 2 of Exhibit A, to Forest Grove's Total Retail Load in predefined hourly amounts consistent with section 3.7, except for Small Non-Dispatchable Resources and Specified Resources Forest Grove is supporting with DFS or SCS from BPA. Forest Grove shall apply all Specified Resources supported with DFS or SCS from BPA to Forest Grove's Total Retail Load consistent with section 2 of Exhibit D. Forest Grove shall apply all of the output as it is generated from its Small Non-Dispatchable Resources, listed in section 2.3 of Exhibit A, to Forest Grove's Total Retail Load.

3.3.1.2 **Determining Specified Resource Amounts**

Forest Grove shall state, for each Specified Resource listed in section 2 of Exhibit A, firm energy amounts for each Diurnal period and peak amounts for each month beginning with the later of the date the resource was dedicated to load or October 1, 2011, through the earlier of the date the resource will be permanently removed or September 30, 2028. BPA in consultation with Forest Grove shall determine the firm

energy amounts for each Diurnal period and peak amounts for each month for each Specified Resource consistent with the 5(b)/9(c) Policy, and using the allowable shapes established in section 3.4.

3.3.2 Unspecified Resource Amounts

3.3.2.1 Application of Unspecified Resource Amounts

To serve Above-RHWM Load that Forest Grove commits to meet with Dedicated Resources in Exhibit C, Forest Grove shall provide and use Unspecified Resource Amounts to meet any amounts not met with its Specified Resources during each Purchase Period. Forest Grove shall apply its Unspecified Resource Amounts, listed in section 3 of Exhibit A, to Forest Grove's Total Retail Load in predefined hourly amounts consistent with section 3.7.

3.3.2.2 Determining Unspecified Resource Amounts

By March 31 of each Rate Case Year, the Parties shall calculate, and BPA shall fill in the table in section 3.1.2 of Exhibit A with, Forest Grove's Unspecified Resource Amounts for each of the years of the upcoming Rate Period consistent with Forest Grove's elections for service to its Above-RHWM Load. Such Unspecified Resource Amounts shall be calculated using the monthly and Diurnal shapes listed in section 3.1.1 of Exhibit A. Upon termination or expiration of this Agreement any Unspecified Resource Amounts listed in Exhibit A shall expire, and Forest Grove shall have no further obligation to apply Unspecified Resource Amounts.

3.4 Shaping of Dedicated Resources

Forest Grove's Dedicated Resource amounts shall be shaped as follows:

3.4.1 Initial Monthly and Diurnal Resource Shapes

The amounts for each Dedicated Resource shall be first listed in Exhibit A with one of the following shapes:

- (1) Generating Resources in the amount of energy within each month and Diurnal period of a year each resource is expected to generate output as agreed to by the Parties.
- (2) Contract Resources in equal megawatt amounts for each hour in a year.
- (3) Small Non-Dispatchable Resources in the amount of energy within each month and Diurnal period of a year each resource is expected to generate output as agreed to by the Parties.

- (4) Unspecified Resource Amounts in equal megawatt amounts for each hour in a year.

3.4.2 Reshaping Dedicated Resources

By each Notice Deadline Forest Grove may elect in writing, pursuant to section 3.4.3, to reshape its amounts of Dedicated Resources listed in sections 2.1, 2.2, and 3.1 of Exhibit A, except for those Specified Resources Forest Grove is supporting with DFS or SCS from BPA, for the corresponding Purchase Period. After BPA receives such notice from Forest Grove for the first Notice Deadline (November 1, 2009), BPA shall, by March 31, 2011, revise Exhibit A to reflect such written elections. After BPA receives such written notice from Forest Grove for any subsequent Notice Deadline, BPA shall, by the following March 31, revise Exhibit A to reflect such election.

If Forest Grove elects the PNCA Update Shape for a hydro resource, then BPA shall update the shape of such resource annually, in accordance with such election, to be completed no later than September 15 preceding the start of the applicable Fiscal Year.

3.4.3 Monthly and Diurnal Reshaping Options

Consistent with section 3.4.2, Forest Grove may elect to reshape one or more of its Dedicated Resources using the allowable monthly and Diurnal shapes described below. If Forest Grove elects to reshape its Dedicated Resources, then Forest Grove shall elect both a monthly and a Diurnal shape for each Dedicated Resource that is reshaped.

3.4.3.1 Generating Resources

For each Generating Resource listed in section 2.1 of Exhibit A Forest Grove may elect to apply each resource in any of the following shapes:

- (1) Monthly Shapes: (A) Total Retail Load Monthly Shape; (B) Resource Monthly Shape; (C) Flat Annual Shape; or (D) PNCA Update Shape if the resource is a hydro resource and is designated as a PNCA resource in section 2.1 of Exhibit A.
- (2) Diurnal Shapes: (A) Resource Diurnal Shape; (B) Flat Within-Month Shape; or (C) HLH Diurnal Shape.

3.4.3.2 Contract Resources

For each Contract Resource listed in section 2.2 of Exhibit A Forest Grove may elect to apply each resource in any of the following shapes:

- (1) Monthly Shapes: (A) Total Retail Load Monthly Shape; or (B) Flat Annual Shape.

- (2) Diurnal Shapes: (A) Flat Within-Month Shape; or (B) HLH Diurnal Shape.

3.4.3.3 Unspecified Resource Amounts

Forest Grove may elect to apply its Unspecified Resource Amounts, listed in section 3.1 of Exhibit A in any of the following shapes:

- (1) Monthly Shapes: (A) Total Retail Load Monthly Shape; or (B) Flat Annual Shape.
- (2) Diurnal shapes: (A) Flat Within-Month Shape; or (B) HLH Diurnal Shape.

3.4.4 Super Peak Credit

3.4.4.1 Super Peak Period

By September 30 of each Forecast Year BPA shall notify Forest Grove in writing of the Super Peak Period for the upcoming Rate Period.

3.4.4.2 Super Peak Amounts

By October 31 of each Rate Case Year Forest Grove shall notify BPA in writing of the monthly megawatt amounts of additional energy Forest Grove elects to apply to its Total Retail Load for the upcoming Rate Period, for which Forest Grove shall receive a Super Peak Credit. Forest Grove shall establish such amounts from its Dedicated Resources consistent with section 9 of Exhibit A. After BPA receives such notification from Forest Grove BPA shall revise the table in section 9 of Exhibit A, by March 31 of the same Rate Case Year, to reflect monthly amounts Forest Grove submitted to BPA.

3.4.5 Hourly Resource Shape

Forest Grove's Dedicated Resources listed in sections 2.1, 2.2, and 3.1 of Exhibit A, except for those Specified Resources Forest Grove is supporting with DFS or SCS from BPA, shall be provided in equal megawatt amounts during all LLH of a month and in equal megawatt amounts during all HLH of a month, unless Forest Grove reshapes its HLH amounts pursuant to section 3.4.4. If Forest Grove reshapes its HLH amounts pursuant to section 3.4.4, then Forest Grove's Dedicated Resources shall be provided in (1) equal megawatt amounts during all LLH of a month, (2) equal megawatt amounts during all HLH of a month that are not in the Super Peak Period, and (3) equal megawatt amounts during all HLH of a month that are in the Super Peak Period. The hourly amounts provided in the Super Peak Period shall reflect the additional energy amounts listed in section 9 of Exhibit A.

3.5 **Changes to Dedicated Resources**

3.5.1 **Specified Resource Additions to Meet Above-RHWM Load**

By written notice to BPA, Forest Grove may elect to add Specified Resources to section 2 of Exhibit A to meet any obligation Forest Grove may have in Exhibit C to serve its Above-RHWM Load with Dedicated Resources. Subject to the following:

3.5.1.1 By any Notice Deadline, Forest Grove may elect to add a Specified Resource to section 2 of Exhibit A with amounts effective at the start of the corresponding Purchase Period. The following applies for such Specified Resources:

- (1) Forest Grove shall determine amounts for such Specified Resources in accordance with section 3.3.1.2.
- (2) Forest Grove may elect to reshape such Specified Resources in accordance with section 3.4.3 or may elect to purchase DFS from BPA to support such Specified Resources.

3.5.1.2 After any Notice Deadline, and if Forest Grove notifies BPA of its election in writing by October 31 of a Rate Case Year, then Forest Grove may add Specified Resources to section 2 of Exhibit A with amounts effective at the start of the upcoming Rate Period. The following apply for such Specified Resources:

- (1) Forest Grove shall determine amounts for such Specified Resources in accordance with section 3.3.1.2.
- (2) The shape of such resources shall either be in the shape selected in section 3.1.1 of Exhibit A for any Unspecified Resource Amounts for the applicable Purchase Period, or Forest Grove may purchase DFS from BPA to support the Specified Resource pursuant to section 2.2 of Exhibit D.

3.5.1.3 BPA shall revise Exhibit A consistent with Forest Grove's elections by March 31 following Forest Grove's elections under sections 3.5.1.1 or 3.5.1.2.

3.5.2 **Resource Additions for a BPA Insufficiency Notice**

If BPA provides Forest Grove a notice of insufficiency and reduces its purchase obligation, in accordance with section 23.2, then Forest Grove may add Dedicated Resources to replace amounts of Firm Requirements Power BPA will not be providing due to insufficiency. The Parties shall revise Exhibit A to reflect such additions.

3.5.3 Decrements for 9(c) Export

If BPA determines, in accordance with section 23.6, that an export of a Specified Resource listed in section 2 of Exhibit A requires a reduction in the amount of Firm Requirements Power BPA sells Forest Grove then BPA shall notify Forest Grove of the amount and duration of the reduction in Forest Grove's Firm Requirements Power purchases from BPA. Within 20 days of such notification Forest Grove may add a Specified Resource to section 2 of Exhibit A in the amount of such decrement. If Forest Grove does not add a Specified Resource to meet such decrement, then within 30 days of such notification BPA shall add Unspecified Resource Amounts to section 3.2 of Exhibit A in the amount and for the duration of such decrement.

3.5.4 Temporary Resource Removal

By March 31 of each Rate Case Year, BPA shall revise Forest Grove's Dedicated Resource amounts listed in the tables of Exhibit A consistent with Forest Grove's resource removal elections made in accordance with section 10.

3.5.5 Permanent Discontinuance of Resources

Forest Grove may permanently remove a Specified Resource listed in section 2 of Exhibit A, consistent with the 5(b)/9(c) Policy on statutory discontinuance for permanent removal. If BPA makes a determination that Forest Grove's Specified Resource has met BPA's standards for a permanent removal, then BPA shall revise Exhibit A accordingly. If Forest Grove does not replace such resource with another Dedicated Resource, then Forest Grove's additional Firm Requirements Power purchases under this Agreement, as a result of such a resource removal, may be subject to additional rates or charges as established in the Wholesale Power Rate Schedules and GRSPs.

3.5.6 Resource Additions for Annexed Loads

If Forest Grove acquires an Annexed Load, in addition to any resources assigned by the other utility to serve the Annexed Load, Forest Grove may add Dedicated Resources to Exhibit A, subject to sections 3.5.6.1 and 3.5.6.2 below, to serve amounts of such Annexed Load that are Eligible Annexed Load. "Eligible Annexed Load" means an Annexed Load: (1) that is added after the Effective Date, and (2) for which Forest Grove did not receive a CHWM addition pursuant to section 1.2.2 of Exhibit B.

3.5.6.1 During the Rate Period in which Forest Grove acquires an Eligible Annexed Load, Forest Grove may serve such load for the remainder of that Rate Period with Dedicated Resources in the shape of the load, as negotiated by the Parties, or with additional power purchased from BPA. If Forest Grove elects to serve such load with Dedicated Resources, then Forest Grove shall apply such resources for the remainder of the

Rate Period and in accordance with applicable terms stated in Exhibit D. If Forest Grove elects to purchase additional power from BPA for the Annexed Load, then during that Rate Period such power purchases may be subject to additional rates or charges as established in the Wholesale Power Rate Schedules and GRSPs and as applicable to the shape of the Eligible Annexed Load.

3.5.6.2 For all Rate Periods after the Rate Period when Forest Grove acquires an Eligible Annexed Load, Forest Grove may serve such load with Dedicated Resources pursuant to Forest Grove's elections to apply Dedicated Resources or Purchase Firm Requirements Power at Tier 2 Rates during the applicable Purchase Period as stated in Exhibit C.

3.5.7 **Resource Additions/Removals for NLSLs**

3.5.7.1 To serve an NLSL listed in Exhibit D that is added after the Effective Date, Forest Grove may add Dedicated Resources to section 4 of Exhibit A. Forest Grove may discontinue serving its NLSL with the Dedicated Resources listed in section 4 of Exhibit A if BPA determines that Forest Grove's NLSL is no longer an NLSL in Forest Grove's service territory.

3.5.7.2 If Forest Grove elects to serve an NLSL with Dedicated Resources, then Forest Grove shall specify in section 4 of Exhibit A the maximum monthly and Diurnal Dedicated Resource amounts that Forest Grove plans to use to serve the NLSL. Forest Grove shall establish such firm energy amounts for each month beginning with the date the resource was dedicated to load through the earlier of the date the resource will be removed or September 30, 2028. Forest Grove shall serve the actual load of the NLSL up to such maximum amounts with such Dedicated Resource amounts. To the extent that the NLSL load is less than the maximum amount in any monthly or Diurnal period, Forest Grove shall have no right or obligation to use such amounts to serve the non-NLSL portion of its Total Retail Load. Specific arrangements to match such resources to the NLSL on an hourly basis shall be established in Exhibit D.

3.5.8 **PURPA Resources**

If Forest Grove is required by the Public Utility Regulatory Policies Act (PURPA) to acquire output from a Generating Resource, then such output shall be added as a Specified Resource pursuant to Exhibit A. Forest Grove shall purchase DFS from BPA (or equivalent service if DFS is unavailable) to support such resources for the term of this Agreement.

3.6 Consumer-Owned Resources

Except for any Consumer-Owned Resources serving an NLSL, which Forest Grove has applied to load consistent with section 23.3.7, Forest Grove shall apply the output of its Consumer-Owned Resources as follows:

3.6.1 Existing Consumer-Owned Resources

Forest Grove has designated, in sections 7.1, 7.2, or 7.3 of Exhibit A, the extent that each existing Consumer-Owned Resource as of the Effective Date will or will not serve Onsite Consumer Load. Such designation shall apply for the term of this Agreement.

3.6.2 New Consumer-Owned Resources

Forest Grove shall designate the extent that each Consumer-Owned Resource commencing commercial operation after the Effective Date will or will not serve Onsite Consumer Load. Forest Grove shall make such designation to BPA in writing within 120 days of the first production of energy by such resource. Such designation shall apply for the term of this Agreement.

Consistent with Forest Grove's designations, BPA shall list Consumer-Owned Resources serving Onsite Consumer Load in section 7.1 of Exhibit A, Consumer-Owned Resources not serving Onsite Consumer Load in section 7.2 of Exhibit A, and Consumer-Owned Resources serving both Onsite Consumer Load and load other than Onsite Consumer Load in section 7.3 of Exhibit A.

3.6.3 Application of Consumer-Owned Resources Serving Onsite Consumer Load

Power generated from Consumer-Owned Resources listed in section 7.1 of Exhibit A shall serve Forest Grove's Onsite Consumer Load. Forest Grove shall receive no compensation from BPA for excess power generated on any hour from such resources.

3.6.4 Application of Consumer-Owned Resources Serving Load Other than Onsite Consumer Load

Forest Grove shall ensure that power generated from Consumer-Owned Resources listed in section 7.2 of Exhibit A is scheduled for delivery and either (1) sold to another utility in the Region to serve its Total Retail Load, (2) purchased by Forest Grove to serve its Total Retail Load (consistent with section 3.3), (3) marketed as an export, or (4) any combination of (1), (2), and (3) above.

3.6.5 Application of Consumer-Owned Resources Serving Both Onsite Consumer Load and Load Other than Onsite Consumer Load

If Forest Grove designates a Consumer-Owned Resource to serve both Onsite Consumer Load and load other than Onsite Consumer Load then Forest Grove shall select either Option A or Option B below.

3.6.5.1 Option A: Maximum Amounts Serving Onsite Consumer Load

If Forest Grove selects this Option A, then Forest Grove shall specify, in section 7.3 of Exhibit A, the maximum hourly amounts of an identified Onsite Consumer Load that are to be served with power generated by an identified Consumer-Owned Resource. Such amounts shall be specified as Diurnal megawatt amounts, by month, and shall apply in all years for the term of this Agreement. Such amounts are not subject to change in accordance with section 3.6.6.

On any hour that the Onsite Consumer Load is less than the specified maximum hourly amounts, all such Onsite Consumer Load shall be served by Forest Grove with the identified Consumer-Owned Resource or with power other than Firm Requirements Power. Any hourly amounts of the identified Onsite Consumer Load in excess of the specified maximum hourly amounts shall be served with Firm Requirements Power. Any power generated from the identified Consumer-Owned Resource in excess of the specified maximum hourly amounts shall be applied to load other than Onsite Consumer Load in accordance with section 3.6.4.

3.6.5.2 Option B: Maximum BPA-Served Onsite Consumer Load

If Forest Grove selects this Option B, then Forest Grove shall specify, in section 7.3 of Exhibit A, the maximum hourly amounts of an identified Onsite Consumer Load that are to be served with Firm Requirements Power. Such amounts shall be specified as Diurnal megawatt amounts, by month, and shall apply in all years for the term of this Agreement. Such amounts are not subject to change in accordance with section 3.6.6.

On any hour that Onsite Consumer Load is less than the specified maximum hourly amounts, all such Onsite Consumer Load shall be served with Firm Requirements Power. Forest Grove shall serve any hourly amounts of the identified Onsite Consumer Load in excess of the specified maximum hourly amounts with power generated by the identified Consumer-Owned Resource or with power other than Firm Requirements Power. Any power generated from the identified Consumer-Owned Resource in excess of the amounts required to be used to serve the Onsite Consumer Load shall be applied to load other than Onsite Consumer Load in accordance with section 3.6.4.

3.6.6. Changes to Consumer-Owned Resources

Prior to each Fiscal Year Forest Grove shall notify BPA in writing of any changes in ownership, expected resource output, or other characteristic of Consumer-Owned Resources identified in section 7 of Exhibit A. If a Consumer-Owned Resource has permanently ceased operation and Forest Grove notifies BPA of such cessation, then BPA shall revise section 7 of Exhibit A to reflect such change as long as BPA agrees the determination is reasonable.

3.6.7 Data Requirements for Consumer-Owned Resources

Forest Grove shall meter all Consumer-Owned Resources listed in section 7 of Exhibit A and shall provide such meter data to BPA pursuant to section 17.3.

3.7 Hourly Dedicated Resource Schedule

By June 30 of each Rate Case Year, Forest Grove shall provide BPA an aggregated hourly schedule, in whole megawatt amounts consistent with section 3.7.3 and in the format described in section 3.7.2, for its Dedicated Resources with amounts in each hour, calculated pursuant to section 3.7.1, for each year of the upcoming Rate Period ("Submitted Schedule"). Forest Grove shall schedule such hourly amounts to its Total Retail Load consistent with section 13.

3.7.1 Schedule Amounts

The amounts in the Submitted Schedule shall equal the sum of all monthly and Diurnal Dedicated Resource amounts listed in the tables in sections 2 and 3 of Exhibit A except for those Small Non-Dispatchable Resources listed in section 2.3 of Exhibit A, and those Specified Resources supported with DFS or SCS listed in section 2 of Exhibit D. The hourly amounts in the Submitted Schedule shall be determined in accordance with section 3.4.5.

If the amounts in the Submitted Schedule change in accordance with sections 3.4.4 and/or 3.5, then Forest Grove shall send BPA a revised Submitted Schedule using the updated amounts within five Business Days of such amounts being updated in Exhibit A.

3.7.2 Schedule Format

Forest Grove shall provide the Submitted Schedule to BPA electronically in a comma-separated-value (csv) format with the time/date stamp in the first column and load amounts, with units of measurement specified, in the following column.

3.7.3 Whole Megawatt Amounts

If Forest Grove's Submitted Schedule would otherwise have amounts in fractional megawatts-per-hour, Forest Grove shall vary its hourly amounts by one megawatt in some hours so that over the course of the applicable month the amounts as scheduled in whole megawatts sum to the appropriate total. If Forest Grove's Dedicated Resource

amounts are less than one megawatt-per-hour in any Diurnal period of a month, then Forest Grove shall schedule one megawatt starting with the first hour of the Diurnal period of that month, and schedule one megawatt in each subsequent hour of the Diurnal period until the appropriate amount has been scheduled for that Diurnal period of such month.

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6. TIERED RATE METHODOLOGY

6.1 BPA has proposed the TRM to FERC for either confirmation and approval for a period of 20 years (through September 30, 2028) or a declaratory order that the TRM meets cost recovery standards. The then-effective TRM shall apply in accordance with its terms and shall govern BPA's establishment, review and revision pursuant to section 7(i) of the Northwest Power Act, of all rates for power sold under this Agreement.

6.2 In the event that FERC approves the TRM for a period less than through September 30, 2028, or issues a declaratory order that the TRM meets cost recovery standards for a period less than through September 30, 2028, BPA shall, before the approved period of the TRM expires: (1) propose continuation of the TRM in a hearing conducted pursuant to section 7(i) of the Northwest Power Act or its successor; and then (2) resubmit the TRM to FERC for approval or declaratory affirmation of cost recovery standards through September 30, 2028.

6.3 The recitation of language from the TRM in this Agreement is not intended to incorporate such language into this Agreement. The TRM's language may be revised, but only in accordance with the requirements of TRM sections 12 and 13. If language of the TRM is revised, then any such language recited in this Agreement shall be modified accordingly, and the Amendment process of section 24.1 herein shall not apply to any such modifications.

6.4 Any disputes over the meaning of the TRM or rates or whether the Administrator is correctly implementing the TRM or rates, including but not limited to matters of whether the Administrator is correctly interpreting, applying, and otherwise adhering or conforming to the TRM or rate, shall (1) be resolved pursuant to any applicable procedures set forth in the TRM; (2) if resolved by the Administrator as part of a proceeding under section 7(i) of the Northwest Power Act, be reviewable as part of the United States Court of Appeals for the Ninth Circuit's review under section 9(e)(5) of the Northwest Power Act of the rates or rate matters determined in such section 7(i) proceeding (subject to any further review by the United States Supreme Court); and (3) if resolved by the Administrator outside such a section 7(i) proceeding, be reviewable as a final action by the United States Court of Appeals for the Ninth Circuit under section 9(e)(5) of the Northwest

Power Act (subject to any further review by the United States Supreme Court). The remedies available to Forest Grove through such judicial review shall be Forest Grove's sole and exclusive remedy for such disputes, except as provided in the next paragraph.

Any knowing failure of BPA to abide by the TRM, or any BPA repudiation of its obligation here and under the TRM to revise the TRM only in accordance with the TRM sections 12 and 13 procedures for revision, would be a matter of contract to be resolved as would any other claim of breach of contract under this Agreement. For purposes of this paragraph, when there is a dispute between BPA and Forest Grove concerning what the TRM means or requires, a "knowing failure" shall occur only in the event the United States Court of Appeals for the Ninth Circuit or, upon further review, the United States Supreme Court rules against BPA on its position as to what the TRM means or requires and BPA thereafter persists in its prior position.

6.5 BPA shall not publish a Federal Register Notice regarding BPA rates or the TRM that prohibits, limits, or restricts Forest Grove's right to submit testimony or brief issues on rate matters regarding the meaning or implementation of the TRM or establishment of BPA rates pursuant to it, provided however for purposes of BPA's conformance to this paragraph a "rate matter" shall not include budgetary and program level issues.

6.6 The TRM established by BPA as of the Effective Date includes, among other things, the following:

6.6.1 Definitions (from Definitions section of the TRM):

"Contract High Water Mark" or "CHWM" means the amount (expressed in Average Megawatts), computed for each customer in accordance with section 4 of the TRM. For each customer with a CHWM Contract, the CHWM is used to calculate each customer's RHWM in the RHWM Process for each applicable Rate Period. The CHWM Contract specifies the CHWM for each customer.

"Rate Period High Water Mark" or "RHWM" means the amount, calculated by BPA in each RHWM Process (as defined in the TRM) pursuant to the formula in section 4.2.1 of the TRM and expressed in Average Megawatts, that BPA establishes for each customer based on the customer's CHWM and the RHWM Tier 1 System Capability (as defined in the TRM). The maximum planned amount of power a customer may purchase under Tier 1 Rates each Fiscal Year of the Rate Period is equal to the RHWM for Load Following customers and the lesser of RHWM or Annual Net Requirement for Block and Slice/Block customers.

"Contract Demand Quantity" or "CDQ" means the monthly quantity of demand (expressed in kilowatts) included in each customer's CHWM Contract that is subtracted from the Customer

System Peak (as defined in the TRM) as part of the process of determining the customer's Demand Charge Billing Determinant (as defined in the TRM), as calculated in accordance with section 5.3.5 of the TRM.

6.6.2 Rate Period High Water Mark Calculation (from section 4.2.1 of the TRM):

Expressed as a formula, the RHWM will be calculated by BPA for each customer as follows:

$$RHWM = \frac{CHWM}{\Sigma CHWM} \times TISC$$

where:

RHWM = Rate Period High Water Mark, expressed in Average Megawatts

CHWM = Contract High Water Mark

ΣCHWM = sum of all customers' Contract High Water Marks, including those for customers without a CHWM Contract

TISC = forecast RHWM Tier 1 System Capability (as defined in the TRM), averaged for the Rate Period

7. HIGH WATER MARKS AND CONTRACT DEMAND QUANTITIES

7.1 Contract High Water Mark (CHWM)

BPA shall establish Forest Grove's CHWM in the manner defined in section 4.1 of the TRM that was current as of the Effective Date. Forest Grove's CHWM and the circumstances under which it can change are stated in Exhibit B.

7.2 Rate Period High Water Mark (RHWM)

Forest Grove's CHWM shall also be Forest Grove's RHWM for FY 2012 and FY 2013. BPA shall establish Forest Grove's RHWM for the next Rate Period by September 30, 2012, and for subsequent Rate Periods by September 30 of each Forecast Year thereafter. BPA shall establish Forest Grove's RHWM in the manner defined in section 4.2 of the TRM that was current as of the Effective Date.

7.3 Contract Demand Quantities (CDQs)

BPA shall establish Forest Grove's CDQs pursuant to the TRM. Forest Grove's CDQs are listed in Exhibit B.

8. **APPLICABLE RATES**

Purchases under this Agreement are subject to the following rate schedules, or their successors: Priority Firm Power (PF), New Resource Firm Power (NR), and Firm Power Products and Services (FPS), as applicable. Billing determinants for any purchases will be included in each rate schedule. Power purchases under this Agreement are subject to BPA's Wholesale Power Rate Schedules, established in accordance with the TRM, as applicable, and its GRSPs (or their successors).

8.1 **Priority Firm Power (PF) Rates**

BPA shall establish its PF power rates that apply to purchases under this Agreement pursuant to section 7 of the Northwest Power Act, and in accordance with the TRM. BPA shall establish PF rates that include rate schedules for purchase amounts at Tier 1 Rates and purchase amounts at Tier 2 Rates. Forest Grove's purchase of Firm Requirements Power shall be priced as follows:

- (1) Tier 1 Rates shall apply to Firm Requirements Power that Forest Grove purchases under this Agreement, less: (a) amounts of Firm Requirements Power priced at Tier 2 Rates elected by Forest Grove in section 2 of Exhibit C, and (b) any amounts purchased for NLSLs.
- (2) Tier 2 Rates shall apply to planned annual amounts of Firm Requirements Power that Forest Grove purchases to serve its Above-RHWM Load that remains after applying Forest Grove's New Resources. The details of this calculation, including the use of a forecasted RHWM for FY 2012 and FY 2013, are established in the TRM.

8.2 **New Resource Firm Power (NR) Rate**

Except for the application of section 23.3.7.1 Renewable Resource/Cogeneration Exception, any amounts of Firm Requirements Power provided to Forest Grove from BPA for service to an NLSL that is listed in Exhibit D shall be purchased at the NR Rate.

8.3 **Firm Power Products and Services (FPS) Rate**

Services sold under this Agreement to Forest Grove at the FPS rate, if any, are listed in Exhibit D.

8.4 **Additional Charges**

The Resource Shaping Charge shall apply to Forest Grove's New Resources that are used to serve Total Retail Load in an amount other than equal megawatt amounts for each hour of the year. Forest Grove may incur additional charges or penalty charges as provided in the Wholesale Power Rate Schedules and GRSPs, including the Unauthorized Increase Charge or its successors.

8.5 Resource Support Services (RSS)

For Forest Grove’s Specified Resources, Forest Grove may elect to purchase RSS products under this Agreement. Such purchases shall be listed in Exhibit D.

9. ELECTIONS TO PURCHASE POWER PRICED AT TIER 2 RATES

9.1 Determination and Notice to Serve Above-RHWM Load

Forest Grove shall determine and provide notice, as described below, to BPA whether Forest Grove shall serve its Above-RHWM Load that is greater than or equal to 8,760 megawatt-hours with either: (1) Firm Requirements Power purchased from BPA at a Tier 2 Rate or rates, (2) Dedicated Resources, or (3) a specific combination of both (1) and (2). Forest Grove shall make such determination and provide such notice as follows:

9.1.1 Notice Deadlines and Purchase Periods

Notice Deadlines and corresponding Purchase Periods are as follows:

| Notice Deadline | | Purchase Period | |
|------------------------|-----|------------------------|--|
| November 1, 2009 | For | FY 2012 – FY 2014 | |
| September 30, 2011 | For | FY 2015 – FY 2019 | |
| September 30, 2016 | For | FY 2020 – FY 2024 | |
| September 30, 2021 | For | FY 2025 – FY 2028 | |

9.1.2 Elections to Purchase at Tier 2 Rates

By each Notice Deadline, Forest Grove shall elect in writing to purchase, or not to purchase, Firm Requirements Power at Tier 2 Rates for at least the upcoming Purchase Period. If Forest Grove elects to purchase Firm Requirements Power at Tier 2 Rates, then Forest Grove shall make such election pursuant to sections 2.2 through 2.4 of Exhibit C. BPA shall update Exhibit C to state Forest Grove’s Tier 2 Rate purchase elections.

9.1.3 Elections Not to Purchase at Tier 2 Rates

If Forest Grove elects under section 9.1.2 not to purchase Firm Requirements Power at Tier 2 Rates to serve Above-RHWM Load for a Purchase Period, BPA shall update section 2.1 of Exhibit C to indicate such election. Such election shall not eliminate any existing obligation that extends into the Purchase Period or beyond to purchase Firm Requirements Power at Tier 2 Rates.

9.1.4 Failure to Make an Election

If Forest Grove makes no election by a Notice Deadline in section 9.1.1 for the corresponding Purchase Period Forest Grove shall be deemed to have purchased Firm Requirements Power at Tier 2 Short-Term Rates to serve Above-RHWM Load under Alternative A in section 2.4.1 of Exhibit C with zero Dedicated Resource amounts listed in the table in section 2.4.1.1(2) of Exhibit C, except for any existing

obligation to apply Dedicated Resources that extends into the Purchase Period or beyond.

9.2 Tier 2 Rate Alternatives

Subject to the requirements of this section 9 and those stated in Exhibit C, Forest Grove shall have the right to purchase Firm Requirements Power at Tier 2 Load Growth Rates, Tier 2 Vintage Rates, and Tier 2 Short-Term Rates.

9.3 Flat Block

Amounts of Firm Requirements Power priced at Tier 2 Rates and purchased by Forest Grove shall be equal in all hours of the year.

10. TIER 2 REMARKETING AND RESOURCE REMOVAL

10.1 Resource Removal and Remarketing of Tier 2 Purchase Amounts for Each Rate Period

If Forest Grove's Above-RHWM Load as forecast for an upcoming Rate Period is less than the sum of (1) Forest Grove's Tier 2 Rate purchase amounts, as stated in Exhibit C, and (2) Forest Grove's New Resource amounts, as stated in Exhibit A, then by October 31 of each Rate Case Year, Forest Grove may notify BPA of the order and associated amounts of Forest Grove's Tier 2 Rate purchase amounts that BPA shall remarket and the New Resources Forest Grove shall remove for each Fiscal Year in the upcoming Rate Period to the extent necessary to comply with section 10.2. If compliance with the requirements of section 10.2 would cause Forest Grove to remove part or all of any New Resource that Forest Grove uses to fulfill a state or federal renewable resource standard or other comparable legal obligation, then Forest Grove shall have the right to substitute its right to remove New Resources for the same amount of Existing Resources to the extent necessary to comply with section 10.2, provided that the hourly, monthly, and Diurnal amounts so removed shall be equal to the hourly, monthly, and Diurnal amounts provided by the New Resources that Forest Grove would have otherwise been obligated to remove.

If Forest Grove does not provide BPA with such timely notice in accordance with the preceding paragraph, then BPA shall determine the order and associated amounts of Tier 2 remarketing and removal of New Resources to the extent necessary to comply with section 10.2.

10.2 Extent of Removal

Tier 2 remarketing and removal of New Resources pursuant to section 10.1 shall apply until:

- (1) the remarketed Tier 2 Rate purchase amounts plus the removed New Resource amounts equal the amount by which Forest Grove's Tier 2 Rate purchase amounts plus its New Resources exceed its Above-RHWM Load, or

- (2) all of Forest Grove's Tier 2 Rate purchase amounts are remarketed and all of its New Resources are removed.

10.3 Partial Resource Removal

When only a portion of a Specified Resource or Unspecified Resource Amounts is being removed pursuant to section 10.1, such resources shall be removed proportionally to maintain the same annual shape for the resource that Forest Grove has established in Exhibit A.

10.4 Remarketing of Power Priced at Tier 2 Rates

Consistent with rates established under the TRM, Forest Grove shall be subject to applicable charges or credits associated with BPA's remarketing of purchase amounts of Firm Requirements Power at Tier 2 Rates. Except as specified in section 10.5, Forest Grove shall be responsible for remarketing of any amounts of its Dedicated Resources, Specified or Unspecified, that are removed pursuant to section 10.1.

10.5 Removal of Resources Taking DFS

The following shall apply for any Dedicated Resources: (1) for which Forest Grove is purchasing DFS under this Agreement, and (2) that are partially or entirely removed pursuant to section 10.1.

10.5.1 Forest Grove shall continue to apply the entire amount of any such resources to load consistent with applicable provisions stated in Exhibit D.

10.5.2 BPA shall remarket the amounts of any such resources that are removed pursuant to section 10.1 in the same manner BPA remarkets Tier 2 Rate purchase amounts in section 10.4. BPA shall continue to provide DFS in accordance with applicable provisions in Exhibit D to any amounts of such resources that remain after resource removal.

11. RIGHT TO CHANGE PURCHASE OBLIGATION

11.1 One-Time Right to Change Purchase Obligation

Subject to this section 11.1, Forest Grove shall have a one-time right to change its purchase obligation, identified in section 3, to another purchase obligation available from BPA, including Block or Slice/Block. If Forest Grove chooses to change its purchase obligation, then Forest Grove shall first provide notice to BPA of its intent and then confirm its decision as established below. Any elections of Tier 2 Rate alternatives, Dedicated Resource additions, or other notices given to BPA under this Agreement shall continue to be applicable under the new purchase obligation, provided that BPA may update such terms and conditions consistent with the then-current terms of the new purchase obligation, and additional costs may apply for service under the new purchase obligation as described in section 11.1.3.

11.1.1 Notice to Change

By May 31, 2016, Forest Grove may provide written notice to BPA that it is requesting to change its purchase obligation effective October 1, 2019, subject to confirmation described in section 11.1.4. Forest Grove's notice shall state the type of service requested. If such service is the Slice/Block purchase obligation, then Forest Grove shall state a range of Slice amounts between a specified minimum and maximum amount of Slice that Forest Grove will accept, provided that the maximum amount of Slice shall not exceed 70% of Forest Grove's CHWM.

11.1.2 Limitations Due to Peak Load Increase

By July 31, 2016, BPA shall assess the aggregate effect of all requests to change purchase obligations on BPA's forecast of its total monthly firm coincident peak loads in the first year the changes become effective. If the increase in this peak load in any one month exceeds 300 megawatts, then BPA may, after consulting with Forest Grove and other customers with a CHWM Contract, do one of the following to reduce the increase in such peak load to 300 megawatts: (1) deny Forest Grove's request to change its purchase obligation, or (2) approve Forest Grove's request but defer the date on which Forest Grove's new purchase obligation change becomes effective.

11.1.3 Charge to Change Purchase Obligation

In addition to the limitations established in section 11.1.2, Forest Grove may be subject to charges, in addition to the rates for the new service, as a result of changing its purchase obligation. Such additional charges shall recover all additional costs that: (1) will be incurred by BPA to serve Forest Grove under its new purchase obligation compared to its existing purchase obligation, and (2) would otherwise result in a rate impact on all other customers receiving service under a CHWM Contract. If Forest Grove makes a request to change its purchase obligation, then by September 30, 2016, BPA shall determine and present Forest Grove with any such additional charges. BPA shall not be required to make a payment to Forest Grove as a result of Forest Grove changing its purchase obligation.

11.1.4 Change Confirmation

Within 30 days of BPA's presentation to Forest Grove of the additional charges determined in section 11.1.3, Forest Grove shall provide BPA with written notice whether it wishes to proceed with its request to change its purchase obligation. If Forest Grove is requesting a change to the Slice/Block purchase obligation, then such confirmation constitutes agreement that Forest Grove shall purchase an amount of Slice within Forest Grove's specified range of acceptable Slice amounts, if made available by BPA. If Forest Grove does not provide BPA with such confirmation, then Forest Grove's existing purchase obligation identified in section 3 shall continue to apply.

11.1.5 Slice Amount

If Forest Grove requests a change to a Slice/Block purchase obligation, then BPA shall determine Forest Grove's specific amount of Slice as follows:

- (1) BPA shall determine the total amount of Slice available for purchase by all customers requesting a change to Slice/Block. Such amount shall be the sum of any unsubscribed amount of Slice as of October 1, 2011, plus any amount of Slice made available by customers switching from the Slice/Block purchase obligation.
- (2) If such amount is sufficient to meet the requested maximum amount of Slice from all customers requesting a change to Slice/Block, then BPA shall provide to Forest Grove its requested maximum amount of Slice as part of the new purchase obligation.
- (3) If such amount is insufficient to meet the requested maximum amount of Slice from all customers requesting a change to Slice/Block, then BPA shall reduce individual Slice amounts of customers requesting a change to Slice/Block pro rata based on the requested maximum amount of Slice. If Forest Grove's individual Slice amount is below its specified minimum, then Forest Grove shall retain its current purchase obligation.

11.1.6 Amendment to Reflect New Purchase Obligation

Following Forest Grove's confirmation of its decision to change its purchase obligation, the Parties shall amend this Agreement to replace the terms of Forest Grove's current purchase obligation with the terms of the new purchase obligation. Such amendment shall include, but not be limited to, revising the peak amounts for each of Forest Grove's Specified Resources listed in section 2 of Exhibit A. The Parties shall revise such peak amounts using BPA's peak standard applicable to Forest Grove's new purchase obligation. The amended Agreement shall be effective no later than October 1, 2019.

11.2 This Section Intentionally Left Blank

12. BILLING CREDITS AND RESIDENTIAL EXCHANGE

12.1 Billing Credits

If Forest Grove develops a Generating Resource to serve its loads, then Forest Grove agrees that it shall forego any request for, and BPA is not obligated to include, billing credits, as defined in section 6(h) of the Northwest Power Act, on Forest Grove's bills under this Agreement. This section does not apply to any billing credit contracts in effect as of the Effective Date.

12.2 Agreement to Limit Exchange Costs of Existing Resources
Forest Grove agrees it will not seek and shall not receive residential exchange benefits pursuant to section 5(c) of the Northwest Power Act other than pursuant to Section IV(G) of BPA's 2008 Average System Cost Methodology or its successor. Forest Grove recognizes that the quantity of residential load will be determined in a subsequent policy or rate determination. Forest Grove's agreement in this section 12.2 is a material precondition to BPA offering and executing this Agreement.

13. SCHEDULING

Over the term of this Agreement, Forest Grove may be required to purchase, or may have the option to purchase, Transmission Scheduling Service from Power Services in accordance with Exhibit F. If Forest Grove is required or elects to purchase Transmission Scheduling Service from Power Services, then Exhibit F shall be replaced with the Transmission Scheduling Service exhibit. If Forest Grove is not purchasing Transmission Scheduling Service from Power Services, then Forest Grove shall comply with the scheduling requirements described in sections 2 and 3 of Exhibit F.

14. DELIVERY

14.1 Definitions

14.1.1 "Integrated Network Segment" means those facilities of the Federal Columbia River Transmission System that are required for the delivery of bulk power supplies, the costs for which are recovered through generally applicable transmission rates, and that are identified as facilities in the Integrated Network Segment, or its successor, in the BPA segmentation study for the applicable transmission rate period as determined in a hearing establishing or revising BPA's transmission rates pursuant to section 7(i) of the Northwest Power Act.

14.1.2 "Primary Points of Receipt" means the points on the Pacific Northwest transmission system where Firm Requirements Power is forecasted to be made available by Power Services to Forest Grove for purposes of obtaining a long-term firm transmission contract.

14.1.3 "Scheduling Points of Receipt" means the points on the Pacific Northwest transmission system where Firm Requirements Power is made available by Power Services to Forest Grove for purposes of transmission scheduling.

14.2 Transmission Service

14.2.1 Forest Grove is responsible for delivery of power from the Scheduling Points of Receipt.

14.2.2 Forest Grove shall provide at least 60 days' notice to Power Services prior to changing Balancing Authority Areas.

14.2.3 At Forest Grove's request, Power Services shall provide Forest Grove with Primary Points of Receipt and other information needed to enable Forest Grove to obtain long-term firm transmission for delivery of power sold under this Agreement. If required by Transmission Services for purposes of transmission scheduling, then Power Services shall provide Forest Grove with Scheduling Points of Receipt. Power Services has the right to provide power to Forest Grove at Scheduling Points of Receipt that are different than the Primary Points of Receipt. If BPA does provide power to Forest Grove at Scheduling Points of Receipt that are different than the Primary Points of Receipt, then BPA shall reimburse Forest Grove for any incremental, direct, non-administrative costs incurred by Forest Grove to comply with delivering Firm Requirements Power from such a Scheduling Point of Receipt to Forest Grove's load if the following conditions, as outlined in (1) or (2) below, have been met:

- (1) If Forest Grove has long-term Point to Point (PTP) transmission service (as defined in BPA's Open Access Transmission Tariff) for delivery of Firm Requirements Power to its load:
 - (A) Forest Grove has requested long-term firm transmission service to deliver its Firm Requirements Power using the Primary Points of Receipt and other information provided by Power Services; and
 - (B) Forest Grove has submitted a request to redirect its long-term firm PTP transmission service to deliver Firm Requirements Power from the Scheduling Point of Receipt on a firm basis, but that request was not granted; and
 - (C) Forest Grove's transmission schedule was curtailed due to non-firm status under PTP transmission service or Forest Grove can provide proof of the reimbursable costs incurred to replace the curtailed schedule.
- (2) If Forest Grove has long-term Network Integration Transmission Service (as defined in BPA's Open Access Transmission Tariff) for delivery of Firm Requirements Power to its load:
 - (A) Forest Grove has requested long-term firm transmission service to deliver its Firm Requirements Power using the Primary Points of Receipt and other information provided by Power Services; and

- (B) Forest Grove's transmission schedule was curtailed due to non-firm status under its secondary service status and Forest Grove can provide proof of the reimbursable costs incurred to replace the curtailed schedule.

14.3 Liability for Delivery

Forest Grove waives any claims against BPA arising under this Agreement for non-delivery of power to any points beyond the applicable Scheduling Points of Receipt, except for reimbursement of costs as described in section 14.2.3. BPA shall not be liable under this Agreement for any third-party claims related to the delivery of power after it leaves the Scheduling Points of Receipt. Neither Party shall be liable under this Agreement to the other Party for damage that results from any sudden, unexpected, changed, or abnormal electrical condition occurring in or on any electric system, regardless of ownership. These limitations on liability apply regardless of whether or not this Agreement provides for Transfer Service.

14.4 Real Power Losses

BPA is responsible for the real power losses necessary to deliver Firm Requirements Power to Forest Grove's PODs listed in Exhibit E.

14.5 Metering Losses

BPA shall adjust measured amounts of power to account for losses, if any, that occur between Forest Grove's PODs and the respective POMs, as specified in Exhibit E.

15. METERING

15.1 Measurement

By September 30, 2010, the Parties shall ensure that meters are installed on all PODs listed in Exhibit E, consistent with the requirements of this section 15. The amount of power measured by such meters shall be used by BPA for billing purposes. If the Parties agree that metering is economically or technologically impractical, then:

- (1) the Parties shall use scheduled amounts to measure the amount of power purchased if such power is scheduled into or out of Forest Grove's service territory; or
- (2) the Parties shall use mutually acceptable load profiles to measure the amount of power purchased if such power is not scheduled.

If the metering equipment associated with the meters listed in Exhibit E fails to properly measure or record the interval readings, then BPA shall apply the procedure set out in the Meter Usage Data Estimations provision of the Wholesale Power Rate Schedules and GRSPs to determine the appropriate billing adjustment.

The rights to locate meters and access facilities granted to BPA pursuant to this section 15 are subject to the terms of any applicable agreement between Forest Grove and Transmission Services addressing the location, cost responsibility, access, maintenance, testing, and liability of the Parties with respect to meters.

15.2 **Existing BPA Owned Meters**

At BPA's expense, BPA shall operate, maintain, and replace, as necessary, all existing metering equipment owned by BPA that is needed to plan, schedule, and bill for power. Forest Grove authorizes BPA to maintain and replace any metering equipment on Forest Grove's facilities that is reasonably necessary to forecast, plan, schedule, and bill for power. With reasonable notice from BPA, and for the purpose of implementing this provision, Forest Grove shall grant BPA reasonable physical access to BPA owned meters at BPA's request.

BPA shall give Forest Grove access to meter data from the BPA owned meters listed in Exhibit E.

If, at any time, BPA or Forest Grove determines that a BPA owned meter is defective or inaccurate, then BPA shall adjust, repair, or replace the meter to provide accurate metering as soon as practical.

15.3 **Non-BPA Owned Meters**

15.3.1 **Customer Owned Meters**

Forest Grove shall operate, maintain, and replace, as necessary at Forest Grove's expense, all non-BPA metering equipment owned by Forest Grove that is needed by BPA to forecast, plan, schedule, and bill for power for:

- (1) points of interconnection between Forest Grove's system and parties other than BPA;
- (2) all loads that require separate measurement for purposes of forecasting, planning, scheduling, or billing for power; and
- (3) Generating Resources listed in Exhibit A that are interconnected to Forest Grove's system.

Forest Grove shall give BPA direct, electronic access to meter data from all Forest Grove owned meters that are capable of being accessed electronically. For the purpose of inspection, Forest Grove shall grant BPA reasonable physical access to Forest Grove meters at BPA's request.

If, at any time, BPA or Forest Grove determines that a Forest Grove owned meter listed in Exhibit E is defective or inaccurate, then Forest Grove shall adjust, repair, or replace the meter, or shall make

commercially reasonable efforts to arrange for the completion of such actions, to provide accurate metering as soon as practical. BPA shall have the right to witness any meter tests on Forest Grove owned meters listed in Exhibit E and, with reasonable advance notice, BPA may conduct tests on such meters. Forest Grove shall have the right to witness any meter tests conducted by BPA.

15.3.2 Non-BPA Owned Meters Not Owned by Forest Grove

For non-BPA owned meters not owned by Forest Grove needed by BPA to forecast, plan, schedule and bill for power under this Agreement, Forest Grove shall make commercially reasonable efforts to arrange for such meters to be operated, maintained and replaced, as necessary, for the measurements described above in sections 15.3.1(1) and 15.3.1(2) and for any Generating Resources listed in Exhibit A that require metering.

If, at any time, it is determined that a non-BPA owned meter not owned by Forest Grove listed in Exhibit E is defective or inaccurate, then Forest Grove shall make commercially reasonable efforts to arrange to adjust, repair, or replace the meter, to provide accurate metering as soon as practical. To the extent possible, BPA may witness any meter tests on non-BPA owned meters not owned by Forest Grove listed in Exhibit E and, with reasonable advance notice, BPA may conduct tests on such meters. Forest Grove shall have the right to witness any meter tests conducted by BPA.

15.3.3 Non-BPA Owned Meters Owned by Third-Party Transmission Provider

This section 15.3 shall not apply to non-BPA owned meters that are owned by a Third-Party Transmission Provider with which BPA holds a transmission contract for service to Forest Grove load. In these cases the metering arrangements shall be between BPA and the Third-Party Transmission Provider.

15.4 New Meters

A separate agreement addressing the location, cost responsibility, access, maintenance, testing, and liability of the Parties with respect to new meters shall be between Forest Grove and Transmission Services.

All new and replaced meters shall meet American National Standard Institute standards, including, but not limited to C12.20, Electricity Meters--0.2 and 0.5 Accuracy Classes, and the Institute of Electrical and Electronics Engineers, Inc. standard C57.13, Requirements for Instrument Transformers, or their successors. Any new and replaced meters shall be able to record meter data hourly and store data for a minimum of 45 days.

15.5 Metering an NLSL

Any loads that are monitored by BPA for an NLSL determination and any NLSLs shall be metered pursuant to section 23.3.4.

15.6 Metering Exhibit

Forest Grove shall provide meter data specified in section 17.3 and shall notify BPA of any changes to PODs, POMs, Interchange Points and related information for which it is responsible. BPA shall list Forest Grove's PODs and meters in Exhibit E.

16. BILLING AND PAYMENT

16.1 Billing

BPA shall bill Forest Grove monthly for all products and services provided during the preceding month(s). BPA may send Forest Grove an estimated bill followed by a final bill. The Issue Date is the date BPA electronically sends the bill to Forest Grove. If electronic transmittal of the entire bill is not practical, then BPA shall transmit a summary electronically, and send the entire bill by United States mail.

16.2 Payment

Forest Grove shall pay all bills electronically in accordance with instructions on the bill. Payment of all bills, whether estimated or final, must be received by the 20th day after the Issue Date of the bill (Due Date). If the 20th day is a Saturday, Sunday, or federal holiday, then the Due Date is the next Business Day.

If Forest Grove has made payment on an estimated bill then:

- (1) if the amount of the final bill exceeds the amount of the estimated bill, then Forest Grove shall pay BPA the difference between the estimated bill and final bill by the final bill's Due Date; or
- (2) if the amount of the final bill is less than the amount of the estimated bill, then BPA shall pay Forest Grove the difference between the estimated bill and final bill by the 20th day after the final bill's Issue Date. If the 20th day is a Saturday, Sunday, or federal holiday, BPA shall pay the difference by the next Business Day.

16.3 Late Payments

After the Due Date, a late payment charge equal to the higher of:

- (1) the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which payment was due) plus four percent, divided by 365; or
- (2) the Prime Rate times 1.5, divided by 365;

shall be applied each day to any unpaid balance.

16.4 **Termination**

If Forest Grove has not paid its bill in full by the Due Date, it shall have 45 days to cure its nonpayment by making payment in full. If Forest Grove does not provide payment within three Business Days after receipt of an additional written notice from BPA, and BPA determines in its sole discretion that Forest Grove is unable to make the payments owed, then BPA may terminate this Agreement. Written notices sent under this section 16.4 must comply with section 20.

16.5 **Disputed Bills**

16.5.1 If Forest Grove disputes any portion of a charge or credit on Forest Grove's estimated or final bills, Forest Grove shall provide written notice to BPA with a copy of the bill noting the disputed amounts. Notwithstanding whether any portion of the bill is in dispute, Forest Grove shall pay the entire bill by the Due Date. This section 16.5.1 does not allow Forest Grove to challenge the validity of any BPA rate.

16.5.2 Unpaid amounts on a bill (including both disputed and undisputed amounts) are subject to the late payment charges provided above. Notice of a disputed charge on a bill does not constitute BPA's agreement that a valid claim under contract law has been stated.

16.5.3 If the Parties agree, or if after a final determination of a dispute pursuant to section 22, Forest Grove is entitled to a refund of any portion of the disputed amount, then BPA shall make such refund with simple interest computed from the date of receipt of the disputed payment to the date the refund is made. The daily interest rate shall equal the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which payment was due) divided by 365.

17. **INFORMATION EXCHANGE AND CONFIDENTIALITY**

17.1 **General Requirements**

Upon request, each Party shall provide the other Party with any information that is necessary to administer this Agreement and to forecast Forest Grove's Total Retail Load, forecast BPA system load, comply with NERC reliability standards, prepare bills, resolve billing disputes, administer Transfer Service, and otherwise implement this Agreement. For example, this obligation includes transmission and power scheduling information and load and resource metering information (such as one-line diagrams, metering diagrams, loss factors, etc.). In addition, Forest Grove shall provide information BPA requests about Dedicated Resources for purposes of meeting BPA's statutory obligations under section 7(b) of the Northwest Power Act. Information requested under this section 17.1 shall be provided in a timely manner. If Forest Grove fails to provide BPA with information Forest Grove is required to provide pursuant to this Agreement and the absence of such information makes it impossible for BPA to perform a calculation, make a

determination, or take an action required under this Agreement, then BPA may suspend its obligation to perform such calculation, make such determination, or take such action until Forest Grove has provided such information to BPA.

17.2 Reports

17.2.1 Within 30 days after final approval of Forest Grove's annual financial report and statements by Forest Grove's authorized officer, Forest Grove shall either e-mail them to BPA at kslf@bpa.gov or, if any of the information is publicly available, then Forest Grove shall notify BPA of its availability.

17.2.2 Within 30 days after its submittal to the Energy Information Administration (EIA), or its successor, Forest Grove shall e-mail a copy of its Annual Form EIA-861 Reports to BPA at kslf@bpa.gov. If Forest Grove is not required to submit such reports to the EIA, then this requirement does not apply.

17.3 Meter Data

17.3.1 In accordance with section 15 and Exhibit E, the Parties shall notify each other of any changes to PODs, POMs, Interchange Points and related information for which it is responsible. Forest Grove shall ensure BPA has access to all data from load and resource meters that BPA determines is necessary to forecast, plan, schedule, and bill under this Agreement. Access to this data shall be on a schedule determined by BPA. Meter data shall be in hourly increments for all meters that record hourly data. Meter data includes, but is not limited to: Forest Grove's actual amounts of energy used or expended for loads and resources, and the physical attributes of Forest Grove's meters.

17.3.2 Forest Grove consents to allow Power Services to receive the following information from Transmission Services or BPA's metering function: (1) Forest Grove's meter data, as specified in section 17.3.1, section 15, and Exhibit E, and (2) notification of outages or load shifts.

17.3.3 At least 15 calendar days in advance, Forest Grove shall e-mail BPA at: (1) mdm@bpa.gov and (2) the contact shown in section 20 when the following events are planned to occur on Forest Grove's system that will affect the load measured by the meters listed in Exhibit E: (1) installation of a new meter, (2) changes or updates to an existing meter not owned by BPA, (3) any planned line or planned meter outages, and (4) any planned load shifts from one POD to another. This section 17.3.3 is not intended to apply to retail meters not listed in Exhibit E.

17.3.4 If an unplanned load shift or outage occurs, materially affecting the load measured by the meters listed in Exhibit E, then Forest Grove shall e-mail BPA at: (1) mdm@bpa.gov, and (2) the contact shown in section 20 within 72 hours after the event.

17.4 Data for Determining CHWM and CDQs

Upon request, Forest Grove shall provide to BPA any load and resource information that BPA determines is reasonably necessary to calculate Forest Grove's CHWM and CDQs. This may include historical load data not otherwise available to BPA and other data necessary to allow BPA to adjust for weather normalization.

17.5 Transparency of Net Requirements Process

By July 31 of each Forecast Year, BPA shall make the following information publicly available to Forest Grove and all other BPA regional utility customers with a CHWM:

- (1) Forest Grove's measured Total Retail Load data for the previous two Fiscal Years in monthly energy amounts and monthly customer-system peak amounts, and
- (2) Forest Grove's Dedicated Resources for the previous two Fiscal Years in monthly energy and peak amounts as listed in section 5 of Exhibit A.

Forest Grove waives all claims of confidentiality regarding the data described above.

17.6 Confidentiality

Before Forest Grove provides information to BPA that is confidential, or is otherwise subject to privilege, or nondisclosure, Forest Grove shall clearly designate such information as confidential. BPA shall notify Forest Grove as soon as practicable of any request received under the Freedom of Information Act (FOIA), or under any other federal law or court or administrative order, for any confidential information. BPA shall only release such confidential information to comply with FOIA or if required by any other federal law or court or administrative order. BPA shall limit the use and dissemination of confidential information within BPA to employees who need it for purposes of administering this Agreement.

17.7 Resources Not Used to Serve Total Retail Load

Forest Grove shall list in section 6 of Exhibit A all Generating Resources and Contract Resources Forest Grove owns that are (1) not Specified Resources listed in section 2 of Exhibit A, and (2) greater than 200 kilowatts of nameplate capability. At BPA's request Forest Grove shall provide BPA with additional data if needed to verify the information listed in section 6 of Exhibit A.

18. CONSERVATION AND RENEWABLES

18.1 Conservation

18.1.1 Evaluations

At BPA's expense, BPA may conduct, and Forest Grove shall cooperate in, conservation impact and project implementation process evaluations to assess the amount, cost-effectiveness, and reliability of conservation in BPA's or Forest Grove's service area.

BPA shall select the timing, frequency, and type of such evaluations. BPA shall do so with reasonable consideration of Forest Grove's and Forest Grove's consumers' needs.

18.1.2 Reporting Requirements

18.1.2.1 This section 18.1.2.1 does not apply if Forest Grove's Total Retail Load from the most recent prior Fiscal Year is 25 annual Average Megawatts or less, or if Forest Grove purchases all of its power from BPA to serve its Total Retail Load. Beginning June 1, 2010, and no later than June 1 every two years thereafter, Forest Grove shall submit a ten-year conservation plan stating Forest Grove's projection of planned conservation, including biennial conservation targets. This requirement may be satisfied by submitting any plans Forest Grove prepares in the normal course of business if the plans include, or are supplemented by, the information required above. This includes plans required under state law (such as the Washington State Energy Independence Act (RCW 19.285)).

18.1.2.2 Forest Grove shall verify and report all cost-effective (as defined by section 3(4) of the Northwest Power Act) non-BPA-funded conservation measures and projects savings achieved by Forest Grove through the Regional Technical Forum's Planning, Tracking and Reporting System or its successor tool. Verification protocols of conservation measures and projects, reporting timelines and documentation requirements shall comply with BPA's Energy Efficiency Implementation Manual or its successor.

18.2 Renewable Resources

18.2.1 Renewable Energy Certificates

BPA shall transfer Renewable Energy Certificates (RECs), or their successors, to Forest Grove in accordance with Exhibit H.

18.2.2 Reporting Requirements

This section 18.2.2 does not apply if Forest Grove's Total Retail Load is 25 annual Average Megawatts or less or if Forest Grove purchases all of its power from BPA to serve its Total Retail Load. If Forest Grove's Total Retail Load is above 25 annual Average Megawatts, the following requirements may be satisfied by submitting plans and reports Forest Grove prepares in the normal course of business as long as such plans and reports include the information required below.

Beginning September 1, 2012, and by September 1 every year thereafter, Forest Grove shall provide BPA with the following:

- (1) updated information on power forecasted to be generated over the forthcoming calendar year by renewable resources with nameplate capabilities greater than 200 kilowatts, including net metered renewable resources operating behind the BPA meter, used by Forest Grove to serve its Total Retail Load, under Exhibit A. Such information shall include: project name, fuel type(s), location, date power purchase contract signed, project energization date, capacity, capacity factor, remaining term of purchase (or if direct ownership remaining life of the project), and the percentage of output that will be used to serve Forest Grove's Total Retail Load that calendar year. Where resources are jointly owned by Forest Grove and other customers that have a CHWM Contract, Forest Grove may either submit a report on behalf of all owners or identify the customer that will submit the report;
- (2) the amount of all purchases of RECs used to meet requirements under state or federal law for the forthcoming calendar year; and
- (3) if Forest Grove is required under state law or by Transmission Services to prepare long-term integrated resource plans or resource forecasts, then Forest Grove shall provide Power Services with updated copies of such or authorize Transmission Services to provide them directly to Power Services.

19. RESOURCE ADEQUACY

By November 30, 2010, and by November 30 each year thereafter, Forest Grove shall provide to the Pacific Northwest Utilities Conference Committee (PNUCC), or its successor, forecasted loads and resources data to facilitate a region-wide assessment of loads and resources in a format, length of time, and level of detail specified in PNUCC's Northwest Regional Forecast Data Request.

After consultation with the Regional Resource Adequacy Forum, or a successor, BPA may require Forest Grove to submit additional data to the Northwest Power and

Conservation Council (Council) that BPA determines is necessary for the Council to perform a regional resource adequacy assessment.

The requirements of this section 19 are waived if Forest Grove purchases from BPA all of its power to serve its Total Retail Load.

20. NOTICES AND CONTACT INFORMATION

Any notice required under this Agreement that requires such notice to be provided under the terms of this section shall be provided in writing to the other Party in one of the following ways:

- (1) delivered in person;
- (2) by a nationally recognized delivery service with proof of receipt;
- (3) by United States Certified Mail with return receipt requested;
- (4) electronically, if both Parties have means to verify the electronic notice's origin, date, time of transmittal and receipt; or
- (5) by another method agreed to by the Parties.

Notices are effective when received. Either Party may change the name or address for delivery of notice by providing notice of such change or other mutually agreed method. The Parties shall deliver notices to the following person and address:

If to Forest Grove:

The City of Forest Grove, Oregon
1818 B Street
P.O. Box 326
Forest Grove, OR 97116-0326
Attn: Janet Lonneker
General Manager
Phone: 503.992.3250
FAX: 503.992.3149
E-Mail: jlonneker@ci.forest-grove.or.us

If to BPA:

Bonneville Power Administration
905 N.E. 11th Ave.
P.O. Box 3621
Portland, OR 97208-3621
Attn: Tina G. Ko – PSW-6
Account Executive
Phone: 503.230.3555
FAX: 503.230.3242
E-Mail: tgko@bpa.gov

21. UNCONTROLLABLE FORCES

21.1 A Party shall not be in breach of an obligation under this Agreement to the extent its failure to fulfill the obligation is due to an Uncontrollable Force. "Uncontrollable Force" means an event beyond the reasonable control, and without the fault or negligence, of the Party claiming the Uncontrollable Force, that prevents that Party from performing its obligations under this Agreement and which that Party could not have avoided by the exercise of reasonable care, diligence and foresight. Uncontrollable Forces include each event listed below, to the extent it satisfies the foregoing criteria, but are not limited to these listed events:

- (1) any curtailment or interruption of firm transmission service on BPA's or a Third Party Transmission Provider's System that prevents delivery of Firm Requirements Power sold under this Agreement to Forest Grove;
 - (2) any failure of Forest Grove's distribution or transmission facilities that prevents Forest Grove from delivering power to end-users;
 - (3) strikes or work stoppage;
 - (4) floods, earthquakes, other natural disasters, or terrorist acts; and
 - (5) final orders or injunctions issued by a court or regulatory body having subject matter jurisdiction which the Party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court having subject matter jurisdiction.
- 21.2 Neither the unavailability of funds or financing, nor conditions of national or local economies or markets shall be considered an Uncontrollable Force. The economic hardship of either Party shall not constitute an Uncontrollable Force. Nothing contained in this provision shall be construed to require either Party to settle any strike or labor dispute in which it may be involved.
- 21.3 If an Uncontrollable Force prevents a Party from performing any of its obligations under this Agreement, such Party shall:
- (1) immediately notify the other Party of such Uncontrollable Force by any means practicable and confirm such notice in writing as soon as reasonably practicable;
 - (2) use commercially reasonable efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligation hereunder as soon as reasonably practicable;
 - (3) keep the other Party apprised of such efforts on an ongoing basis; and
 - (4) provide written notice of the resumption of performance.

Written notices sent under this section must comply with section 20.

22. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement shall be interpreted consistent with and governed by federal law. Forest Grove and BPA shall identify issue(s) in dispute arising out of this Agreement and make a good faith effort to negotiate a resolution of such disputes before either may initiate litigation or arbitration. Such good faith effort shall include discussions or negotiations between the Parties' executives or managers.

Pending resolution of a contract dispute or contract issue between the Parties or through formal dispute resolution of a contract dispute arising out of this Agreement, the Parties shall continue performance under this Agreement unless to do so would be impossible or impracticable. Unless the Parties engage in binding arbitration as provided for in this section 22, the Parties reserve their rights to individually seek judicial resolution of any dispute arising under this Agreement.

22.1 Judicial Resolution

Final actions subject to section 9(e) of the Northwest Power Act are not subject to arbitration under this Agreement and shall remain within the exclusive jurisdiction of the United States Court of Appeals for the Ninth Circuit. Such final actions include, but are not limited to, the establishment and the implementation of rates and rate methodologies. Any dispute regarding any rights or obligations of Forest Grove or BPA under any rate or rate methodology, or BPA policy, including the implementation of such policy, shall not be subject to arbitration under this Agreement. For purposes of this section 22, BPA policy means any written document adopted by BPA as a final action in a decision record or record of decision that establishes a policy of general application or makes a determination under an applicable statute or regulation. If BPA determines that a dispute is excluded from arbitration under this section 22, then Forest Grove may apply to the federal court having jurisdiction for an order determining whether such dispute is subject to nonbinding arbitration under this section 22.

22.2 Arbitration

Any contract dispute or contract issue between the Parties arising out of this Agreement, which is not excluded by section 22.1 above, shall be subject to arbitration, as set forth below.

Forest Grove may request that BPA engage in binding arbitration to resolve any dispute. If Forest Grove requests such binding arbitration and BPA determines in its sole discretion that binding arbitration of the dispute is appropriate under BPA's Binding Arbitration Policy or its successor, then BPA shall engage in such binding arbitration, provided that the remaining requirements of this section 22.2 and sections 22.3 and 22.4 are met. BPA may request that Forest Grove engage in binding arbitration to resolve any dispute. In response to BPA's request, Forest Grove may agree to binding arbitration of such dispute, provided that the remaining requirements of this section 22.2 and sections 22.3 and 22.4 are met. Before initiating binding arbitration, the Parties shall draft and sign an agreement to engage in binding arbitration, which shall set forth the precise issue in dispute, the amount in controversy and the maximum monetary award allowed, pursuant to BPA's Binding Arbitration Policy or its successor.

Nonbinding arbitration shall be used to resolve any dispute arising out of this contract that is not excluded by section 22.1 above and is not resolved via binding arbitration, unless Forest Grove notifies BPA that it does not wish to proceed with nonbinding arbitration.

22.3 Arbitration Procedure

Any arbitration shall take place in Portland, Oregon, unless the Parties agree otherwise. The Parties agree that a fundamental purpose for arbitration is the expedient resolution of disputes; therefore, the Parties shall make best efforts to resolve an arbitrable dispute within one year of initiating arbitration. The rules for arbitration shall be agreed to by the Parties.

22.4 Arbitration Remedies

The payment of monies shall be the exclusive remedy available in any arbitration proceeding pursuant to this section 22. This shall not be interpreted to preclude the Parties from agreeing to limit the object of arbitration to the determination of facts. Under no circumstances shall specific performance be an available remedy against BPA.

22.5 Finality

22.5.1 In binding arbitration, the arbitration award shall be final and binding on the Parties, except that either Party may seek judicial review based upon any of the grounds referred to in the Federal Arbitration Act, 9 U.S.C. §1-16 (1988). Judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof.

22.5.2 In nonbinding arbitration, the arbitration award is not binding on the Parties. Each Party shall notify the other Party within 30 calendar days, or such other time as the Parties otherwise agreed to, whether it accepts or rejects the arbitration award. Subsequent to nonbinding arbitration, if either Party rejects the arbitration award, either Party may seek judicial resolution of the dispute, provided that such suit is brought no later than 395 calendar days after the date the arbitration award was issued.

22.6 Arbitration Costs

Each Party shall be responsible for its own costs of arbitration, including legal fees. Unless otherwise agreed to by the Parties, the arbitrator(s) may apportion all other costs of arbitration between the Parties in such manner as the arbitrator(s) deem reasonable taking into account the circumstances of the case, the conduct of the Parties during the proceeding, and the result of the arbitration.

23. STATUTORY PROVISIONS

23.1 Retail Rate Schedules

Forest Grove shall make its retail rate schedules available to BPA, as required by section 5(a) of the Bonneville Project Act, P.L. 75-329, within 30 days of each of Forest Grove's retail rate schedule effective dates. This requirement may be satisfied by Forest Grove informing BPA of its public website where such information is posted and kept current.

23.2 Insufficiency and Allocations

If BPA determines, consistent with section 5(b) of the Northwest Power Act and other applicable statutes, that it will not have sufficient resources on a planning basis to serve its loads after taking all actions required by applicable laws then BPA shall give Forest Grove a written notice that BPA may restrict service to Forest Grove. Such notice shall be consistent with BPA's insufficiency and allocations methodology, published in the Federal Register on March 20, 1996, and shall state the effective date of the restriction, the amount of Forest Grove's load to be restricted and the expected duration of the restriction. BPA shall not change that methodology without the written agreement of all public body, cooperative, federal agency and investor-owned utility customers in the Region purchasing federal power from BPA under section 5(b) of the Northwest Power Act. Such restriction shall take effect no sooner than five years after BPA provides notice to Forest Grove. If BPA imposes a restriction under this provision then the amount of Firm Requirements Power that BPA is obligated to provide and that Forest Grove is obligated to purchase pursuant to section 3 and Exhibit C shall be reduced to the amounts available under such allocation methodology for restricted service.

23.3 New Large Single Loads and CF/CTs

23.3.1 Determination of an NLSL

In accordance with BPA's NLSL Policy, BPA may determine that a load is an NLSL as follows:

23.3.1.1 BPA shall determine an increase in production load to be an NLSL if any load associated with a new facility, an existing facility, or an expansion of an existing facility, which is not contracted for, or committed to (CF/CT), as determined by the Administrator, by a public body, cooperative, investor-owned utility, or federal agency customer prior to September 1, 1979, and which will result in an increase in power requirements of such customer of ten Average Megawatts (87,600,000 kilowatt-hours) or more in any consecutive 12-month period.

23.3.1.2 For the sole purpose of computing the increase in energy consumption between any two consecutive 12-month periods of comparison under this section 23.3.1, reductions in the end-use consumer's load associated with a facility during the first 12-month period of comparison due to unusual events reasonably beyond the control of the end-use consumer shall be determined by BPA, and the energy consumption shall be computed as if such reductions had not occurred.

23.3.1.3 The Parties may agree that the installed production equipment at a facility will exceed ten Average Megawatts

consumption over any 12 consecutive months and such agreement shall constitute a binding NLSL determination.

23.3.2 Determination of a Facility

BPA shall make a written determination as to what constitutes a single facility, for the purpose of identifying an NLSL, based on the following criteria:

- (1) whether the load is operated by a single end-use consumer;
- (2) whether the load is in a single location;
- (3) whether the load serves a manufacturing process which produces a single product or type of product;
- (4) whether separable portions of the load are interdependent;
- (5) whether the load is contracted for, served or billed as a single load under Forest Grove's customary billing and service policy;
- (6) consideration of the facts from previous similar situations; and
- (7) any other factors the Parties determine to be relevant.

23.3.3 Administrative Obligations and Rights

23.3.3.1 Forest Grove's CF/CT loads and NLSLs are listed in Exhibit D.

23.3.3.2 Forest Grove shall provide reasonable notice to BPA of any expected increase in a single load that may qualify as an NLSL. The Parties shall list any such potential NLSLs in Exhibit D. If BPA determines that any load associated with a single facility is capable of growing ten Average Megawatts or more in a consecutive 12-month period, then such load shall be subject to monitoring as determined necessary by BPA.

23.3.3.3 When BPA makes a request, Forest Grove shall provide physical access to its substations and other service locations where BPA needs to perform inspections or gather information for purposes of implementing section 3(13) of the Northwest Power Act, including but not limited to making a final NLSL, facility, or CF/CT determination. Forest Grove shall make a request to the end-use consumer to provide BPA, at reasonable times, physical access to inspect a facility for these purposes.

23.3.3.4 Unless the Parties agree pursuant to section 23.3.1.3 above, BPA shall determine whether a new load or an increase in

existing load at a facility is an NLSL. If BPA determines that the load is an NLSL, BPA shall notify Forest Grove and the Parties shall add the NLSL to Exhibit D to reflect BPA's determination.

23.3.4 Metering an NLSL

For any loads that are monitored by BPA for an NLSL determination, and for any loads at any facility that is determined by BPA to be an NLSL, BPA may, in its sole discretion, install BPA owned meters. If the Parties agree otherwise, Forest Grove may install meters meeting the exact specification BPA provides to Forest Grove. Forest Grove and BPA shall enter into a separate agreement for the location, ownership, cost responsibility, access, maintenance, testing, replacement and liability of the Parties with respect to such meters. Forest Grove shall arrange for metering locations that allow accurate measurement of the facility's load. Forest Grove shall arrange for BPA to have physical access to such meters and Forest Grove shall ensure BPA has access to all NLSL meter data that BPA determines is necessary to forecast, plan, schedule, and bill for power.

23.3.5 Undetermined NLSLs

If BPA does not determine at the outset that an increase in load is an NLSL, then the Parties shall install metering equipment as required by section 23.3.4 above, and BPA shall bill Forest Grove for the increase in load at the applicable PF rate during any consecutive twelve-month monitoring period. If BPA later determines that the increase in load is an NLSL, then BPA shall revise Forest Grove's bill to reflect the difference between the applicable PF rate and the applicable NR rate in effect for the monitoring period in which the increase takes place. Forest Grove shall pay that bill with simple interest computed from the start of the monitoring period to the date the payment is made. The daily interest rate shall equal the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which the monitoring period began) divided by 365.

If BPA concludes in its sole judgment that Forest Grove has not fulfilled its obligations, or has not been able to obtain access or information from the end-use consumer under sections 23.3.3 and 23.3.4, BPA may determine any load subject to NLSL monitoring to be an NLSL, in which case Forest Grove shall be billed and pay in accordance with the last two sentences of the preceding paragraph. Such NLSL determination shall be final unless Forest Grove proves to BPA's satisfaction that the applicable load did not exceed ten Average Megawatts in any 12-month monitoring period.

23.3.6 Service Election for an NLSL

Before the Parties add an NLSL to Exhibit D, Forest Grove shall elect, in writing, to:

- (1) have BPA serve the NLSL at the NR rate; or
- (2) serve the NLSL with a Dedicated Resource in Exhibit A that is not already being used to serve Forest Grove's firm consumer load in the region.

This election shall be binding on Forest Grove for the remaining term of this Agreement.

23.3.7 Consumer-Owned Resources Serving an NLSL

23.3.7.1 Renewable Resource/Cogeneration Exception

An end-use consumer served by Forest Grove, with a facility whose load is, in whole or in part, an NLSL, may reduce its NLSL to less than ten Average Megawatts in a consecutive 12-month period by applying an onsite renewable resource or onsite cogeneration behind Forest Grove's meter to its facility load. Forest Grove shall ensure that such resource is continuously applied to serve the NLSL, consistent with BPA's "Renewables and On-Site Cogeneration Option under the NLSL Policy" portion of its Policy for Power Supply Role for Fiscal Years 2007-2011, adopted February 4, 2005, and the NLSL policy included in BPA's Long Term Regional Dialogue Final Policy, July 2007, as amended or replaced. If the NLSL end-use consumer meets the qualification for the exception, then the Parties shall: (1) list the Consumer-Owned Resource serving the NLSL in section 7.4 of Exhibit A and (2) amend Exhibit D to add the onsite renewable resource or cogeneration facility and the requirements for such service.

23.3.7.2 Consumer-Owned Resources that are not Renewable Resources/Cogeneration

If Forest Grove serves an NLSL with a Consumer-Owned Resource that does not qualify for the renewable resource or cogeneration exception, the Parties shall list such Consumer-Owned Resource serving the NLSL in section 7.4 of Exhibit A.

23.4 Priority of Pacific Northwest Customers

The provisions of sections 9(c) and 9(d) of the Northwest Power Act and the provisions of P.L. 88-552 as amended by the Northwest Power Act are incorporated into this Agreement by reference. Forest Grove, together with other customers in the Region, shall have priority to BPA power consistent with such provisions.

23.5 Prohibition on Resale

Forest Grove shall not resell Firm Requirements Power except to serve Forest Grove's Total Retail Load or as otherwise permitted by federal law.

23.6 Use of Regional Resources

23.6.1 Within 60 days prior to the start of each Fiscal Year, Forest Grove shall provide notice to BPA of any Firm Power from a Generating Resource, or a Contract Resource during its term, that has been used to serve firm consumer load in the Region and that Forest Grove plans to export for sale outside the Region in the next Fiscal Year. For purposes of this section 23.6, "Firm Power" means electric power which is continuously made available from Forest Grove's operation of generation or from its purchased power, which is able to meet its Total Retail Load, except when such generation or power is curtailed or restricted due to an Uncontrollable Force. Firm Power includes firm energy and firm peaking energy or both.

BPA may request and Forest Grove shall provide within 30 days of such request, additional information on Forest Grove's sales and dispositions of non-federal resources if BPA has information that Forest Grove may have made such an export and not notified BPA. BPA may request and Forest Grove shall provide within 30 days of such request, information on the planned use of any or all of Forest Grove Generating and Contract Resources.

During any Purchase Period that Forest Grove has no purchase obligation for Firm Requirements Power under section 3, Forest Grove shall have no obligation to notify BPA of its exports under this section; provided, however, Forest Grove shall provide notification of all applicable exports in Purchase Periods when it has a purchase obligation.

23.6.2 Forest Grove shall be responsible for monitoring any Firm Power from Generating Resources and Contract Resources it sells in the Region to ensure such Firm Power is planned to be used to serve firm consumer load in the Region.

23.6.3 If Forest Grove fails to report to BPA in accordance with section 23.6.1, above, any of its planned exports for sale outside the Region of Firm Power from a Generating Resource or a Contract Resource that has been used to serve firm consumer load in the Region, and BPA makes a finding that an export which was not reported was made, BPA shall decrement the amount of its Firm Requirements Power sold under this Agreement by the amount of the export that was not reported and by any continuing export amount. Decrements under the preceding sentence shall be first to power that would otherwise be provided at Tier 1 Rates. When applicable, such decrements shall be identified in section 3.2 of Exhibit A.

23.6.4 For purposes of this section 23.6, an export for sale outside the Region means a contract for the sale or disposition of Firm Power from a

Generating Resource or a Contract Resource during its term that has been used to serve firm consumer load in the Region, which contract will be performed in a manner that such output is no longer used or not planned to be used solely to serve firm consumer load in the Region. Delivery of Firm Power outside the Region under a seasonal exchange agreement that is made consistent with BPA's 5(b)/9(c) Policy will not be considered an export. Firm Power from a Generating Resource or a Contract Resource used to serve firm consumer load in the Region means the firm generating or load carrying capability of a Generating Resource or a Contract Resource as established under PNCA resource planning criteria, or other resource planning criteria generally used for such purposes within the Region.

23.7 BPA Appropriations Refinancing

The Parties agree that the provisions of section 3201(i) of the Bonneville Power Administration Refinancing section of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (BPA Refinancing Act), P.L. 104-134, 110 Stat. 1321, 350, as stated in the United States Code on the Effective Date, are incorporated by reference and are a material term of this Agreement.

24. STANDARD PROVISIONS

24.1 Amendments

Except where this Agreement explicitly allows for one Party to unilaterally amend a provision or exhibit, no amendment of this Agreement shall be of any force or effect unless set forth in writing and signed by authorized representatives of each Party.

24.2 Entire Agreement and Order of Precedence

This Agreement, including documents expressly incorporated by reference, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement. The body of this Agreement shall prevail over the exhibits to this Agreement in the event of a conflict.

24.3 Assignment

This Agreement is binding on any successors and assigns of the Parties. Neither Party may otherwise transfer or assign this Agreement, in whole or in part, without the other Party's written consent. Such consent shall not be unreasonably withheld. Without limiting the foregoing, BPA's refusal to consent to assignment shall not be considered unreasonable if, in BPA's sole discretion: (1) the sale of power by BPA to the assignee would violate any applicable statute, or (2) such sale might adversely affect the tax-exempt status of bonds issued as part of an issue that finances or refinances the Columbia Generating Station or that such sale might limit the ability to issue

future tax-exempt bonds to finance or refinance the Columbia Generating Station. Forest Grove may not transfer or assign this Agreement to any of its retail consumers.

24.4 No Third-Party Beneficiaries

This Agreement is made and entered into for the sole benefit of the Parties, and the Parties intend that no other person or entity shall be a direct or indirect beneficiary of this Agreement.

24.5 Waivers

No waiver of any provision or breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving Party, and any such waiver shall not be deemed a waiver of any other provision of this Agreement or of any other breach of this Agreement.

24.6 BPA Policies

Any reference in this Agreement to BPA policies, including any revisions, does not constitute agreement of Forest Grove to such policy by execution of this Agreement, nor shall it be construed to be a waiver of the right of Forest Grove to seek judicial review of any such policy.

24.7 Rate Covenant and Payment Assurance

Forest Grove agrees that it shall establish, maintain and collect rates or charges sufficient to assure recovery of its costs for power and energy and other services, facilities and commodities sold, furnished or supplied by it through any of its electric utility properties. BPA may require additional forms of payment assurance if: (1) BPA determines that such rates and charges may not be adequate to provide revenues sufficient to enable Forest Grove to make the payments required under this Agreement, or (2) BPA identifies in a letter to Forest Grove that BPA has other reasonable grounds to conclude that Forest Grove may not be able to make the payments required under this Agreement. If Forest Grove does not provide payment assurance satisfactory to BPA, then BPA may terminate this Agreement. Written notices sent under this section must comply with section 20.

25. TERMINATION

25.1 BPA's Right to Terminate

BPA may terminate this Agreement if:

- (1) Forest Grove fails to make payment as required by section 16.4, or
- (2) Forest Grove fails to provide payment assurance satisfactory to BPA as required by section 24.7.

Such termination is without prejudice to any other remedies available to BPA under law.

25.2 Customer's Right to Terminate

Forest Grove may provide written notice to terminate this Agreement not later than 60 days after: (1) a Final FERC Order is issued declining to approve the Tiered Rate Methodology (if BPA seeks FERC's confirmation and approval of it), (2) FERC issues a final declaratory order finding that the TRM does not meet cost recovery standards, or (3) FERC issues a Final FERC Order that determines rates established consistent with the TRM cannot be approved because the TRM precludes the establishment of rates consistent with cost recovery. The notice shall include a date of termination not later than 90 days after the date of such notice. For purposes of this section 25.2, "Final FERC Order" means a dispositive order by FERC on the merits, and does not include any interim order. A dispositive order on the merits is, for purposes of this section, final when issued and there is no need to await a FERC order on rehearing before the decision is considered final.

26. SIGNATURES

The signatories represent that they are authorized to enter into this Agreement on behalf of the Party for which they sign.

THE CITY OF FOREST GROVE, OREGON

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____

By _____

Name _____
(Print/Type)

Name Tina G. Ko
(Print/Type)

Title _____

Title Account Executive

Date _____

Date _____

(PSW-W:\Power\Contract\Customer\Forest Grove\13046\13046_Final.DOC) 10/14/08

Exhibit A
NET REQUIREMENTS AND RESOURCES

1. NET REQUIREMENTS

Forest Grove's Net Requirement equals its Total Retail Load minus Forest Grove's Dedicated Resources determined pursuant to section 3.3 of the body of this Agreement and listed in sections 2, 3, and 4 of this exhibit. The Parties shall not add or remove resource amounts to change Forest Grove's purchase obligations from BPA under section 3.1 of the body of this Agreement except in accordance with sections 3.5 and 10 of the body of this Agreement.

2. LIST OF SPECIFIED RESOURCES

2.1 Generating Resources

All of Forest Grove's Generating Resources that are Specified Resources, except Small Non-Dispatchable Resources, are listed below.

(1) **Priest Rapids**

(A) **Special Provisions**
None

(B) **Resource Profile**

| Fuel Type | Date Resource Dedicated to Load | Date of Resource Removal | Percent of Resource Used to Serve Load | Nameplate Capability (MW) |
|-----------|---------------------------------|--------------------------|--|---------------------------|
| Hydro | 09/01/1977 | N/A | 0.42% | 955.6 |

| Statutory Status | | Resource Status | | DFS or SCS? | | Dispatchable? | | PNCA? | | If PNCA, PNCA Updates? | |
|------------------|------|-----------------|-----|-------------|----|---------------|----|-------|----|------------------------|----|
| 5b1A | 5b1B | Existing | New | Yes | No | Yes | No | Yes | No | Yes | No |
| X | | X | | | | X | | X | | | |

Note: Fill in the table above with "X"s.

(C) **Specified Resource Amounts**

| Specified Resource Amounts | | | | | | | | | | | | | |
|----------------------------|------|------|------|------|------|-----|-----|------|------|------|------|------|------------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
| Fiscal Year 2012 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1060 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1,577 |
| HLH (MWh) | 657 | 701 | 902 | 742 | 609 | 519 | 324 | 639 | 793 | 588 | 721 | 551 | 1,577 |
| LLH (MWh) | 519 | 563 | 712 | 638 | 451 | 373 | 259 | 505 | 579 | 506 | 521 | 482 | 1,577 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2013 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1,577 |
| HLH (MWh) | 683 | 701 | 868 | 772 | 585 | 499 | 337 | 639 | 762 | 612 | 721 | 551 | 1,574 |
| LLH (MWh) | 493 | 563 | 746 | 608 | 439 | 393 | 246 | 505 | 610 | 482 | 521 | 482 | 1,582 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |

| Specified Resource Amounts | | | | | | | | | | | | | |
|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------------------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
| Fiscal Year 2014 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 683 | 701 | 868 | 772 | 585 | 499 | 337 | 639 | 762 | 612 | 695 | 574 | 1.573 |
| LLH (MWh) | 493 | 563 | 746 | 608 | 439 | 393 | 246 | 505 | 610 | 482 | 547 | 459 | 1.583 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2015 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 683 | 673 | 902 | 772 | 585 | 499 | 337 | 615 | 793 | 612 | 695 | 574 | 1.576 |
| LLH (MWh) | 493 | 591 | 712 | 608 | 439 | 393 | 246 | 529 | 579 | 482 | 547 | 459 | 1.580 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2016 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1060 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 683 | 673 | 902 | 742 | 609 | 519 | 337 | 615 | 793 | 588 | 721 | 574 | 1.574 |
| LLH (MWh) | 493 | 591 | 712 | 638 | 451 | 373 | 246 | 529 | 579 | 506 | 521 | 459 | 1.581 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2017 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 657 | 701 | 902 | 742 | 585 | 519 | 324 | 639 | 793 | 588 | 721 | 574 | 1.577 |
| LLH (MWh) | 519 | 563 | 712 | 638 | 439 | 373 | 259 | 505 | 579 | 506 | 521 | 459 | 1.578 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2018 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 657 | 701 | 868 | 772 | 585 | 519 | 324 | 639 | 793 | 588 | 721 | 551 | 1.576 |
| LLH (MWh) | 519 | 563 | 746 | 608 | 439 | 373 | 259 | 505 | 579 | 506 | 521 | 482 | 1.579 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2019 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 683 | 701 | 868 | 772 | 585 | 499 | 337 | 639 | 762 | 612 | 721 | 551 | 1.574 |
| LLH (MWh) | 493 | 563 | 746 | 608 | 439 | 393 | 246 | 505 | 610 | 482 | 521 | 482 | 1.582 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2020 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1060 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 683 | 701 | 868 | 772 | 609 | 499 | 337 | 615 | 793 | 612 | 695 | 574 | 1.574 |
| LLH (MWh) | 493 | 563 | 746 | 608 | 451 | 393 | 246 | 529 | 579 | 482 | 547 | 459 | 1.581 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2021 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 683 | 673 | 902 | 742 | 585 | 519 | 337 | 615 | 793 | 612 | 695 | 574 | 1.574 |
| LLH (MWh) | 493 | 591 | 712 | 638 | 439 | 373 | 246 | 529 | 579 | 482 | 547 | 459 | 1.582 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2022 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 657 | 701 | 902 | 742 | 585 | 519 | 337 | 615 | 793 | 588 | 721 | 574 | 1.575 |
| LLH (MWh) | 519 | 563 | 712 | 638 | 439 | 373 | 246 | 529 | 579 | 506 | 521 | 459 | 1.581 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2023 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 657 | 701 | 902 | 742 | 585 | 519 | 324 | 639 | 793 | 588 | 721 | 574 | 1.577 |
| LLH (MWh) | 519 | 563 | 712 | 638 | 439 | 373 | 259 | 505 | 579 | 506 | 521 | 459 | 1.578 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |

Specified Resource Amounts

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
|--|------|------|------|------|------|-----|-----|------|------|------|------|------|---------------|
| Fiscal Year 2024 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1060 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 657 | 701 | 868 | 772 | 609 | 499 | 337 | 639 | 762 | 612 | 721 | 551 | 1.573 |
| LLH (MWh) | 519 | 563 | 746 | 608 | 451 | 393 | 246 | 505 | 610 | 482 | 521 | 482 | 1.582 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2025 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 683 | 701 | 868 | 772 | 585 | 499 | 337 | 639 | 762 | 612 | 695 | 574 | 1.573 |
| LLH (MWh) | 493 | 563 | 746 | 608 | 439 | 393 | 246 | 505 | 610 | 482 | 547 | 459 | 1.583 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2026 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 683 | 673 | 902 | 772 | 585 | 499 | 337 | 615 | 793 | 612 | 695 | 574 | 1.576 |
| LLH (MWh) | 493 | 591 | 712 | 608 | 439 | 393 | 246 | 529 | 579 | 482 | 547 | 459 | 1.580 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2027 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1024 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 683 | 673 | 902 | 742 | 585 | 519 | 337 | 615 | 793 | 612 | 695 | 574 | 1.574 |
| LLH (MWh) | 493 | 591 | 712 | 638 | 439 | 373 | 246 | 529 | 579 | 482 | 547 | 459 | 1.582 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Fiscal Year 2028 | | | | | | | | | | | | | |
| Total (MWh) | 1176 | 1264 | 1614 | 1380 | 1060 | 892 | 583 | 1144 | 1372 | 1094 | 1242 | 1033 | 1.577 |
| HLH (MWh) | 657 | 701 | 902 | 742 | 609 | 519 | 324 | 639 | 793 | 588 | 721 | 574 | 1.577 |
| LLH (MWh) | 519 | 563 | 712 | 638 | 451 | 373 | 259 | 505 | 579 | 506 | 521 | 459 | 1.578 |
| Peak (MW) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | N/A |
| Notes: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places. | | | | | | | | | | | | | |

(2) **CEAEA for Priest Rapids**

(A) **Special Provisions**

Canadian Entitlement Allocation Extension Agreement (CEAEA) energy is a contractual obligation of U.S. Columbia River hydro projects to Canada, and nets against generation from non-Federal Wells, Rocky Reach, Rock Island, Wanapum, and Priest Rapids hydro projects. At the Effective Date, CEAEA values are fixed through March 2013. If the values or customer obligations under the CEAEA are adjusted or updated, BPA shall revise the CEAEA values shown in the table in section 2.1(2)(C) to reflect such adjustments or updates the next time Exhibit A is revised. CEAEA values shall be revised for future months only. CEAEA values shown for months prior to the date Exhibit A is revised shall not be changed.

(B) Resource Profile

| Fuel Type | Date Resource Dedicated to Load | Date of Resource Removal | Percent of Resource Used to Serve Load | Nameplate Capability (MW) |
|-----------|---------------------------------|--------------------------|--|---------------------------|
| N/A | 09/01/1977 | N/A | N/A | N/A |

| Statutory Status | | Resource Status | | DFS or SCS? | | Dispatchable? | | PNCA? | | If PNCA, PNCA Updates? | |
|------------------|------|-----------------|-----|-------------|----|---------------|----|-------|----|------------------------|----|
| 5b1A | 5b1B | Existing | New | Yes | No | Yes | No | Yes | No | Yes | No |
| X | | X | | | | | X | | X | | |

Note: Fill in the table above with "X"s.

(C) Specified Resource Amounts

| Specified Resource Amounts | | | | | | | | | | | | | |
|----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
| Fiscal Year 2012 | | | | | | | | | | | | | |
| Total (MWh) | -93 | -93 | -96 | -93 | -90 | -98 | -87 | -94 | -91 | -91 | -94 | -87 | -0.126 |
| HLH (MWh) | -93 | -89 | -92 | -89 | -90 | -98 | -87 | -91 | -91 | -88 | -94 | -84 | -0.221 |
| LLH (MWh) | 0 | -4 | -4 | -4 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2013 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.218 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2014 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.218 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2015 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.218 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2016 | | | | | | | | | | | | | |
| Total (MWh) | -93 | -93 | -96 | -93 | -90 | -98 | -87 | -94 | -91 | -91 | -94 | -87 | -0.126 |
| HLH (MWh) | -93 | -89 | -92 | -89 | -90 | -98 | -87 | -91 | -91 | -88 | -94 | -84 | -0.220 |
| LLH (MWh) | 0 | -4 | -4 | -4 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2017 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.218 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2018 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.219 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |

Specified Resource Amounts

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|------|---------------|
| Fiscal Year 2019 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.218 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2020 | | | | | | | | | | | | | |
| Total (MWh) | -93 | -93 | -96 | -93 | -90 | -98 | -87 | -94 | -91 | -91 | -94 | -87 | -0.126 |
| HLH (MWh) | -93 | -89 | -92 | -89 | -90 | -98 | -87 | -91 | -91 | -88 | -94 | -84 | -0.220 |
| LLH (MWh) | 0 | -4 | -4 | -4 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2021 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.218 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2022 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.218 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2023 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.218 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2024 | | | | | | | | | | | | | |
| Total (MWh) | -93 | -93 | -96 | -93 | -90 | -98 | -87 | -94 | -91 | -91 | -94 | -87 | -0.126 |
| HLH (MWh) | -93 | -89 | -92 | -89 | -90 | -98 | -87 | -91 | -91 | -88 | -94 | -84 | -0.221 |
| LLH (MWh) | 0 | -4 | -4 | -4 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2025 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.218 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2026 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.218 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2027 | | | | | | | | | | | | | |
| Total (MWh) | -94 | -91 | -91 | -94 | -84 | -91 | -87 | -94 | -91 | -91 | -94 | -87 | -0.125 |
| HLH (MWh) | -94 | -88 | -88 | -91 | -84 | -91 | -87 | -91 | -91 | -88 | -94 | -84 | -0.218 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |

Specified Resource Amounts

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|------|---------------|
| Fiscal Year 2028 | | | | | | | | | | | | | |
| Total (MWh) | -93 | -93 | -96 | -93 | -90 | -98 | -87 | -94 | -91 | -91 | -94 | -87 | -0.126 |
| HLH (MWh) | -93 | -89 | -92 | -89 | -90 | -98 | -87 | -91 | -91 | -88 | -94 | -84 | -0.221 |
| LLH (MWh) | 0 | -4 | -4 | -4 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |

Notes: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

(3) **Wanapum**

(A) **Special Provisions**

None

(B) **Resource Profile**

| Fuel Type | Date Resource Dedicated to Load | Date of Resource Removal | Percent of Resource Used to Serve Load | Nameplate Capability (MW) |
|-----------|---------------------------------|--------------------------|--|---------------------------|
| Hydro | 09/01/1977 | N/A | 0.42% | 1038.0 |

| Statutory Status | | Resource Status | | DFS or SCS? | | Dispatchable? | | PNCA? | | If PNCA, PNCA Updates? | |
|------------------|------|-----------------|-----|-------------|----|---------------|----|-------|----|------------------------|----|
| 5b1A | 5b1B | Existing | New | Yes | No | Yes | No | Yes | No | Yes | No |
| X | | X | | | | X | | X | | | |

Note: Fill in the table above with "X"s.

(C) **Specified Resource Amounts**

Specified Resource Amounts

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
|-------------------------|------|------|------|------|-----|-----|-----|------|------|------|------|-----|---------------|
| Fiscal Year 2012 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 971 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 597 | 649 | 862 | 691 | 558 | 480 | 332 | 619 | 930 | 784 | 866 | 494 | 1.601 |
| LLH (MWh) | 470 | 522 | 679 | 595 | 413 | 345 | 265 | 488 | 680 | 675 | 625 | 433 | 1.599 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2013 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 620 | 649 | 829 | 719 | 536 | 462 | 345 | 619 | 894 | 816 | 866 | 494 | 1.598 |
| LLH (MWh) | 447 | 522 | 712 | 567 | 401 | 363 | 252 | 488 | 716 | 643 | 625 | 433 | 1.603 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2014 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 620 | 649 | 829 | 719 | 536 | 462 | 345 | 619 | 894 | 816 | 834 | 515 | 1.596 |
| LLH (MWh) | 447 | 522 | 712 | 567 | 401 | 363 | 252 | 488 | 716 | 643 | 657 | 412 | 1.606 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |

Specified Resource Amounts

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
|-------------------------|------|------|------|------|-----|-----|-----|------|------|------|------|-----|---------------|
| Fiscal Year 2015 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 620 | 624 | 862 | 719 | 536 | 462 | 345 | 595 | 930 | 816 | 834 | 515 | 1.600 |
| LLH (MWh) | 447 | 547 | 679 | 567 | 401 | 363 | 252 | 512 | 680 | 643 | 657 | 412 | 1.601 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2016 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 971 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 620 | 624 | 862 | 691 | 558 | 480 | 345 | 595 | 930 | 784 | 866 | 515 | 1.597 |
| LLH (MWh) | 447 | 547 | 679 | 595 | 413 | 345 | 252 | 512 | 680 | 675 | 625 | 412 | 1.603 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2017 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 597 | 649 | 862 | 691 | 536 | 480 | 332 | 619 | 930 | 784 | 866 | 515 | 1.600 |
| LLH (MWh) | 470 | 522 | 679 | 595 | 401 | 345 | 265 | 488 | 680 | 675 | 625 | 412 | 1.600 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2018 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 597 | 649 | 829 | 719 | 536 | 480 | 332 | 619 | 930 | 784 | 866 | 494 | 1.600 |
| LLH (MWh) | 470 | 522 | 712 | 567 | 401 | 345 | 265 | 488 | 680 | 675 | 625 | 433 | 1.600 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2019 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 620 | 649 | 829 | 719 | 536 | 462 | 345 | 619 | 894 | 816 | 866 | 494 | 1.598 |
| LLH (MWh) | 447 | 522 | 712 | 567 | 401 | 363 | 252 | 488 | 716 | 643 | 625 | 433 | 1.603 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2020 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 971 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 620 | 649 | 829 | 719 | 558 | 462 | 345 | 595 | 930 | 816 | 834 | 515 | 1.597 |
| LLH (MWh) | 447 | 522 | 712 | 567 | 413 | 363 | 252 | 512 | 680 | 643 | 657 | 412 | 1.603 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2021 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 620 | 624 | 862 | 691 | 536 | 480 | 345 | 595 | 930 | 816 | 834 | 515 | 1.598 |
| LLH (MWh) | 447 | 547 | 679 | 595 | 401 | 345 | 252 | 512 | 680 | 643 | 657 | 412 | 1.603 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2022 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 597 | 649 | 862 | 691 | 536 | 480 | 345 | 595 | 930 | 784 | 866 | 515 | 1.598 |
| LLH (MWh) | 470 | 522 | 679 | 595 | 401 | 345 | 252 | 512 | 680 | 675 | 625 | 412 | 1.603 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2023 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 597 | 649 | 862 | 691 | 536 | 480 | 332 | 619 | 930 | 784 | 866 | 515 | 1.600 |
| LLH (MWh) | 470 | 522 | 679 | 595 | 401 | 345 | 265 | 488 | 680 | 675 | 625 | 412 | 1.600 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2024 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 971 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 597 | 649 | 829 | 719 | 558 | 462 | 345 | 619 | 894 | 816 | 866 | 494 | 1.598 |
| LLH (MWh) | 470 | 522 | 712 | 567 | 413 | 363 | 252 | 488 | 716 | 643 | 625 | 433 | 1.602 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |

| Specified Resource Amounts | | | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------------------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
| Fiscal Year 2025 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 620 | 649 | 829 | 719 | 536 | 462 | 345 | 619 | 894 | 816 | 834 | 515 | 1.596 |
| LLH (MWh) | 447 | 522 | 712 | 567 | 401 | 363 | 252 | 488 | 716 | 643 | 657 | 412 | 1.606 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2026 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 620 | 624 | 862 | 719 | 536 | 462 | 345 | 595 | 930 | 816 | 834 | 515 | 1.600 |
| LLH (MWh) | 447 | 547 | 679 | 567 | 401 | 363 | 252 | 512 | 680 | 643 | 657 | 412 | 1.601 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2027 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 937 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 620 | 624 | 862 | 691 | 536 | 480 | 345 | 595 | 930 | 816 | 834 | 515 | 1.598 |
| LLH (MWh) | 447 | 547 | 679 | 595 | 401 | 345 | 252 | 512 | 680 | 643 | 657 | 412 | 1.603 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Fiscal Year 2028 | | | | | | | | | | | | | |
| Total (MWh) | 1067 | 1171 | 1541 | 1286 | 971 | 825 | 597 | 1107 | 1610 | 1459 | 1491 | 927 | 1.600 |
| HLH (MWh) | 597 | 649 | 862 | 691 | 558 | 480 | 332 | 619 | 930 | 784 | 866 | 515 | 1.600 |
| LLH (MWh) | 470 | 522 | 679 | 595 | 413 | 345 | 265 | 488 | 680 | 675 | 625 | 412 | 1.600 |
| Peak (MW) | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | N/A |
| Notes: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places. | | | | | | | | | | | | | |

(4) **CEAEA for Wanapum**

(A) **Special Provisions**

Canadian Entitlement Allocation Extension Agreement (CEAEA) energy is a contractual obligation of U.S. Columbia River hydro projects to Canada, and nets against generation from non-Federal Wells, Rocky Reach, Rock Island, Wanapum, and Priest Rapids hydro projects. At the Effective Date, CEAEA values are fixed through March 2013. If the values or customer obligations under the CEAEA are adjusted or updated, BPA shall revise the CEAEA values shown in the table in section 2.1(4)(C) to reflect such adjustments or updates the next time Exhibit A is revised. CEAEA values shall be revised for future months only. CEAEA values shown for months prior to the date Exhibit A is revised shall not be changed.

(B) Resource Profile

| Fuel Type | Date Resource Dedicated to Load | Date of Resource Removal | Percent of Resource Used to Serve Load | Nameplate Capability (MW) |
|-----------|---------------------------------|--------------------------|--|---------------------------|
| N/A | 09/01/1977 | N/A | N/A | N/A |

| Statutory Status | | Resource Status | | DFS or SCS? | | Dispatchable? | | PNCA? | | If PNCA, PNCA Updates? | |
|------------------|------|-----------------|-----|-------------|----|---------------|----|-------|----|------------------------|----|
| 5b1A | 5b1B | Existing | New | Yes | No | Yes | No | Yes | No | Yes | No |
| X | | X | | | | | X | | X | | |

Note: Fill in the table above with "X"s.

(C) Specified Resource Amounts

| Specified Resource Amounts | | | | | | | | | | | | | |
|----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
| Fiscal Year 2012 | | | | | | | | | | | | | |
| Total (MWh) | -89 | -90 | -94 | -91 | -87 | -94 | -84 | -91 | -87 | -87 | -91 | -84 | -0.122 |
| HLH (MWh) | -89 | -87 | -91 | -88 | -87 | -94 | -84 | -88 | -87 | -84 | -91 | -81 | -0.214 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2013 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.211 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2014 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.211 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2015 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.211 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2016 | | | | | | | | | | | | | |
| Total (MWh) | -89 | -90 | -94 | -91 | -87 | -94 | -84 | -91 | -87 | -87 | -91 | -84 | -0.122 |
| HLH (MWh) | -89 | -87 | -91 | -88 | -87 | -94 | -84 | -88 | -87 | -84 | -91 | -81 | -0.213 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2017 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.211 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |

Specified Resource Amounts

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|------|---------------|
| Fiscal Year 2018 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.212 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2019 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.211 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2020 | | | | | | | | | | | | | |
| Total (MWh) | -89 | -90 | -94 | -91 | -87 | -94 | -84 | -91 | -87 | -87 | -91 | -84 | -0.122 |
| HLH (MWh) | -89 | -87 | -91 | -88 | -87 | -94 | -84 | -88 | -87 | -84 | -91 | -81 | -0.213 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2021 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.211 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2022 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.211 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2023 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.211 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2024 | | | | | | | | | | | | | |
| Total (MWh) | -89 | -90 | -94 | -91 | -87 | -94 | -84 | -91 | -87 | -87 | -91 | -84 | -0.122 |
| HLH (MWh) | -89 | -87 | -91 | -88 | -87 | -94 | -84 | -88 | -87 | -84 | -91 | -81 | -0.214 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2025 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.211 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2026 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.211 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |
| Fiscal Year 2027 | | | | | | | | | | | | | |
| Total (MWh) | -91 | -87 | -88 | -93 | -82 | -89 | -84 | -91 | -87 | -87 | -91 | -84 | -0.120 |
| HLH (MWh) | -91 | -84 | -85 | -90 | -82 | -89 | -84 | -88 | -87 | -84 | -91 | -81 | -0.211 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |

Specified Resource Amounts

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|------|---------------|
| Fiscal Year 2028 | | | | | | | | | | | | | |
| Total (MWh) | -89 | -90 | -94 | -91 | -87 | -94 | -84 | -91 | -87 | -87 | -91 | -84 | -0.122 |
| HLH (MWh) | -89 | -87 | -91 | -88 | -87 | -94 | -84 | -88 | -87 | -84 | -91 | -81 | -0.213 |
| LLH (MWh) | 0 | -3 | -3 | -3 | 0 | 0 | 0 | -3 | 0 | -3 | 0 | -3 | -0.005 |
| Peak (MW) | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | N/A |

Notes: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

2.2 Contract Resources

Forest Grove does not have any Contract Resources that are Specified Resources at this time.

2.3 Small Non-Dispatchable Resources

Forest Grove does not have any Small Non-Dispatchable Resources at this time. If Forest Grove adds Small Non-Dispatchable Resources to this section and if the aggregate nameplate capability of such Small Non-Dispatchable Resources that are also New Resources exceeds one megawatt, then BPA shall consider the impacts of the aggregate shape of such New Resources and may require the application of DFS to account for the impact of the aggregate shape on Forest Grove's load.

3. UNSPECIFIED RESOURCE AMOUNTS

3.1 Unspecified Resource Amounts Used to Serve Total Retail Load

3.1.1 Shape of Unspecified Resource Amounts

Forest Grove's Unspecified Resource Amounts shall be calculated using the selected monthly and Diurnal shapes listed below. BPA shall update the table below consistent with section 3.4.2 of the body of this Agreement.

| Shape of Unspecified Resource Amounts | | | | |
|--|--|--------------------------|-----------------------------|--------------------------------|
| Purchase Period | Monthly Shape Choice | | Diurnal Shape Choice | |
| | Total Retail Load Monthly Shape | Flat Annual Shape | HLH Diurnal Shape | Flat Within-Month Shape |
| FY 2012 – FY 2014 | | X | | X |
| FY 2015 – FY 2019 | | X | | X |
| FY 2020 – FY 2024 | | X | | X |
| FY 2025 – FY 2028 | | X | | X |

3.1.2 Unspecified Resource Amounts

Forest Grove does not have any Unspecified Resource Amounts at this time.

3.2 **Unspecified Resource Amounts for 9(c) Export Decrements**
 BPA shall insert a table below pursuant to section 3.5.3 of the body of this Agreement.

4. **DEDICATED RESOURCE AMOUNTS FOR AN NLSL**

Forest Grove does not have any Dedicated Resource amounts serving an NLSL at this time, in accordance with section 3.5.7 of the body of this Agreement.

5. **TOTAL DEDICATED RESOURCE AMOUNTS**

The amounts in the table below equal the sum of all resource amounts used to serve Forest Grove's Total Retail Load listed above in sections 2, 3, and 4.

| Total Dedicated Resource Amounts | | | | | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
| Fiscal Year 2012 | | | | | | | | | | | | | |
| Total (MWh) | 2061 | 2252 | 2965 | 2482 | 1854 | 1525 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.929 |
| HLH (MWh) | 1072 | 1174 | 1581 | 1256 | 990 | 807 | 485 | 1079 | 1545 | 1200 | 1402 | 880 | 2.742 |
| LLH (MWh) | 989 | 1078 | 1384 | 1226 | 864 | 718 | 524 | 987 | 1259 | 1175 | 1146 | 909 | 3.166 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2013 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1118 | 1178 | 1524 | 1310 | 955 | 781 | 511 | 1079 | 1478 | 1256 | 1402 | 880 | 2.743 |
| LLH (MWh) | 940 | 1079 | 1452 | 1169 | 840 | 756 | 498 | 987 | 1326 | 1119 | 1146 | 909 | 3.176 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2014 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1118 | 1178 | 1524 | 1310 | 955 | 781 | 511 | 1079 | 1478 | 1256 | 1344 | 924 | 2.740 |
| LLH (MWh) | 940 | 1079 | 1452 | 1169 | 840 | 756 | 498 | 987 | 1326 | 1119 | 1204 | 865 | 3.180 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2015 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1118 | 1125 | 1591 | 1310 | 955 | 781 | 511 | 1031 | 1545 | 1256 | 1344 | 924 | 2.747 |
| LLH (MWh) | 940 | 1132 | 1385 | 1169 | 840 | 756 | 498 | 1035 | 1259 | 1119 | 1204 | 865 | 3.171 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2016 | | | | | | | | | | | | | |
| Total (MWh) | 2061 | 2252 | 2965 | 2482 | 1854 | 1525 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.929 |
| HLH (MWh) | 1121 | 1121 | 1581 | 1256 | 990 | 807 | 511 | 1031 | 1545 | 1200 | 1402 | 924 | 2.737 |
| LLH (MWh) | 940 | 1131 | 1384 | 1226 | 864 | 718 | 498 | 1035 | 1259 | 1175 | 1146 | 865 | 3.175 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2017 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1069 | 1178 | 1591 | 1252 | 955 | 819 | 485 | 1079 | 1545 | 1200 | 1402 | 924 | 2.748 |
| LLH (MWh) | 989 | 1079 | 1385 | 1227 | 840 | 718 | 524 | 987 | 1259 | 1175 | 1146 | 865 | 3.169 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2018 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1069 | 1178 | 1524 | 1310 | 955 | 819 | 485 | 1079 | 1545 | 1200 | 1402 | 880 | 2.746 |
| LLH (MWh) | 989 | 1079 | 1452 | 1169 | 840 | 718 | 524 | 987 | 1259 | 1175 | 1146 | 909 | 3.170 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |

| Total Dedicated Resource Amounts | | | | | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------------------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
| Fiscal Year 2019 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1118 | 1178 | 1524 | 1310 | 955 | 781 | 511 | 1079 | 1478 | 1256 | 1402 | 880 | 2.743 |
| LLH (MWh) | 940 | 1079 | 1452 | 1169 | 840 | 756 | 498 | 987 | 1326 | 1119 | 1146 | 909 | 3.176 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2020 | | | | | | | | | | | | | |
| Total (MWh) | 2061 | 2252 | 2965 | 2482 | 1854 | 1525 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.929 |
| HLH (MWh) | 1121 | 1174 | 1514 | 1314 | 990 | 769 | 511 | 1031 | 1545 | 1256 | 1344 | 924 | 2.738 |
| LLH (MWh) | 940 | 1078 | 1451 | 1168 | 864 | 756 | 498 | 1035 | 1259 | 1119 | 1204 | 865 | 3.173 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2021 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1118 | 1125 | 1591 | 1252 | 955 | 819 | 511 | 1031 | 1545 | 1256 | 1344 | 924 | 2.742 |
| LLH (MWh) | 940 | 1132 | 1385 | 1227 | 840 | 718 | 498 | 1035 | 1259 | 1119 | 1204 | 865 | 3.176 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2022 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1069 | 1178 | 1591 | 1252 | 955 | 819 | 511 | 1031 | 1545 | 1200 | 1402 | 924 | 2.744 |
| LLH (MWh) | 989 | 1079 | 1385 | 1227 | 840 | 718 | 498 | 1035 | 1259 | 1175 | 1146 | 865 | 3.175 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2023 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1069 | 1178 | 1591 | 1252 | 955 | 819 | 485 | 1079 | 1545 | 1200 | 1402 | 924 | 2.748 |
| LLH (MWh) | 989 | 1079 | 1385 | 1227 | 840 | 718 | 524 | 987 | 1259 | 1175 | 1146 | 865 | 3.169 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2024 | | | | | | | | | | | | | |
| Total (MWh) | 2061 | 2252 | 2965 | 2482 | 1854 | 1525 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.929 |
| HLH (MWh) | 1072 | 1174 | 1514 | 1314 | 990 | 769 | 511 | 1079 | 1478 | 1256 | 1402 | 880 | 2.736 |
| LLH (MWh) | 989 | 1078 | 1451 | 1168 | 864 | 756 | 498 | 987 | 1326 | 1119 | 1146 | 909 | 3.174 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2025 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1118 | 1178 | 1524 | 1310 | 955 | 781 | 511 | 1079 | 1478 | 1256 | 1344 | 924 | 2.740 |
| LLH (MWh) | 940 | 1079 | 1452 | 1169 | 840 | 756 | 498 | 987 | 1326 | 1119 | 1204 | 865 | 3.180 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2026 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1118 | 1125 | 1591 | 1310 | 955 | 781 | 511 | 1031 | 1545 | 1256 | 1344 | 924 | 2.747 |
| LLH (MWh) | 940 | 1132 | 1385 | 1169 | 840 | 756 | 498 | 1035 | 1259 | 1119 | 1204 | 865 | 3.171 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |
| Fiscal Year 2027 | | | | | | | | | | | | | |
| Total (MWh) | 2058 | 2257 | 2976 | 2479 | 1795 | 1537 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.933 |
| HLH (MWh) | 1118 | 1125 | 1591 | 1252 | 955 | 819 | 511 | 1031 | 1545 | 1256 | 1344 | 924 | 2.742 |
| LLH (MWh) | 940 | 1132 | 1385 | 1227 | 840 | 718 | 498 | 1035 | 1259 | 1119 | 1204 | 865 | 3.176 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |

Total Dedicated Resource Amounts

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | annual aMW |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|------|---------------|
| Fiscal Year 2028 | | | | | | | | | | | | | |
| Total (MWh) | 2061 | 2252 | 2965 | 2482 | 1854 | 1525 | 1009 | 2066 | 2804 | 2375 | 2548 | 1789 | 2.929 |
| HLH (MWh) | 1072 | 1174 | 1581 | 1256 | 990 | 807 | 485 | 1079 | 1545 | 1200 | 1402 | 924 | 2.742 |
| LLH (MWh) | 989 | 1078 | 1384 | 1226 | 864 | 718 | 524 | 987 | 1259 | 1175 | 1146 | 865 | 3.168 |
| Peak (MW) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | N/A |

Notes: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

6. LIST OF RESOURCES NOT USED TO SERVE TOTAL RETAIL LOAD

Pursuant to section 17 of the body of this Agreement, Forest Grove does not own any Generating Resources or Contract Resources that are (1) not Specified Resources listed in section 2 of Exhibit A, and (2) greater than 200 kilowatts of nameplate capability.

7. LIST OF CONSUMER-OWNED RESOURCES

7.1 Consumer-Owned Resources Serving Onsite Consumer Load

Pursuant to section 3.6 of the body of this Agreement, Forest Grove does not have any Consumer-Owned Resources serving Onsite Consumer Load at this time.

7.2 Consumer-Owned Resources Serving Load Other than Onsite Consumer Load

Pursuant to section 3.6 of the body of this Agreement, Forest Grove does not have any Consumer-Owned Resources serving load other than Onsite Consumer Load at this time.

7.3 Consumer-Owned Resources Serving Both Onsite Consumer Load and Load Other than Onsite Consumer Load

Pursuant to section 3.6 of the body of this Agreement, Forest Grove does not have any Consumer-Owned Resources serving both Onsite Consumer Load and load other than Onsite Consumer Load at this time.

7.4 Consumer-Owned Resources Serving an NLSL

Pursuant to section 23.3.7 of the body of this Agreement, Forest Grove does not have any Consumer-Owned Resources serving an NLSL at this time.

8. TABLES FOR ALLOWABLE DEDICATED RESOURCE SHAPES

8.1 Total Retail Load Monthly Shape

By March 31 immediately following each of the Fiscal Years 2010, 2015, and 2020, BPA shall fill in the table below with Forest Grove's Total Retail Load Monthly Shape, in accordance with section 3.4.2 of the body of this Agreement. Forest Grove's Total Retail Load Monthly Shape shall be calculated by dividing Forest Grove's Total Retail Load (in megawatt-hours) in each month of Fiscal Years 2010, 2015, and 2020 by the Fiscal Year total of

Forest Grove's Total Retail Load (in megawatt-hours). BPA shall weather-normalize Forest Grove's Total Retail Load data, prior to calculating the Total Retail Load Monthly Shape, using the same weather-normalization procedures set forth in section 4.1.1 of the TRM.

| Total Retail Load Monthly Shape (%) | | | | | | | | | | | | | |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Total |
| FY 2010 | | | | | | | | | | | | | 100.0 |
| FY 2015 | | | | | | | | | | | | | 100.0 |
| FY 2020 | | | | | | | | | | | | | 100.0 |

Note: Fill in the table above with percents rounded to the nearest one decimal place

8.2 HLH Diurnal Shape

8.2.1 Specified Resources

If Forest Grove elects the HLH Diurnal Shape for its Specified Resources, Forest Grove shall fill in a table with monthly LLH and HLH amounts for each year of the upcoming Purchase Period for each Specified Resource. The monthly LLH and HLH distributions shall be the same across all years of a Purchase Period. Forest Grove shall submit the tables to BPA when Forest Grove makes its reshaping elections. BPA shall update the appropriate Dedicated Resource amounts pursuant to Forest Grove's submitted elections and consistent with section 3.4.2 of the body of this Agreement.

8.2.2 Unspecified Resource Amounts

If Forest Grove elects the HLH Diurnal Shape for its Unspecified Resource Amounts, then Forest Grove shall submit to BPA in writing its elected ratios of megawatt-hours per hour in HLH to megawatt-hours per hour in LLH by the Notice Deadline. Forest Grove shall submit to BPA twelve monthly ratios and such monthly ratios shall apply for all years of the corresponding Purchase Period. BPA shall update the table below pursuant to Forest Grove's submitted elections and consistent with section 3.4.2 of the body of this Agreement. BPA shall calculate Forest Grove's Unspecified Resource Amounts using the ratios in the table below.

| HLH Diurnal Shape for Unspecified Resource Amounts | | | | | | | | | | | | |
|--|-----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Purchase Period | HLH to LLH Ratios (HLH:LLH) | | | | | | | | | | | |
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| FY 2012 – FY 2014 | | | | | | | | | | | | |
| FY 2015 – FY 2019 | | | | | | | | | | | | |
| FY 2020 – FY 2024 | | | | | | | | | | | | |
| FY 2025 – FY 2028 | | | | | | | | | | | | |

9. SUPER PEAK AMOUNTS

Forest Grove may reshape some or all of its HLH Dedicated Resource amounts for its (1) Specified Resources listed in section 2 of this exhibit, except for any Small Non-Dispatchable Resources and any Specified Resources Forest Grove is supporting

with DFS or SCS from BPA; and (2) Unspecified Resource Amounts listed in section 3.1.2 of this exhibit; into the Super Peak Period to receive a Super Peak Credit. BPA shall update the table below consistent with section 3.4.4 of the body of this Agreement.

| Super Peak Amounts (MW) | | | | | | | | | | | | |
|-------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Fiscal Year | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| 2012 | | | | | | | | | | | | |
| 2013 | | | | | | | | | | | | |
| 2014 | | | | | | | | | | | | |
| 2015 | | | | | | | | | | | | |
| 2016 | | | | | | | | | | | | |
| 2017 | | | | | | | | | | | | |
| 2018 | | | | | | | | | | | | |
| 2019 | | | | | | | | | | | | |
| 2020 | | | | | | | | | | | | |
| 2021 | | | | | | | | | | | | |
| 2022 | | | | | | | | | | | | |
| 2023 | | | | | | | | | | | | |
| 2024 | | | | | | | | | | | | |
| 2025 | | | | | | | | | | | | |
| 2026 | | | | | | | | | | | | |
| 2027 | | | | | | | | | | | | |
| 2028 | | | | | | | | | | | | |

Note: Fill in the table above with megawatts rounded to the nearest three decimal places.

10. REVISIONS

BPA shall revise this exhibit to reflect (1) Forest Grove’s elections regarding the application and use of all resources owned by Forest Grove and Forest Grove’s retail consumers and (2) BPA’s determinations relevant to this exhibit and made in accordance with this Agreement.

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Exhibit B
HIGH WATER MARKS AND CONTRACT DEMAND QUANTITIES

1. CONTRACT HIGH WATER MARK (CHWM)

1.1 CHWM Amount

By September 15, 2011, BPA shall fill in the table below with Forest Grove's CHWM. Once established, Forest Grove's CHWM shall not change for the term of this Agreement except as allowed in section 1.2 of this exhibit.

| | |
|--|--|
| CHWM (annual aMW): | |
| Note: BPA shall round the number in the table above to three decimal places. | |

1.2 Changes to CHWM

If a change is made to Forest Grove's CHWM pursuant to this section 1.2, then BPA shall determine and notify Forest Grove of the date such change will be effective as follows:

1.2.1 If a load included in Forest Grove's Measured 2010 Load, as defined in the TRM, is later found to have been an NLSL in FY 2010, then BPA shall reduce Forest Grove's CHWM by the amount of the NLSL. BPA shall notify Forest Grove 30 days prior to when the updated CHWM will become effective. Forest Grove shall be liable for payment of any charges to adjust for the ineligible Tier 1 PF rate purchases dating back to October 1, 2011.

1.2.2 If Forest Grove acquires an Annexed Load from a utility that has a CHWM, then BPA shall increase Forest Grove's CHWM by adding part of the other utility's CHWM to Forest Grove's CHWM. The CHWM increase shall be effective on the date that Forest Grove begins service to the Annexed Load. BPA shall establish the amount of the CHWM addition as follows:

- (1) If Forest Grove and the other utility involved in the annexation agree on the amount of the CHWM addition, then BPA shall adopt that amount if BPA determines such amount is reasonable.
- (2) If Forest Grove and the other utility cannot agree on the amount of the CHWM addition, or if BPA determines the amount agreed to in 1.2.2(1) of this exhibit is unreasonable, then the amount of the CHWM addition shall equal the calculated amount below; provided however, BPA may adjust the calculated amount below to reflect the division of Dedicated Resources between the utilities and other pertinent information advanced by Forest Grove and the other utility:

$$\left[\frac{\text{Annexed Load minus annexed NLSLs, if any}}{\text{Other utility's pre-annexation Total Retail Load minus total NLSLs, if any}} \right] \times \left[\text{Other utility's pre-annexation CHWM} \right]$$

1.2.3 If another utility with a CHWM annexes load of Forest Grove, then BPA shall reduce Forest Grove's CHWM by adding part of Forest Grove's CHWM to the other utility's CHWM. The CHWM reduction shall be effective on the date that the other utility begins service to the Annexed Load. BPA shall establish the amount of the CHWM reduction as follows:

- (1) If Forest Grove and the other utility involved in the annexation agree on the amount of the CHWM reduction, then BPA shall adopt that amount if BPA determines such amount is reasonable.
- (2) If Forest Grove and the other utility cannot agree on the amount of the CHWM reduction, or if BPA determines the amount agreed to in 1.2.3(1) of this exhibit is unreasonable, then the amount of the CHWM reduction shall equal the calculated amount below; provided however, BPA may adjust the calculated amount below to reflect the division of Dedicated Resources between the utilities and other pertinent information advanced by Forest Grove and the other utility:

$$\left[\frac{\text{Annexed Load minus annexed NLSLs, if any}}{\text{Forest Grove's pre-annexation Total Retail Load minus total NLSLs, if any}} \right] \times \left[\text{Forest Grove's pre-annexation CHWM} \right]$$

1.2.4 BPA may change Forest Grove's CHWM if BPA's Administrator determines that BPA is required by court order about an Annexed Load to make such changes. BPA shall determine the effective date of such a change and shall update this exhibit with the changed CHWM.

2. CONTRACT DEMAND QUANTITIES (CDQs)

2.1 CDQ Amounts

By September 15, 2011, BPA shall fill in the table below with Forest Grove's monthly CDQs. Calculation of such CDQs is established in the TRM. Forest Grove's monthly CDQs shall not change for the term of this Agreement except as allowed below.

| Monthly Contract Demand Quantities | | | | | | | | | | | | |
|------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| kW | | | | | | | | | | | | |

Note: BPA shall round the amounts in the table above to the nearest whole kilowatt.

2.2 **Changes Due to Annexation**

The Parties shall determine when changes to Forest Grove's CDQs, as allowed below, will become effective.

2.2.1 If Forest Grove acquires an Annexed Load from a utility that has monthly CDQs, then BPA shall increase Forest Grove's CDQ for each month by adding the portion of the other utility's monthly CDQ that is attributable to such Annexed Load. For each month, the sum of Forest Grove's and the other utility's post-annexation CDQs shall not exceed the sum of the pre-annexation CDQs for such utilities. BPA shall establish the amount of the CDQ additions as follows:

- (1) If Forest Grove and the other utility involved in the annexation agree on the amounts of the CDQ additions, then BPA shall adopt those amounts.
- (2) If Forest Grove and the other utility cannot agree on the amounts of the CDQ additions, then BPA shall determine the amounts based on the monthly load factors of the Annexed Load.

2.2.2 If another utility with monthly CDQs annexes load of Forest Grove, then BPA shall reduce Forest Grove's CDQ for each month by removing the portion of Forest Grove's monthly CDQ that is attributable to the load that was annexed. For each month, the sum of Forest Grove's and the other utility's post-annexation CDQs shall not exceed the sum of the pre-annexation CDQs for such utilities. BPA shall establish the amount of the CDQ reductions as follows:

- (1) If Forest Grove and the other utility involved in the annexation agree on the amounts of the CDQ reductions, then BPA shall adopt those amounts.
- (2) If Forest Grove and the other utility cannot agree on the amounts of the CDQ reductions, then BPA shall determine the amounts based on the monthly load factors of the Annexed Load.

3. **REVISIONS**

BPA may revise this exhibit to the extent allowed in sections 1 and 2 of this exhibit. All other changes shall be made by mutual agreement.

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**Exhibit C
PURCHASE OBLIGATIONS**

1. FIRM REQUIREMENTS POWER AT TIER 1 RATES

The portion of Forest Grove's purchase obligation that is priced at Tier 1 Rates is established in section 8.1(1) of the body of this Agreement.

2. FIRM REQUIREMENTS POWER AT TIER 2 RATES

2.1 Notice to Purchase Zero Amounts at Tier 2 Rates

If Forest Grove elects not to purchase Firm Requirements Power at Tier 2 Rates for a Purchase Period, then by March 31 immediately following the corresponding Notice Deadline, BPA shall update this exhibit to indicate such election by adding an "X" to the applicable cell in the following table. Such election means that for the Purchase Period specified below, Forest Grove shall: (1) purchase zero amounts of Firm Requirements Power at Tier 2 Rates, and (2) serve all of its Above-RHWM Load that is greater than or equal to 8,760 megawatt-hours with power other than Firm Requirements Power. Forest Grove may serve its Above-RHWM Load that is less than 8,760 megawatt-hours with power other than Firm Requirements Power.

| Zero Tier 2 | Purchase Period |
|--------------------|------------------------|
| | FY 2012 - FY 2014 |
| | FY 2015 - FY 2019 |
| | FY 2020 - FY 2024 |
| | FY 2025 - FY 2028 |

2.2 Tier 2 Load Growth Rate

2.2.1 First Election Opportunity

If Forest Grove elects by the first Notice Deadline (November 1, 2009) to purchase Firm Requirements Power at Tier 2 Load Growth Rates starting October 1, 2011, then in its election Forest Grove shall elect one of the three Tier 2 Load Growth Rate options listed in section 2.2.3 of this exhibit. If Forest Grove elects Option 3, then Forest Grove shall state the amounts to be listed in the table in section 2.2.3.3 of this exhibit and Forest Grove's Tier 2 Short-Term Rate election pursuant to section 2.4.1 of this exhibit. BPA shall amend this exhibit by March 31, 2010, to indicate Forest Grove's election by adding an "X" to the "1st Notice Deadline" box next to the applicable option below. If Forest Grove does not elect to purchase Firm Requirements Power at Tier 2 Load Growth Rates by the first Notice Deadline, then Forest Grove shall not have the right to purchase Firm Requirements Power at Tier 2 Load Growth Rates during the first Purchase Period.

2.2.2 Second Election Opportunity

2.2.2.1 If Forest Grove does not elect to purchase Firm Requirements Power at Tier 2 Load Growth Rates starting the first Purchase Period, then Forest Grove may purchase Firm Requirements Power at Tier 2 Load Growth Rates starting October 1, 2014, provided:

- (1) any elections of Tier 2 Rate alternatives or additions of New Resources under this Agreement that extend beyond the initial Purchase Period shall continue to apply for their term, and
- (2) the Tier 2 Load Growth Rate applicable under this election may be different than the Tier 2 Load Growth Rate that was available during the first Purchase Period.

2.2.2.2 If Forest Grove elects by the second Notice Deadline (September 30, 2011) to purchase Firm Requirements Power at Tier 2 Load Growth Rates, then in its election Forest Grove shall elect one of the three Tier 2 Load Growth Rate options listed in section 2.2.3 of this exhibit. In such case, Forest Grove shall purchase Firm Requirements Power at Tier 2 Load Growth Rates under such elected option starting October 1, 2014.

2.2.2.3 If Forest Grove elects Option 3, described in section 2.2.3.3 of this exhibit, then Forest Grove shall state the amounts to be listed in the table in section 2.2.3.3 of this exhibit and Forest Grove's Tier 2 Short-Term Rate election pursuant to section 2.4.1 of this exhibit. If Forest Grove has prior elections of rate alternatives or resource additions that extend beyond the first Purchase Period, then Forest Grove shall not have the right to elect Options 1 or 2 below. In such case, the amounts listed in the table in section 2.2.3.3 of this exhibit shall not be less than the sum of Forest Grove's prior elections for each year.

2.2.2.4 BPA shall amend this exhibit by March 31, 2012, to indicate Forest Grove's election by adding an "X" to the "2nd Notice Deadline" box next to the applicable option below. If Forest Grove does not elect to purchase Firm Requirements Power at Tier 2 Load Growth Rates by the second Notice Deadline, then Forest Grove shall not purchase Firm Requirements Power at Tier 2 Load Growth Rates for the term of this Agreement.

2.2.3 Tier 2 Load Growth Rate Options

1st Notice Deadline 2.2.3.1 **Option 1 - Full Tier 2 Load Growth Rate**
2nd Notice Deadline If Forest Grove elects this option, then Forest Grove shall purchase Firm Requirements Power at Tier 2 Load Growth Rates for all of Forest Grove's Above-RHWM Load.

1st Notice Deadline 2.2.3.2 **Option 2 - Shared Rate Plan**
2nd Notice Deadline

(1) **Obligation**

If Forest Grove elects this option, provided that BPA determines Forest Grove qualifies under the limit for the Shared Rate Plan as established in section 7 of the TRM, then Forest Grove shall pay rates under the Shared Rate Plan for Firm Requirements Power purchased under this Agreement. If BPA determines Forest Grove does not qualify under such limit, then Forest Grove shall not have the right to elect this option and Forest Grove shall purchase Firm Requirements Power at Tier 2 Load Growth Rates under Option 1 as established in section 2.2.3.1 of this exhibit. For the second election opportunity stated in section 2.2.2 of this exhibit, availability under the limit for the Shared Rate Plan established in section 7 of the TRM shall equal such limit minus the amounts used by other customers who elected this Option 2 by the first Notice Deadline.

(2) **Terminating Participation**

Forest Grove may terminate participation in the Shared Rate Plan by providing BPA notice in writing by March 31 of a Forecast Year. In such case, the change shall be effective the next Rate Period. If Forest Grove stops participation in the Shared Rate Plan, then Forest Grove shall not have the right to resume participation. Forest Grove shall continue to purchase Firm Requirements Power priced at Tier 2 Load Growth Rates for all of Forest Grove's Above-RHWM Load.

1st Notice Deadline 2.2.3.3 **Option 3 - Partial Tier 2 Load Growth Rate**
2nd Notice Deadline If Forest Grove elects this option, then Forest Grove shall purchase Firm Requirements Power at Tier 2 Load Growth Rates for all of Forest Grove's Above-RHWM Load minus the amounts stated in the table below that Forest Grove elects are not subject to Tier 2 Load Growth Rates. Forest Grove shall establish such amounts at the time Forest Grove elects this option and such amounts shall not change for the term of this Agreement. Forest Grove may serve such amounts with Dedicated Resources or with Firm Requirements Power

purchased at other Tier 2 Rates. BPA shall update the table below by March 31 immediately following Forest Grove's election of this option.

| Load Amounts Not Subject To Tier 2 Load Growth Rates (aMW) | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Annual aMW | | | | | | | | | |
| Fiscal Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | |
| Annual aMW | | | | | | | | | |
| Note: Fill in the table above with annual Average Megawatts rounded to three decimal places. | | | | | | | | | |

2.2.4 Modification to Tier 2 Load Growth Rate Election

2.2.4.1 Notice

Forest Grove shall have the right to stop purchasing Firm Requirements Power at Tier 2 Load Growth Rates effective the upcoming Rate Period, except for the amount established in section 2.2.4.2 of this exhibit. If Forest Grove chooses to modify its purchases at Tier 2 Load Growth Rates in this manner, then Forest Grove shall notify BPA in writing by October 31 of a Rate Case Year.

2.2.4.2 Continued Purchase Amount

For the remaining term of this Agreement, Forest Grove shall continue to purchase at Tier 2 Load Growth Rates the amount of Firm Requirements Power that Forest Grove purchased at Tier 2 Load Growth Rates the year before the modification described above is effective.

2.2.4.3 Obligation to Apply Dedicated Resources

If Forest Grove provides notice to modify its purchases at Tier 2 Load Growth Rates under section 2.2.4.1 of this exhibit, then for the remainder of the effective Purchase Period and all of the next Purchase Period, Forest Grove shall apply Dedicated Resources to serve all of its Above-RHWM Load that is in excess of its commitment to purchase at Tier 2 Load Growth Rates pursuant to 2.2.4.2.

2.2.4.4 Charges to Modify Tier 2 Load Growth Rate Purchase

Forest Grove shall be liable for payment of any costs that apply as a result of Forest Grove modifying its Tier 2 Load Growth Rate purchase obligation under this section 2.2.4. Such costs shall be those that BPA: (1) is obligated to pay and will not recover from Forest Grove at Tier 2 Load Growth Rates as a result of the modification, and (2) is unable to recover through other transactions. BPA shall determine such costs, if any, during the 7(i) Process that follows Forest Grove's notice. If BPA determines that Forest Grove owes payment for such costs, then Forest Grove shall pay the entire amount to BPA in no more than 24 equal monthly amounts starting

the first month of the upcoming Rate Period. In no event shall BPA make payment to Forest Grove as a result of Forest Grove modifying its Tier 2 Load Growth Rate purchase obligation under this section 2.2.4.

2.2.4.5 Exhibit Update

By March 31 following Forest Grove’s notice, BPA shall indicate Forest Grove’s election to modify its Tier 2 Load Growth Rate purchase by filling in the table below. As established in section 2.2.4.2 of this exhibit, Forest Grove shall continue to purchase the following amounts of Firm Requirements Power at Tier 2 Load Growth Rates:

| Continuing Tier 2 Load Growth Rates Purchase Obligation | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 |
| aMW | | | | | |
| Fiscal Year | 2017 | 2018 | 2019 | 2020 | 2021 |
| aMW | | | | | |
| Fiscal Year | 2022 | 2023 | 2024 | 2025 | 2026 |
| aMW | | | | | |
| Fiscal Year | 2027 | 2028 | | | |
| aMW | | | | | |
| Note: Fill in the table above with annual Average Megawatts, rounded to three decimal places, for each year that follows Forest Grove’s modification beginning with the effective year of modification | | | | | |

2.3 Tier 2 Vintage Rates

If Forest Grove elects Option 1 or 2 in section 2.2.3 of this exhibit, then this section shall not apply. Otherwise:

2.3.1 Election Process

2.3.1.1 Right to Convert

Subject to the amounts of power BPA makes available at one or more Tier 2 Vintage Rates, Forest Grove shall have the right to convert some or all of the amounts of Firm Requirements Power it has elected to purchase at Tier 2 Short-Term Rates, as stated in section 2.4 of this exhibit, to an equal purchase amount at Tier 2 Vintage Rates.

2.3.1.2 Statement of Intent

If Forest Grove elects to purchase Firm Requirements Power from BPA at Tier 2 Vintage Rates, then Forest Grove shall sign a Statement of Intent offered by BPA. “Statement of Intent” means a statement prepared by BPA and signed by Forest Grove that describes the approach and cost structure that will be used for a specific Tier 2 Cost Pool. If BPA establishes a Tier 2 Cost Pool for a Tier 2 Vintage Rate consistent with the Statement of Intent, then Forest Grove

agrees to have the portion of its Tier 2 Rate power purchase specified in the Statement of Intent priced at that rate. If BPA is unable to establish the Tier 2 Cost Pool for the specific Tier 2 Vintage Rate, then Forest Grove agrees to purchase such amount of Firm Requirements Power at Tier 2 Short-Term Rates, except as stated in section 2.3.1.5 of this exhibit.

2.3.1.3 Insufficient Availability

The Statement of Intent shall include procedures to allocate between competing applications for a specific Tier 2 Cost Pool if requests exceed amounts available.

2.3.1.4 Conversion Costs

Upon establishment of a Tier 2 Vintage Rate for which Forest Grove signed a Statement of Intent, Forest Grove shall be liable for payment of any outstanding costs under Tier 2 Short-Term Rates that apply to Forest Grove. Such costs shall be those that BPA: (1) is obligated to pay and will not recover from Forest Grove under Tier 2 Short-Term Rates as a result of the conversion, and (2) is unable to recover through other transactions. BPA shall determine such costs, if any, in the first 7(i) Process that establishes the applicable Tier 2 Vintage Rate. In no event shall BPA make payment to Forest Grove as a result of Forest Grove's conversion of purchase amounts at Tier 2 Short-Term Rates to purchase amounts at Tier 2 Vintage Rates.

2.3.1.5 Additional Offerings

In addition to the right to convert to Tier 2 Vintage Rates established in section 2.3.1.1 of this exhibit, Forest Grove may have the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates regardless of whether Forest Grove is purchasing at Tier 2 Short-Term Rates if:

- (1) BPA determines, in its sole discretion, that all requests for service at Tier 2 Vintage Rates by purchasers of Firm Requirements Power at Tier 2 Short-Term Rates are able to be satisfied, and
- (2) BPA determines, in its sole discretion, to offer Forest Grove a Statement of Intent that would provide Forest Grove the opportunity to purchase Firm Requirements at Tier 2 Vintage Rates.

If Forest Grove signs a Statement of Intent offered by BPA pursuant to this section 2.3.1.5, and if BPA is unable to establish the Tier 2 Cost Pool for the applicable Tier 2 Vintage Rate, then Forest Grove's current elections for service to its Above-RHWM Load shall continue to apply.

Except as provided in this section 2.3.1, any election by Forest Grove to purchase Firm Requirements Power at Tier 2 Vintage Rates shall not relieve Forest Grove of any obligation to purchase Firm Requirements Power at another Tier 2 Rate.

2.3.1.6 Exhibit Updates

By September 15 immediately following the establishment of a Tier 2 Vintage Rate for which Forest Grove signed a Statement of Intent, BPA shall amend this exhibit to show Forest Grove's Tier 2 Vintage Rate purchases and remove Forest Grove's Tier 2 Short-Term Rate purchases by the amounts purchased at the Tier 2 Vintage Rate, if Forest Grove is converting to the Tier 2 Vintage Rate from the Tier 2 Short-Term Rate. BPA shall insert applicable tables, terms, and conditions for each Tier 2 Vintage Rate in section 2.3.2 of this exhibit.

2.3.2 Vintage Rate Elections

Forest Grove has no Tier 2 Vintage Rate elections at this time.

2.4 Tier 2 Short-Term Rate

If Forest Grove elects Option 1 or 2 in section 2.2.3 of this exhibit, then this section shall not apply. Otherwise:

2.4.1 Short-Term Rate Purchases

Unless Forest Grove elects, in section 2.1 of this exhibit, not to purchase Firm Requirements Power at Tier 2 Rates for a given Purchase Period, by each Notice Deadline Forest Grove shall elect in writing either Alternative A or B below for the duration of the corresponding Purchase Period. If Forest Grove elects Alternative A and elects to apply Dedicated Resources to serve its Above-RHWM Load, then Forest Grove shall state the amounts to be listed in the table in section 2.4.1.1(2) of this exhibit. If Forest Grove elects Alternative B, then Forest Grove shall state the amounts to be listed in the table in section 2.4.1.3 of this exhibit. By March 31 immediately following each Notice Deadline, BPA shall update the tables in this section 2.4.1 to show Forest Grove's Tier 2 Short-Term Rate election for the corresponding Purchase Period.

2.4.1.1 Alternative A – Customer Planned Load Not Otherwise Served

If Forest Grove elects this alternative, then Forest Grove shall purchase Firm Requirements Power priced at Tier 2 Short-Term Rates to serve all of Forest Grove's Above-RHWM Load that Forest Grove has not otherwise agreed to serve with:

- (1) Firm Requirements Power purchased at other Tier 2 Rates, or
- (2) the amounts of Dedicated Resources, stated in the table below, that Forest Grove shall apply during the Purchase Period to serve its Above-RHWM Load. If Forest Grove purchases power at Tier 2 Load Growth Rates, then these Dedicated Resource amounts shall not exceed the amounts stated in the table in section 2.2.3.3 of this exhibit.

| Purchase Period non-Federal Resource Elections | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 |
| Election | | | | | |
| Fiscal Year | 2017 | 2018 | 2019 | 2020 | 2021 |
| Election | | | | | |
| Fiscal Year | 2022 | 2023 | 2024 | 2025 | 2026 |
| Election | | | | | |
| Fiscal Year | 2027 | 2028 | | | |
| Election | | | | | |

Note: Insert amounts in Average Megawatts rounded to three decimal places for each year of the applicable Purchase Period.

2.4.1.2 Alternative B – Limited Amounts

If Forest Grove elects this alternative, then Forest Grove shall purchase Firm Requirements Power at Tier 2 Short-Term Rates to serve Forest Grove’s Above-RHWM Load that Forest Grove has not otherwise agreed to serve with Firm Requirements Power purchased at other Tier 2 Rates; provided however, that amounts purchased at Tier 2 Short-Term Rates shall not exceed the amounts (including zero amounts) stated in the table in section 2.4.1.3 of this exhibit. Forest Grove agrees to serve any of its remaining Above-RHWM Load with power other than Firm Requirements Power.

2.4.1.3 Tier 2 Short-Term Rate Elections

If Forest Grove elects Alternative A above, then BPA shall indicate that election by adding an “X” to the table below for each year of the applicable Purchase Period. If Forest Grove elects Alternative B above, then BPA shall indicate that election by adding amounts (in Average Megawatts rounded to three decimal places) to the table below for each year of the applicable Purchase Period.

| Tier 2 Short-Term Rate Table | | | | | |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 |
| Election | | | | | |
| Fiscal Year | 2017 | 2018 | 2019 | 2020 | 2021 |
| Election | | | | | |
| Fiscal Year | 2022 | 2023 | 2024 | 2025 | 2026 |
| Election | | | | | |
| Fiscal Year | 2027 | 2028 | | | |
| Election | | | | | |

2.4.2 Right to Reduce Tier 2 Short-Term Rate Purchase Amounts

2.4.2.1 Notice

If Forest Grove notifies BPA in writing by October 31 of a Rate Case Year, then Forest Grove may reduce, in equal amounts for all hours of the year, some or all of the amounts of Firm Requirements Power that Forest Grove is obligated to purchase at Tier 2 Short-Term Rates. The reduction may take effect in either year of the upcoming Rate Period and shall be effective for the remaining duration of the applicable Purchase Period(s). In its written notice, Forest Grove shall state the amount of the reduction and the date the reduction shall take effect. Forest Grove shall replace all reduced Tier 2 Short-Term Rate purchase amounts with amounts of Dedicated Resources applied pursuant to section 3.3 of the body of this Agreement.

2.4.2.2 Charges to Reduce Purchase Amounts

Forest Grove shall be liable for payment of any costs that apply as a result of Forest Grove reducing, under section 2.4.2.1 of this exhibit, the amounts of Firm Requirements Power that Forest Grove is obligated to purchase at Tier 2 Short-Term Rates. Such costs shall be those that BPA: (1) is obligated to pay and will not recover from Forest Grove under Tier 2 Short-Term Rates as a result of the reduction, and (2) is unable to recover through other transactions. BPA shall determine such costs, if any, during the 7(i) Process that follows Forest Grove's notice. If BPA determines that Forest Grove owes payment for such costs, then Forest Grove shall pay the entire amount to BPA in no more than 24 equal monthly amounts starting the first month of the upcoming Rate Period. In no event shall BPA make payment to Forest Grove as a result of Forest Grove reducing the amounts of Firm Requirements Power that Forest Grove is obligated to purchase at Tier 2 Short-Term Rates.

2.4.2.3 Exhibit Updates

By March 31 following Forest Grove’s notice, BPA shall revise this exhibit and Exhibit A to show Forest Grove’s reduced Tier 2 Short-Term Rate purchase amounts and Forest Grove’s Dedicated Resource additions.

2.5 Amounts of Power to be Billed at Tier 2 Rates

2.5.1 Treatment for FY 2012 – FY 2013

By March 31, 2010, BPA shall update the table in section 2.5.2 of this exhibit, consistent with Forest Grove’s elections, with amounts of Firm Requirements Power which Forest Grove shall purchase at applicable Tier 2 Rates for the FY 2012 – FY 2013 Rate Period.

2.5.2 Amounts of Power for Subsequent Rate Periods

For each Rate Period after the FY 2012 – FY 2013 Rate Period, BPA shall establish for the upcoming Rate Period consistent with Forest Grove’s elections: (1) the planned annual average amounts of Firm Requirements Power which Forest Grove shall purchase at applicable Tier 2 Rates, and (2) any remarketed Tier 2 Rate purchase amounts in accordance with section 10 of the body of this Agreement. By March 31, 2013, and by March 31 of each Rate Case Year thereafter, BPA shall update the table below with such amounts for each year of the upcoming Rate Period.

| Annual Amounts Priced at Tier 2 Rates (aMW) | | | | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| No Tier 2 at this time | | | | | | | | | |
| Remarketed Amounts | | | | | | | | | |
| Fiscal Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | |
| No Tier 2 at this time | | | | | | | | | |
| Remarketed Amounts | | | | | | | | | |
| Notes: | | | | | | | | | |
| 1. List each applicable Tier 2 rate in the table above. For the first applicable Tier 2 rate replace No Tier 2 at this time with the name of the applicable Tier 2 rate. For each additional Tier 2 rate, add a new row above the Remarketed Amounts row. If Forest Grove elects not to purchase at Tier 2 rates, then leave No Tier 2 at this time in the table and leave the remainder of the table blank. | | | | | | | | | |
| 2. Fill in the table above with annual Average Megawatts rounded to three decimal places. | | | | | | | | | |

3. MONTHLY PF RATES

Applicable monthly Tier 1 and Tier 2 Rates are specified in BPA Wholesale Power Rate Schedules and GRSPs.

4. REVISIONS

BPA shall revise this exhibit to reflect Forest Grove's elections regarding service to its Above-RHWM Load and BPA's determinations relevant to this exhibit and made in accordance with this Agreement.

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Exhibit D
ADDITIONAL PRODUCTS AND SPECIAL PROVISIONS

1. CF/CT AND NEW LARGE SINGLE LOADS

1.1 CF/CT Loads

Forest Grove has no loads identified that were contracted for, or committed to (CF/CT), as of September 1, 1979, as defined in section 3(13)(A) of the Northwest Power Act.

1.2 Potential NLSLs

Forest Grove has no identified potential NLSLs.

1.3 Existing NLSLs

Forest Grove has no existing NLSLs.

2. RESOURCE SUPPORT SERVICES

2.1 BPA shall develop the RSS products to support applicable Specified Resources listed in section 2 of Exhibit A for the FY 2012-2014 Purchase Period and offer such as a revision to this exhibit by August 1, 2009. Prior to that date, BPA shall provide Forest Grove a reasonable opportunity to provide input into the development of the products and the related contract provisions. If Forest Grove requests that BPA provide such service, then the Parties shall execute a revision to this exhibit by the November 1, 2009, Notice Deadline. By each Notice Deadline thereafter, Forest Grove may purchase RSS from BPA to support applicable Specified Resources listed in section 2 of Exhibit A for the corresponding Purchase Period.

2.2 If Forest Grove adds a new Specified Resource within a Purchase Period to meet its obligations to serve Above-RHWM Load with Dedicated Resources, consistent with section 3.5.1 of the body of this Agreement, Forest Grove may purchase RSS from BPA to support such resource. Such purchase shall be for the remainder of the Purchase Period and for the following Purchase Period. Forest Grove shall notify BPA of its decision to purchase RSS for a new Specified Resource by October 31 of a Rate Case Year and the elected RSS will be effective at the start of the upcoming Rate Period.

3. REVISIONS

This exhibit shall be revised by mutual agreement of the Parties to reflect additional products Forest Grove purchases during the term of this Agreement.

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**Exhibit E
METERING**

1. METERING

1.1 Directly Connected Points of Delivery and Load Metering

- (1) **BPA POD Name:** Filbert 115 kV;
BPA POD Number: 3462;
WECC Balancing Authority: BPAT;

Location: the point in Forest Grove's Filbert Substation where the 115 kV facilities of BPA and Forest Grove are connected;

Voltage: 115 kV;

Metering: in BPA's Filbert Substation in the 12.5 kV circuit over which such electric power flows;

BPA Meter Point Name: Filbert Out;
BPA Meter Point Number: 1285;
Direction for PF Billing Purposes: Positive;
Manner of Service: Direct, BPA to Forest Grove;

Metering Loss Adjustment: BPA shall adjust for losses between the POD and the Filbert Out POM. Such adjustments shall be specified in writing between BPA and Forest Grove;

Exception: None.

- (2) **BPA POD Name:** Forest Grove 115 kV-FTGR;
BPA POD Number: 3471;
WECC Balancing Authority: BPAT;

Location: the point in BPA's Forest Grove Substation where the 115 kV facilities of BPA and Forest Grove are connected;

Voltage: 115 kV;

Metering: in BPA's Forest Grove Substation in the 12.5 kV circuit over which such electric power flows;

- (A) **BPA Meter Point Name:** Forest Grove #2 Out;
BPA Meter Point Number: 865;
Direction for PF Billing Purposes: Positive;
Manner of Service: Direct, BPA to Forest Grove;

- (B) **BPA Meter Point Name:** Forest Grove #1 Out;
BPA Meter Point Number: 928;
Direction for PF Billing Purposes: Positive;
Manner of Service: Direct, BPA to Forest Grove;

Metering Loss Adjustment: BPA shall adjust for losses between the POD and the Forest Grove #2 Out and Forest Grove #1 Out POM. Such adjustments shall be specified in writing between BPA and Forest Grove;

Exception: None.

- (3) **BPA POD Name:** Thatcher Junction 115 kV-FTGR;
BPA POD Number: 3924;
WECC Balancing Authority: BPAT;

Location: the point in Forest Grove's Thatcher Junction Substation where the 115 kV facilities of BPA and Forest Grove are connected;

Voltage: 115 kV;

Metering: in Forest Grove's Thatcher Junction Substation in the 12.5 kV circuit over which such electric power flows;

BPA Meter Point Name: Thatcher Junction Out;
BPA Meter Point Number: 994;
Direction for PF Billing Purposes: Positive;
Manner of Service: Direct, BPA to Forest Grove;

Metering Loss Adjustment: BPA shall adjust for losses between the POD and the Thatcher Junction Out POM. Such adjustments shall be specified in writing between BPA and Forest Grove;

Exception: None.

1.2 **Transfer Points of Delivery and Load Metering**

None.

1.3 **Resource Locations and Metering**

None.

2. **REVISIONS**

Each Party shall notify the other in writing if updates to this exhibit are necessary to accurately reflect the actual characteristics of POD and meter information described in this exhibit. The Parties shall revise this exhibit to reflect such changes. The Parties shall mutually agree on any such exhibit revisions and agreement shall not

be unreasonably withheld or delayed. The effective date of any exhibit revision shall be the date the actual circumstances described by the revision occur.

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Exhibit F
SCHEDULING

1. TRANSMISSION SCHEDULING SERVICE

If Forest Grove:

- (1) acquires BPA's Diurnal Flattening Service; and/or
- (2) acquires BPA's Secondary Crediting Service; and/or
- (3) purchases power from BPA at a Tier 2 rate,

then Power Services shall provide and Forest Grove shall purchase Transmission Scheduling Service. In such case, the Parties shall revise this exhibit to include the terms and conditions of such service.

If Forest Grove is not required to purchase Transmission Scheduling Service, pursuant to the paragraph above, then Forest Grove, with six months' notice, may purchase Transmission Scheduling Service from Power Services and the Parties shall modify this exhibit to add the terms and conditions of such service.

2. SCHEDULING OF DEDICATED RESOURCES

Forest Grove shall electronically copy BPA Power Services on all preschedule and real-time electronic tags (E-Tags) associated with the delivery of Forest Grove's Dedicated Resources, if any, as listed in sections 2, 3, and 4 of Exhibit A.

3. AFTER THE FACT

BPA and Forest Grove agree to reconcile all transactions, schedules and accounts at the end of each month (as early as possible within the first ten calendar days of the next month). BPA and Forest Grove shall verify all transactions pursuant to this Agreement as to product or type of service, hourly amounts, daily and monthly totals, and related charges.

4. REVISIONS

BPA may unilaterally revise this exhibit:

- (1) to implement changes that BPA determines are necessary to allow it to meet its power and scheduling obligations under this Agreement, or
- (2) to comply with requirements of WECC, NAESB, or NERC, or their successors or assigns.

BPA shall provide a draft of any material revisions of this exhibit to Forest Grove, with a reasonable time for comment, prior to BPA providing written notice of the revision. Revisions are effective 45 days after BPA provides written notice of the revisions to Forest Grove unless, in BPA's sole judgment, less notice is necessary to comply with an emergency change to the requirements of the WECC, NAESB, NERC, or their successors or assigns. In this case, BPA shall specify the effective date of such revisions.

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Exhibit G
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Exhibit H
RENEWABLE ENERGY CERTIFICATES AND CARBON ATTRIBUTES

1. DEFINITIONS

- 1.1 "Carbon Credit" means an Environmental Attribute consisting of greenhouse gas emission credits, certificates, or similar instruments.
- 1.2 "Environmental Attributes" means the current or future credits, benefits, emission reductions, offsets and allowances attributable to the generation of energy from a resource. Environmental Attributes do not include the tax credits associated with such resource. One megawatt-hour of energy generation from a resource is associated with one megawatt-hour of Environmental Attributes.
- 1.3 "Environmentally Preferred Power RECS" or "EPP RECs" means the portion of BPA's Tier 1 RECs that is equal to an amount of up to 130 percent of the annual average of equivalent environmentally preferred power (EPP) contracted for as of October 1, 2009, for FYs 2010 and 2011 under Subscription power sales contracts containing rights to Environmental Attributes through FY 2016, as determined by BPA to be necessary to administer such rights.
- 1.4 "Renewable Energy Certificates" or "RECs" means the certificates, documentation, or other evidence that demonstrates, in the tracking system selected under section 5 of this exhibit, the ownership of Environmental Attributes.
- 1.5 "Tier 1 RECs" means the RECs composed of a blend, by fuel source, based on annual generation of the resources listed in or pursuant to section 2 of this exhibit.
- 1.6 "Tier 2 RECs" means the RECs associated with generation of the resources whose costs are allocated to a given Tier 2 Cost Pool in accordance with the TRM.

2. BPA'S TIER 1 REC INVENTORY

BPA's Tier 1 REC inventory shall include all RECs that BPA has determined are associated with resources whose output is used to establish Tier 1 System Capability, as Tier 1 System Capability is defined in the TRM. The disposition of any Carbon Credits that BPA determines are associated with resources listed in, or in accordance with, this section 2 shall be as described in section 3 of this exhibit. The disposition of any Carbon Credits that BPA determines are associated with resources not listed in, or in accordance with, this section 2 shall be consistent with section 7 of this exhibit. As of the Effective Date, BPA has determined that the following resources have RECs associated with them that will be included in the Tier 1 REC inventory: Foote Creek I, Foote Creek II, Stateline, Condon, Klondike I, Klondike III, and Ashland Solar. BPA shall maintain this list on a publicly accessible BPA website and shall periodically update this list to include any then-

current resources that BPA has determined have Tier 1 RECs associated with them. BPA shall calculate its inventory of Tier 1 RECs annually and after the fact based on energy generated by listed resources during the previous calendar year.

3. FOREST GROVE'S SHARE OF TIER 1 RECS

Beginning April 15, 2012, and by April 15 every year thereafter over the term of this Agreement, BPA shall:

- (1) transfer to Forest Grove, or manage in accordance with section 5 of this exhibit, at no additional charge or premium beyond Forest Grove's payment of the otherwise applicable Tier 1 Rate, a pro rata share of Tier 1 RECs based on Forest Grove's RHWMs divided by the total RHWMs of all holders of CHWM Contracts; and
- (2) for transferred RECs, provide Forest Grove with a letter assigning title of such Tier 1 RECs to Forest Grove.

The amount of Tier 1 RECs available to BPA to transfer or manage shall be subject to available Tier 1 REC inventory, excluding amounts of Tier 1 REC inventory used to provide EPP RECs.

4. TIER 2 RECS

If Forest Grove chooses to purchase Firm Requirements Power at a Tier 2 Rate, and there are RECs which BPA has determined are associated with the resources whose costs are allocated to the Tier 2 Cost Pool for such rate, then beginning April 15 of the year immediately following the first Fiscal Year in which Forest Grove's Tier 2 purchase obligation commences, and by April 15 every year thereafter for the duration of Forest Grove's Tier 2 purchase obligation, BPA shall, based on Forest Grove's election pursuant to section 5 of this exhibit, transfer to or manage for Forest Grove a pro rata share of applicable Tier 2 RECs generated during the previous calendar year. The pro rata share of Tier 2 RECs BPA transfers to Forest Grove shall be the ratio of Forest Grove's amount of power purchased at the applicable Tier 2 Rate to the total amount of purchases under that Tier 2 Rate.

5. TRANSFER, TRACKING, AND MANAGEMENT OF RECS

Subject to BPA's determination that the commercial renewable energy tracking system WREGIS is adequate as a tracking system, BPA shall transfer Forest Grove's share of Tier 1 RECs, and Tier 2 RECs if applicable, to Forest Grove via WREGIS or its successor. If, during the term of this Agreement, BPA determines in consultation with customers that WREGIS is not adequate as a tracking system, then BPA may change commercial tracking systems with one year advance notice to Forest Grove. In such case, the Parties shall establish a comparable process for BPA to provide Forest Grove its RECs.

Starting on July 15, 2011, and by July 15 prior to each Rate Period through the term of this Agreement, Forest Grove shall notify BPA which one of the following three options it chooses for the transfer and management of Forest Grove's share of Tier 1 RECs, and Tier 2 RECs if applicable, for each upcoming Rate Period:

- (1) BPA shall transfer Forest Grove's RECs into Forest Grove's own WREGIS account, which shall be established by Forest Grove; or
- (2) BPA shall transfer Forest Grove's RECs into a BPA-managed WREGIS subaccount. Such subaccount shall be established by BPA on Forest Grove's behalf and the terms and conditions of which shall be determined by the Parties in a separate agreement; or
- (3) Forest Grove shall give BPA the authority to market Forest Grove's RECs on Forest Grove's behalf. BPA shall annually credit Forest Grove for Forest Grove's pro rata share of all revenues generated by sales of RECs from the same rate pool on its April bill, issued in May.

If Forest Grove fails to notify BPA of its election by July 15 before the start of each Rate Period, then Forest Grove shall be deemed to have elected the option in section 5(3) of this exhibit.

Any RECs BPA transfers to Forest Grove on April 15 of each year shall be limited to those generated January 1 through December 31 of the prior year, except that any RECs BPA transfers to Forest Grove by April 15, 2012, shall be limited to those generated October 1, 2011, through December 31, 2011.

6. FEES

BPA shall pay any reasonable fees associated with (1) the provision of Forest Grove's RECs and (2) the establishment of any subaccounts in Forest Grove's name pursuant to sections 5(1) and 5(2) of this exhibit. Forest Grove shall pay all other fees associated with any WREGIS or successor commercial tracking system, including WREGIS retirement, reserve, and export fees.

7. CARBON CREDITS

In the absence of carbon regulations or legislation directly affecting BPA, BPA intends to convey the value of any future Carbon Credits associated with resources whose costs are recovered in Tier 1 or Tier 2 Rates to Forest Grove on a pro rata basis in the same manner as described for Tier 1 RECs and Tier 2 RECs in sections 3 and 4 of this exhibit. This value may be conveyed as: (1) the Carbon Credits themselves; (2) a revenue credit after BPA markets such Carbon Credits; or (3) the ability to claim that power purchases at the applicable PF rate are derived from certain federal resources.

8. BPA'S RIGHT TO TERMINATE FOREST GROVE'S RECS AND/OR CARBON CREDITS

To the extent necessary to comply with any federal regulation or legislation which addresses Carbon Credits or any other form of Environmental Attribute(s) and includes compliance costs applicable to BPA, BPA may, upon reasonable notice to Forest Grove, terminate Forest Grove's contract rights to Tier 1 RECs under section 3 of this exhibit and/or Forest Grove's pro rata share of Carbon Credits under section 7 of this exhibit.

9. RATEMAKING TREATMENT

Notwithstanding the transfer, sharing, management, conveyance, marketing or crediting of RECs and Carbon Credits, or the value of any or all of them, pursuant to this Exhibit H, BPA reserves any ratemaking authority it otherwise possesses to determine and factor in a share of the value and/or cost of any or all of the RECs and Carbon Credits for the purpose of: (1) determining applicable wholesale rates pursuant to section 7(c)(2) of the Northwest Power Act; and (2) establishing the rate(s) applicable to BPA sales pursuant to section 5(c) of the Northwest Power Act in a manner that BPA determines provides an appropriate sharing of the benefits and/or costs of the federal system and comparably reflects treatment of RECs and Carbon Credits in the calculation of a utility's average system cost of resources. BPA further reserves its ratemaking authority to recover any costs resulting from such ratemaking actions through rates, including rates applicable to Forest Grove. This paragraph does not constitute Forest Grove's agreement to statutory ratemaking authority BPA does not otherwise have.

10. REVISIONS

BPA shall revise this Exhibit H to reflect BPA's determinations relevant to this exhibit and made in accordance with this Agreement. Any other revisions to this Exhibit H shall be by mutual agreement.

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November 24, 2008

**STAFF REPORT AND RESOLUTION AUTHORIZING THE CITY MANAGER
TO ENDORSE THE PARKING EASEMENT AGREEMENT BETWEEN THE
CITY OF FOREST GROVE AND PACIFIC UNIVERSITY**

Project Team: Tom Gamble, Director Parks and Recreation
Michael Sykes, City Manager
Paul Downey, Director Administrative Services

Background: Parking in and around the Aquatic Center for a number of years has been an ongoing concern and conversation. During this time, a number of solutions have been used to help ease crowded parking conditions during peak use hours. This included easement agreements for Pacific University (University) use of Lincoln Park and City of Forest Grove (City) use of University property east of the Pacific Athletic Center; including shared parking for major events. These solutions were successful for a number of years.

Since that time, a number of things have changed including redevelopment of Lincoln Park, multiple programming opportunities at the Aquatic Center, and lack of parking along Sunset Drive. These factors during peak use hours make parking at the Aquatic Center difficult.

The City of Forest Grove attempted to purchase property directly north of the Aquatic Center for parking several times. For a number of reasons, the property owner refused to sell to the City.

During the discussions of the Lincoln Park renovation, it was discovered the University was able to purchase the property. While not a part of the Lincoln Park agreement, it was understood as described in the staff report to Council on February 26th, 2007, that parking improvements at the Aquatic Center would "provide a net gain of 144 spaces" for Lincoln Park, Aquatic Center and University areas; with that knowledge, the University moved forward to purchase the property directly north of the Aquatic Center.

The University prefers to own the property and allow the City of Forest Grove to develop the site and have access. This is consistent with the easement agreement both parties signed for the Lincoln Park redevelopment.

Easement Elements: Listed below are the significant features of the easement agreement:

- Use of the parking area shall be on regular and continuous bases.
- Regular daily use of parking shall be primarily for Aquatic Center patrons and special event parking for University events.
- The parking area shall be improved by the City, at the expense of the City.
- Improvements shall include paving, landscaping, storm drainage, striping, signage, and lighting.
- Maintenance shall be borne exclusively by the City.
- City shall pay for all operating costs including water and electricity.
- No overnight parking allowed, unless authorized by the Director of Parks and Recreation.
- Neither party shall charge any user a fee or toll to park.
- Both parties shall maintain general liability insurance covering the site.
- Term; this agreement will be in place until the City no longer uses the Aquatic Center as an Aquatic Center or recreational facility, and the University notifies the City that it has elected to terminate the easement.
- The preliminary design will allow an additional 22 parking spaces.

Funding and Construction: This project will be placed in the Park System Development Charges Budget for Fiscal Year 2009-10. Construction will take place early in the fiscal year.

Recommendation: Staff recommends the City Council adopt the attached resolution approving and authorizing the City Manager to endorse the Parking Easement Agreement between the City of Forest Grove and Pacific University (attached as Exhibit A).

7.

RESOLUTION NO. 2008-67

**RESOLUTION APPROVING THE PARKING EASEMENT AGREEMENT
BETWEEN THE CITY OF FOREST GROVE AND PACIFIC UNIVERSITY**

WHEREAS, the City of Forest Grove (City) and Pacific University (University) have jointly shared parking facilities in the area of the City of Forest Grove Aquatic Center; and

WHEREAS, both the University and City have cooperated for over 40 years with joint parking facilities; and

WHEREAS, both the City and University have ongoing parking needs in the area; and

WHEREAS, the University has purchased property north of the Aquatic Center designated for additional parking for daily use by Aquatic Center patrons and for special event parking for University functions; and

WHEREAS, the City of Forest Grove will fund all improvements and maintain the parking facility on the University parcel; and

WHEREAS, the Parks and Recreation Department will be primarily responsible for providing long term maintenance for the parking area for use by Aquatic Center patrons.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1: The City Council of the City of Forest Grove hereby approves the Parking Easement Agreement between the City of Forest Grove and Pacific University (attached as Exhibit A).

Section 2: The City Manager is hereby authorized to execute the Agreement on behalf of the City of Forest Grove.

Section 3: This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 24th day of November, 2008.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 24th day of November, 2008.

Richard G. Kidd, Mayor

After recording, return to:

Jonathon L. Goodling
Miller Nash LLP
3400 U.S. Bancorp Tower
111 S.W. Fifth Avenue
Portland, Oregon 97204-3699

PARKING EASEMENT AGREEMENT

This Parking Easement Agreement is made this 24th day of November, 2008, by and between PACIFIC UNIVERSITY, an Oregon nonprofit corporation (the "University") and the CITY OF FOREST GROVE, an Oregon municipal corporation (the "City").

A. The University owns a parcel of unimproved land (known as Tax Lots 7300 and 7400), consisting of approximately 0.43 acres, more particularly described in Exhibit A attached hereto, (the "University Parcel").

B. The City owns a parcel of land (the "City Parcel") located adjacent to the University Parcel upon which the City operates an aquatics center.

C. The parties wish to enter into a transaction whereby the City will construct upon the University Parcel a parking lot at the City's sole expense and the parking lot will be available for use by the City and the users of the aquatics center and by the University and its invitees.

RECITALS:

The parties to this Agreement intend to create a permanent easement (subject to termination as provided below) for the establishment of a common vehicular parking area. Such facilities shall be used by the parties hereto in accordance with the terms and conditions of this Agreement.

The parties therefore agree as follows:

AGREEMENTS:

SECTION 1. GRANT OF EASEMENT; ESTABLISHMENT OF COMMON PARKING AREA

1.1 The University hereby grants and conveys to the City an easement on, over, across, and along the University Parcel. Such easement shall establish a common vehicular parking area, which shall be appurtenant to and benefit the City Parcel of the University Parcel.

1.2 Such easement and common parking area may be used for vehicular and pedestrian ingress, egress and vehicular parking purposes by the City, the users of the aquatics center, the University and individuals attending University events or using University facilities (collectively "Authorized Users"). Use of the parking area shall be on a regular, continuous, nonpriority basis. However, neither party's rights hereunder shall lapse in the event of that party's failure to use the common parking area on a continuous basis. Regular daily use of parking shall be primarily for aquatic center patrons and special event parking for University events.

SECTION 2. CONSTRUCTION OF PARKING AREA

The common parking area established by the easement granted under this Agreement shall be improved by the City, at the expense of the City, in accordance with the following standards and procedures:

2.1 Not later than 120 days from the date of this Agreement, plans and specifications for the work to improve the University Parcel shall be prepared at the expense of the City by a professional engineer licensed in the state of Oregon. The plans for such improvements shall be jointly approved by the parties to this Agreement.

2.2 Not later than 190 days from the date of this Agreement, the City shall complete the improvements to the University Parcel, which shall include the paving of the parking area with an all weather asphalt surface, landscaping, adequate storm drainage, appropriate access ways, striping and locational and directional signs, and lighting.

2.3 The City shall supervise all work performed on the University Parcel and shall be responsible for accepting or rejecting work performed.

SECTION 3. MAINTENANCE AND REPAIR; UTILITIES AND INDEMNITY

3.1 The cost of periodic maintenance and necessary repairs to the common parking area shall be borne exclusively by the City. Such maintenance and repairs shall be performed by the City on a prompt, diligent and regular basis in accordance with the generally accepted parking lot maintenance standards customary for parking lots of similar size and type in the Forest Grove, Oregon, area. Such ongoing maintenance shall include but shall not be limited to prompt patching or filling of damage to the pavement and resurfacing as required. Required maintenance also shall include the removal of debris as soon as practicable after their occurrence, any restriping and sign maintenance necessary for clear marking of the parking area, irrigation and maintenance of landscaping, and maintenance of lighting.

3.2 The City shall pay for all electricity, water, and sewer charges incurred with respect to the common parking area.

SECTION 4. LIMITATIONS ON USE

The use of the common parking area shall be limited as follows:

(a) Except in cases of emergency or in cases when authorized by the Director of Parks and Recreation for the City and the Director of Facilities or other authorized officer of the University, no vehicle or piece of motorized equipment shall be parked overnight, or left in a dismantled or inoperable condition on the parking area.

(b) All parking shall occur only in spaces specifically designated by striping for parking purposes.

(c) Unless both parties consent, no vehicle (including any trailer or other cargo carrying device) may be parked, loaded or unloaded in the parking area if such vehicle, trailer or cargo carrying device contains any flammable, explosive, corrosive, toxic or other similarly dangerous material or if the cargo consists of live animals, except for chemicals or other materials used in the normal operations of the aquatic center.

(d) Neither party may charge any user of the parking area any fee or toll for parking.

(e) Use of the parking area shall be limited to Authorized Users and police, fire and emergency vehicles.

SECTION 5. INSURANCE; INDEMNITY

5.1 Each party shall maintain during the term of this Agreement, at such party's cost, a general liability insurance policy (occurrence version), or similar form of policy acceptable to the other party, with coverage for bodily injury and property damage liability, with a general aggregate limit of not less than \$3,000,000 and a per occurrence limit of not less than \$1,000,000. Such insurance shall cover all risks arising directly or indirectly out of the primary insured party's use, occupancy, or activities at the common parking area, or any condition whether or not related to an occurrence caused or contributed to by the other party's negligence. Such insurance shall also protect each party against claims arising from obligations assumed by the parties under Section 5.2 below. Each party shall name the other party as an additional insured. Each party shall, prior to commencement of the term and upon the reasonable request of either party thereafter, provide to the requesting party certificates evidencing such insurance and bearing endorsements requiring 30 days' written notice to the other party prior to any change or cancellation of any insurance policy or coverage.

5.2 Each party shall indemnify, hold harmless, and at the indemnitee party's option, defend the indemnitee party, its affiliated entities, officers, directors, employees, and agents from any and all legal and equitable claims, demands, causes of action, liabilities, obligations, costs, and expenses (including reasonable attorney fees, court costs, expenses incurred in asserting the right to indemnification hereunder, and litigation expenses) of any kind arising out of the injury, damage, or other loss to any person or property occurring in, on, or about the common parking area arising out of (i) the use of the common parking area by the indemnitor, its agents, employees, or Authorized Users, unless such claim arises from the negligence of the indemnitee

or failure of the indemnitee to perform an obligation imposed herein, or (ii) the indemnitor's failure to comply with any of the terms of this Agreement, including any failure to perform maintenance obligations imposed herein.

SECTION 6. MEDIATION

With respect to any dispute regarding this Agreement, the parties agree to act in good faith in attempting to resolve any such dispute, which attempts shall include the services of a mutually agreed upon mediator retained from Arbitration Services of Portland, Inc., or such other arbitration service as the parties may mutually select (the "Arbitration Service"). Each party agrees to follow the mediation rules of the Arbitration Service. The parties shall participate in such mediation process in good faith and shall not file any litigation for at least 90 days after initiation of the mediation. Each party shall bear its own costs with respect to the mediation process.

SECTION 7. DEFAULT AND REMEDIES

Any of the following shall be an Event of Default by a party under this Agreement: Failure to comply with any term, covenant, or condition of this Agreement or failure to fulfill any obligation under this Agreement within 30 days after written notice from the other party describing the nature of the failure; provided, however, that if the nature of such failure is such that more than 30 days are reasonably required for its cure, the party shall not be deemed to be in default if the party commences to cure the failure within thirty (30) days after written notice from the other party and diligently and continuously prosecutes such cure to completion. Upon the occurrence of an Event of Default under this Agreement, and after complying with the mediation provisions in Section 6 above, the non-breaching party shall be entitled to recover from the breaching party all damages allowed by law or authorized under this Agreement arising or resulting from such default. Each party acknowledges and agrees that the non-breaching party may be irreparably harmed by a breach of this Agreement, and, notwithstanding the cure periods set forth above in this Section 7, in the event of such irreparable harm, the non-breaching party shall be entitled without waiting for the expiration of such cure periods to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction, or any other equitable remedy that may be available. The foregoing remedies are not exclusive.

SECTION 8. TERM

This easement shall continue in perpetuity, subject to the following: In the event the City no longer uses the City Parcel as an aquatic center or for other recreational purposes open to the public, the City shall promptly give notice thereof to the University. This Agreement and the easement granted herein shall continue until such time as (a) the City Parcel is no longer used by the City as an aquatics center or for another recreational purpose open to the public and (b) the University notifies the City that the University has elected to terminate the easement.

SECTION 9. NOTICES

All notices required or permitted to be given hereunder shall be in writing and shall be deemed given and received two (2) business days after deposit in the United States

postal service, certified or registered mail (but only regular mail if addressed to a post office box), postage prepaid and return receipt requested, addressed as follows:

If to the University: Pacific University
2043 College Way
Forest Grove, Oregon 97116
Attention: President

If to the City: City of Forest Grove
Post Office Box 326
Forest Grove, Oregon 97116
Attention: City Manager

The foregoing addresses may be changed by either party by written notice.

SECTION 10. ENTIRE AGREEMENT

This Agreement reflects the entire agreement between the parties on the use of the University Parcel as a common parking area. The terms of this Agreement shall supersede all prior understandings and agreements.

SECTION 11. NO THIRD PARTY BENEFICIARIES

This Agreement shall not create any rights or interests in parties other than the City and the University.

SECTION 12. CONDEMNATION

In the event that the common parking area or a part thereof is taken by power of eminent domain, or is conveyed under threat of condemnation, this Agreement shall terminate and the proceeds from any such condemnation shall be shared as follows: First, to the City an amount equal to the cost of the improvements made pursuant to Section 2 above, with such amount reduced by one-thirtieth ($1/30^{\text{th}}$) for each year between the date of this Agreement and the date of condemnation; and, second, to the University the remainder of the proceeds.

SECTION 13. ATTORNEY FEES

In the event of any litigation arising under this Agreement, the prevailing party shall recover from the losing party the prevailing party's reasonable attorney fees at trial or on appeal as adjudged by the trial or appellate court.

SECTION 14. EFFECT OF THE AGREEMENT

The easement granted hereunder shall run with the land as to all property burdened and benefited by such easement, including any division or partition of such property. The rights, covenants and obligations contained in this Agreement shall bind, burden and benefit each party's successors and assigns, mortgagees and beneficiaries under a deed of trust.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

PACIFIC UNIVERSITY

By: _____
Title: _____

CITY OF FOREST GROVE, OREGON

By: _____
Title: City Manager

State of OREGON

County of Washington

This instrument was acknowledged before me on _____, 2008,
by _____ as _____ of Pacific University,
an Oregon nonprofit corporation, on behalf of said corporation.

Notary Public for the State of Oregon

State of OREGON

County of Washington

This instrument was acknowledged before me on November 24, 2008,
by Michael J. Sykes as City Manager of the City of Forest
Grove, Oregon, an Oregon municipal corporation, on behalf of said corporation.

Notary Public for the State of Oregon

EXHIBIT A

The North one-half of the following property situate in the City of Forest Grove, Washington County, Oregon:

Beginning at a point on the East line of the Elkanah Walker Donation Land Claim No. 60, Township 1 North, Range 3 West of the Willamette Meridian, 449.18 feet North $8^{\circ}30'$ East from a stone, said stone being at the intersection of said claim line with the center line of North Avenue in the City of Forest Grove, and being 803.5 feet North $8^{\circ}30'$ East from the Southeast corner of said claim; running thence North $8^{\circ}30'$ East 114.64 feet, along said claim line, to the Southeast corner of the tract of land described in Deed Book 42, Page 351; thence South $89^{\circ}42'$ West 208.41 feet, along the South line of said tract, to the East line of the school lot; thence South 111.9 feet to a point which is North $89^{\circ}53'$ West 191.46 feet, more or less, from the place of beginning; thence South $89^{\circ}53'$ East 191.46 feet, more or less, to the place of beginning.

Excepting therefrom that portion dedicated to Washington County for road purposes by Dedication Deed recorded September 13, 2006, Fee No. 2006-109530.

Date: November 24, 2008

**STAFF REPORT AND RESOLUTION AUTHORIZING THE CITY MANAGER TO
ENDORSE THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY
OF FOREST GROVE, CITY OF PORTLAND TRANSIT POLICE SERVICES,
AND TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT FOR
TRIMET TRANSIT POLICE SERVICES**

PROJECT TEAM: Chief Kerry Aleshire, Forest Grove Police Department
Captain Jeffrey Williams, Forest Grove Police Department
Michael J. Sykes, City Manager

ISSUE STATEMENT:

The Forest Grove Police Department has been invited to become a member of the Transit Police Division. The protection of transportation infrastructure directly contributes towards the livability of Forest Grove. Additionally, membership on this team promotes the regional interests of Forest Grove within the law enforcement community. Establishing key regional relationships within the law enforcement community can facilitate other regional relationships with key transportation partner agencies and organizations.

BACKGROUND:

The Transit Police Division is a unique blend of 11 participating agencies which are responsible for providing police services to the Tri-County Metropolitan Transportation District of Oregon (herein referred to as District) platforms, vehicles, and facilities under contract to the District.

The current strength of the Transit Police Division is 48 sworn officers and deputies with an anticipated increase of five to seven officers over the next several months.

A position with the Transit Police Division is fully reimbursed and the financial responsibilities are coordinated through the City of Portland and Portland Police Bureau. The Transit Police Division is currently administered by a Portland Police Bureau commander and two lieutenants, with sergeants from participating agencies and the Portland Police Bureau conducting day-to-day supervision. The Transit Police Division has an Eastside and Westside deployment strategy incorporating the areas of Forest Grove, Hillsboro, Beaverton, and unincorporated Washington County.

The District covers approximately 575 square miles, serving over 20 communities, and transporting nearly 340,000 people every weekday. As the District expands, ridership increases, and gasoline prices influence people to seek alternative means of transportation, Forest Grove Police participation on the team will benefit our community and citizenry.

This position is expected to be funded through 2010 and anticipated to be funded in the following years. Team member participation is expected to last a minimum of three years and maximum of five years. Should funding from TriMet be eliminated or participation in the team discontinued, sustainability for local funding of the position will be achieved through regular attrition of department personnel.

RECOMMENDATION:

Staff recommends the City Council adopt the attached resolution approving and authorizing the City Manager to endorse the Intergovernmental Agreement with the Tri-County Metropolitan Transit District (attached as Exhibit A) for TriMet Transit Police Services.

RESOLUTION NO. 2008-68

**RESOLUTION APPROVING THE INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF FOREST GROVE, CITY OF PORTLAND, AND TRI-
COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON FOR
TRIMET TRANSIT POLICE SERVICES**

WHEREAS, the Tri-County Metropolitan Transportation District of Oregon (District) and City of Portland seek to expand the TriMet Transit Police Divisions to increase safety and security operations on the TriMet transit system; and

WHEREAS, the District has invited the Forest Grove Police Department to become a member of the Transit Police Division; and

WHEREAS, the transportation infrastructure directly contributes towards the livability of Forest Grove; and

WHEREAS, the membership on this team promotes the regional interests of Forest Grove with the law enforcement community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1: The City Council of the City of Forest Grove hereby approves the Intergovernmental Agreement between the City of Forest Grove, City of Portland and Tri-County Metropolitan Transportation District (attached as Exhibit A).

Section 2: The City Manager is hereby authorized to execute the Agreement on behalf of the City of Forest Grove.

Section 3: This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 24th day of November, 2008.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 24th day of November, 2008.

Richard G. Kidd, Mayor

**INTERGOVERNMENTAL AGREEMENT AMONG THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON, THE CITY OF FOREST GROVE AND THE
CITY OF PORTLAND FOR TRANSIT POLICE SERVICES**

This Agreement is among the Tri-County Metropolitan Transportation District of Oregon (TriMet), the City of Forest Grove (Forest Grove) and the City of Portland (Portland), pursuant to authority granted in ORS Chapter 190.

RECITALS

1. TriMet, Forest Grove and Portland (“the parties”) seek to expand the TriMet Transit Police Division to increase safety and security operations on the TriMet transit system, by provision of one or more Forest Grove police officers to the Transit Police Division.

AGREEMENT

The parties agree as follows:

1. TERM: The initial term of this Agreement shall be from _____, 2008, through June 30, 2009, and may be extended by mutual agreement of the parties for a successive one-year term through June 30, 2010, unless terminated sooner under the terms of this Agreement.
2. RESPONSIBILITIES OF PARTIES: See attached Exhibit 1.
3. TERMINATION: This Agreement may be terminated as follows:
 - a. Any party may terminate this Agreement for its convenience and without penalty upon thirty (30) days written notice of its intention to terminate.
 - b. If TriMet is unable to appropriate sufficient funds to pay Forest Grove for its services under this Agreement, TriMet must notify Forest Grove and Portland and the Agreement terminates as of the end of the last fiscal year for which such appropriations are available.
 - c. Any obligations arising prior to the date of termination survive the termination, including any obligation to indemnify, defend and hold harmless any other jurisdictions.
4. INDEMNIFICATION:

Portland and Forest Grove will be responsible for the work of the officers assigned to the TriMet Transit Police Division.

Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, Forest Grove shall indemnify, defend and hold harmless TriMet and Portland from and against all liability, loss, and costs arising out of or resulting from the acts of Forest Grove, its officers, employees, and agents in the performance of this Agreement. Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, TriMet shall indemnify, defend, and hold harmless Forest Grove and Portland from and against all liability, loss, and costs arising out of or resulting from the acts of TriMet, its officers, employees, and agents in the performance of this Agreement. Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, Portland shall indemnify, defend, and hold harmless Forest Grove and TriMet from and against all liability, loss, and costs arising out of or resulting from the acts of Portland, its officers, employees, and agents in the performance of this Agreement.

5. INSURANCE: Each party shall be responsible for providing workers' compensation insurance for their respective employees, as required by law, and may elect to commercially insure or self insure for any other liabilities assumed under this agreement.
6. ADHERENCE TO LAW: Each party must comply with all federal, state, and local laws and ordinances applicable to this Agreement.
7. ACCESS TO RECORDS: Each party must have access to the books, documents, and other records of the other parties related to this Agreement for the purpose of examination, copying, and audit, unless otherwise limited by law.
8. SUBCONTRACTOR AND ASSIGNMENT: No party shall subcontract or assign any part of this Agreement without the written consent of the other parties.
9. ENTIRE AGREEMENT: This Agreement incorporates by reference and makes all of the terms and conditions of the Exhibits 1 through 4 attached hereto a part of this agreement and constitutes the entire agreement between the parties. This Agreement may be modified or amended only by the written agreement of the parties.
10. ATTORNEY FEES: In the event a lawsuit is filed to obtain performance of any kind under this Agreement, the prevailing party is entitled to additional sums as the court may award for reasonable attorney fees, all costs, and disbursements, including attorney fees, costs, and disbursements on appeal.
11. SEVERABILITY: The parties agree that, if any term of this Agreement, is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms will not be affected.
12. NOTICES: The parties must send any notices, bills, invoices, reports, or other written communications required by this Agreement through the United States Mail, first-class postage paid, or personally delivered to the addresses below:

FOREST GROVE
City of Forest Grove
2102 Pacific Avenue
Forest Grove, OR 97116

TRIMET
Executive Director, Operations
4012 SE 17th Avenue
Portland, OR 97202

PORTLAND
Commander, Transit Police Division
210 N.W. 1st Avenue
Portland, OR 97209

Signature

Michael J. Sykes

Print

Signature

Print

Title

Title

Approved as to form:

City Attorney

Legal Counsel

City Attorney

Exhibits:

- Exhibit 1 – Transit Police Division Administration & Operations
- Exhibit 2 – Transit Police Division Personnel Operations (Westside Precinct)
- Exhibit 3 – Transit Police Division Staffing Letter

EXHIBIT 1

TRANSIT POLICE DIVISION ADMINISTRATION & OPERATIONS

1. SERVICE LEVEL

For the term of this Agreement, Forest Grove will provide one or more full-time officer(s) for assignment to the Transit Police Division (hereinafter Division), in such numbers and classifications as the parties mutually agree in writing, by letter among Forest Grove's Chief of Police, the Transit Police Division Commander, and TriMet's Executive Director - Operations, with such letter in the form set forth in Exhibit 3. If a vacancy of any of the agreed-upon number of officers is not filled within 90 days, the parties agree that TriMet may reassign the opening to another jurisdiction, to provide officer(s) to the Division. Forest Grove personnel assigned to the Division will remain employees of Forest Grove and will not be considered employees or agents of TriMet or the City of Portland (Portland). For purposes of this Agreement, the officer(s) assigned to the Division will be referred to as assigned to the TriMet Transit Police Division.

2. OPERATIONS

- a. Deployment Strategy and Priority for Services: The parties recognize that they have legitimate interests in the management and deployment of officers assigned to the Transit Police Division. The parties will work together to ensure:
- (1) On-Board Presence: The priority for Transit Police deployment is presence on the transit system vehicles and at transit system public facilities.
 - (2) Calls for Service: In general, response to 9-1-1 calls for transit system incidents shall be responded to by local law enforcement from the respective jurisdiction.
 - (3) Arrests: Arrests on the transit system incidents shall be by the respective Transit Police or local law enforcement that originated action on the incident.
 - (4) Law Enforcement Support: Transit Police and local law enforcement shall be responsible for law enforcement support activities for their respective primary areas of responsibility.
 - (5) Enforcement: Transit Police enforcement shall focus on TriMet ordinances, including fare enforcement, and State and City laws to help ensure the security of passengers, employees, and transit system property.
 - (6) Targeting: Transit Police deployment shall focus on identified problem areas, routes and/or transit centers/transfer points based on data relative to the greatest needs for "preventive action"; using community policing strategies whenever possible.
- b. Agency Cooperation and Coordination:
- (1) The parties will work closely and continuously communicate with each other to ensure that the resources, strategies, work force deployment, and initiatives of TriMet, Portland, Forest Grove are coordinated and effective.

- (2) The Commander, TriMet Transit Police Division, or his/her designee, will coordinate contact with the parties to insure that the resources, strategies, work force deployment, and initiatives of the Division and those of the respective law enforcement agencies are coordinated and effective.
 - (3) Forest Grove agrees to work cooperatively in an effort to increase reporting of TriMet related incidents. Forest Grove agrees to provide to the Division TriMet coded reports, data, and records. TriMet agrees to make available to Forest Grove, through the Division, particular data, reports, records, etc. that will assist in fulfilling the mission as outlined in this document.
- c. Officer Seniority: Determination of officer seniority of the Transit Police Division for purposes of making shift, vacation, holiday, and overtime assignments shall be according to the attached Exhibit 2.
 - d. K-9 Unit Training Facility: TriMet has entered into a ground lease (hereinafter "Lease") with the Port of Portland effective September 17, 2007 for the use of certain premises (hereinafter "Premises") to house explosives storage magazines in support of TriMet's training requirements to maintain U.S. Department of Homeland Security, Transportation Security Administration ("TSA") certification for K-9 units. Certain Transit Police Division personnel as designated by TriMet and TSA will be authorized to access and utilize the Premises for purposes of TriMet's K-9 unit training in accordance with the Lease terms. Forest Grove agrees that the work and operations of any Forest Grove Transit Police personnel designated for access to the "Premises", with respect to activities relating to the Premises, are subject to and shall comply with all provisions and requirements of the Lease, the terms of which are incorporated into and made part of this Agreement, and specifically any obligations of TriMet as Lessee.

3. REIMBURSEMENT OF COSTS

- a. Costs: Forest Grove must pay the salaries, overtime, insurance, retirement, and other benefits of its respective officers serving in the TriMet Transit Police Division. Forest Grove must bill the Portland Police Bureau, Fiscal Division, monthly for the salaries, overtime, insurance, retirement, other benefits and Indirect (overhead not to exceed 10%) charges incurred by Forest Grove to provide personnel. Billings will be sent to: PPB Fiscal Division, 1111 SW 2nd Avenue, Portland, OR 97204. Portland agrees to compensate Forest Grove within 30 days after receiving the bill.
- b. Amount: Before April 1st of each year of this Agreement, Portland and Forest Grove must submit to TriMet a proposed annual budget for services under this contract for next fiscal year (July 1 through the following June 30). The parties will then agree on the compensation to be paid by TriMet for services to Portland and Forest Grove under this Agreement. If the parties cannot agree on such compensation by April 1st of each year of this Agreement or at anytime during the term of this Agreement, any party may elect to terminate this Agreement for its convenience and without penalty in accordance with the Termination provision in this Agreement.

EXHIBIT 2

TRANSIT POLICE DIVISION PERSONNEL OPERATIONS (WESTSIDE PRECINCT)

It is the intent of this Agreement: (1) to recognize that the TriMet Transit Police Division Westside Precinct (Westside Precinct) is staffed by police officers from multiple jurisdictions, each covered by their respective collective bargaining agreements, but that shifts, days off, vacations and overtime need to be assigned in a fair and equitable manner; (2) to provide for assignment of shifts, days off, vacations and overtime by seniority; (3) to allow for the change of shift hours of operation and to re-allocated positions and days off within certain shifts to maintain an appropriate balance of field strength.

THE PARTIES AGREE THAT:

1. Current and future Forest Grove officers assigned to the Westside Precinct will use their Forest Grove date of hire seniority as the means to select shifts, days off, vacations and overtime.
2. Current and future Forest Grove officers assigned to the Westside Precinct will abide by the provisions of this Exhibit 2.
3. Seniority shall be defined as the length of uninterrupted service by the officer in his/her agency within the officer's Civil Service classification following the officer's most recent appointment. Time spent in the Armed Forces, on military leaves of absence, other authorized leaves and time lost because of duty-connected disability shall be included in length of service. If an officer who has been promoted reverts to a position s/he formerly held, the officer's seniority shall be the sum of the seniority earned in the promotional class and in the class to which the officer reverts.
4. Subject to manpower needs and maintaining efficiency of the Westside Precinct, seniority shall be the prime factor in the selection of shifts and days off provided the officer is otherwise qualified. Seniority shall govern in the selection of vacation and holidays.
5. In the case of voluntary transfer and/or assignment, the seniority of an officer shall apply immediately to the officer's choice concerning holidays and vacations. The transferring officer may not use seniority to bump another officer's shift or days off until 45 days from the date of the written request.
6. In case of involuntary transfer and/or assignment, the seniority of an officer shall apply immediately to the officer's choice concerning holidays and vacation. In the event of an involuntary transfer, the Westside Precinct shall accommodate the shift and/or days off preferences of transferring officers immediately, and shall not involuntarily bump any other officer for at least thirty (30) days from the time the bumped officer receives notice of the bump. The transferring officer may not use seniority to bump another officer's shift or days off until 30 days from the date of the written request.
7. For the purposes of this Agreement, the phrase "Transferring Officer" shall refer to an officer desiring to change shifts, days off or assignments, or an officer who is involuntarily transferred.
8. The Westside Precinct shall prepare a form to be used by officers desiring to transfer from one shift, assignment, or day off configuration to another within the same reporting unit. For the purposes of this Agreement, this form shall be referred to as the "Transfer Request Form." The Transfer

Request Form shall contain a place for transferring officers to indicate their preferences with respect to shifts and days off.

9. A transferring officer may complete a Transfer Request Form at any time. If the officer is seeking or anticipating a transfer, the officer shall file the Transfer Request Form with the Westside Precinct supervisor. If the officer is seeking a change in days off or shifts which do not involve a transfer between reporting units, the Transfer Request Form shall be filed with the officer's shift commander. The Westside Precinct will forward a copy of the Transfer Request Form to the location of the anticipated transfer.
10. In the event of a change in days off or shifts that do not involve a change in reporting units, the time frames referred to in Section 5 and 6 of this Exhibit 2 shall begin to run when the transferring officer submits the Transfer Request Form.
11. When the Westside Precinct knows that an officer's preferences as indicated on a Transfer Request Form will result in the displacement of the shift or days off of another officer (referred to herein as the Transferred Officer), the Westside Precinct shall notify the Transferred Officer as soon as possible of the fact that he or she may be bumped.
12. The Westside Precinct shall accommodate the shift and/or days off preferences of transferring officers on a faster time schedule than that contained in Sections 5 and 6 of this Exhibit 2, if, in the Westside Precinct's judgment, it is operationally sound to do so, provided that no other affected officer is bumped from his or her days off or shift who objects to the accommodation.
13. An officer may exercise seniority to bump another officer for shift and days off only once in ninety (90) days.
14. **Vacations.** Employees shall be allowed to select two vacation periods on the basis of seniority. Each vacation period must be of a minimum duration of one day. Vacation time shall be scheduled by the Westside Precinct with due consideration being given to requests from officers which shall be determined among officers of equal rank by seniority; provided, however, that each officer shall be permitted to exercise the right of seniority only once each year. The sign-up deadline for the exercise of seniority in the selection of vacations shall be March 15 for the calendar year running from April 15 through April 14 of the following year.
15. **Holiday Assignment.** Where the shift strength is reduced or increased on holidays, consistent with the needs of the Westside Precinct, assignments shall be offered to the most senior officer. Except for an emergency, the Westside Precinct shall provide a minimum of ten (10) days' notice of any deviation from normal shift strength so that officers may plan the use of their time.
 - A. Where shift strength is reduced, the most senior officer scheduled for duty on the shift shall be offered the option of working or not. Where shift strength is increased, the most senior officer on the shift shall be offered the option of working or not.
 - B. For purposes of this section, New Year's Eve and Christmas Eve shall be treated as holidays.
16. **Seniority for Vacation Purposes upon Transfer.** If an officer is involuntarily transferred, the Westside Precinct shall honor the officer's pre-selected vacation times, and shall not disrupt the pre-selected vacation time for other officers in the division to which the officer is involuntarily transferred.

If an officer accepts a voluntary transfer, the Westside Precinct shall attempt to accommodate, to the extent possible, the officer's pre-selected vacation times.

17. **Shift Overtime.** Where the overtime is not directly related to activities begun by an officer during the officer's regular shift, and where the planned overtime is anticipated to be four (4) hours or more in duration, the overtime shall be offered, in the order of seniority, to officers in the Westside Precinct. Once each eligible officer has had the opportunity to work shift overtime in a pay period, officers may once again use their seniority to work shift overtime as described above, and the seniority list shall rotate in the same fashion thereafter. The Westside Precinct shall maintain a list in each reporting unit upon which officers must place their names indicating a willingness to work shift overtime. If an officer is incorrectly passed over for shift overtime, the officer shall be allowed to work a makeup overtime assignment within the next two pay periods following the discovery of the error. The officer and the Westside Precinct shall mutually agree upon the makeup overtime assignment, which shall not displace another officer's already-selected overtime assignment. An officer who has been incorrectly passed over shall not be otherwise entitled to compensation for the missed overtime.

18. An officer will normally be given adequate advance notice of any change in the officer's regular hours of work, except where an emergency (an emergency is defined as an unforeseen event affecting the Westside Precinct's ability to perform its mission) exists. Notice given less than forty-eight (48) hours (or seventy-two [72] hours under the Four-Ten Plan) before the officer is to begin work under the changed schedule entitles the officer to compensation at the overtime rate for those hours not exceeding eight (8) hours that are earlier, later, or different from the hours the officer last worked in a work day. A police officer is not entitled to compensation under the overtime rate if the officer is otherwise entitled to compensation under the same hours of work, or if shift changes are the result of a voluntary transfer or promotion.

19. **Discipline.** Discipline and discharge of Forest Grove officers assigned to the Westside Precinct will be the responsibility of Forest Grove and in accordance with the Collective Bargaining Agreement between the Forest Grove Police Officer's Association and the City of Forest Grove.

20. **Collective Bargaining Agreement.** All other terms and conditions of any current Collective Bargaining Agreement between the Forest Grove Police Officer's Association and the City of Forest Grove shall remain in effect as to other issues not addressed by this Exhibit 2. In the event of a conflict between such Collective Bargaining Agreement and this Exhibit 2, the provisions of such Collective Bargaining Agreement shall govern.

EXHIBIT 3

TRANSIT POLICE DIVISION STAFFING LETTER

(on TriMet letterhead)

(date of letter)

Chief of Police
City of Forest Grove, Oregon
2102 Pacific Avenue
Forest Grove, OR 97116

RE: Forest Grove Police Staffing to TriMet Transit Police Division

Dear _____:

This letter is issued pursuant to the (effective date of agreement), 2008 Agreement among the Tri-County Metropolitan Transportation District of Oregon (TriMet), the City of Forest Grove (Forest Grove) and the City of Portland (Portland), for TriMet Transit Police Services, as amended, to establish or change the number of police officers assigned from Forest Grove Police to the TriMet Transit Police Division.

Prior Staffing from (effective date of agreement), 2008, To-Date

- from (effective date of agreement), 2008 to (date) (specify number of officer(s))
- from (date) to (date) (specify revised number of officer(s))
- etc. etc.
- from (date) to (effective date of this staffing change) (specify revised number of officer(s))

Staffing from (effective date of this staffing change)

- from (effective date of this staffing change) (specify revised number of officer(s))

Any future change in the number of officers assigned from Forest Grove Police to the TriMet Transit Police Division, is subject to mutual agreement by the parties by subsequent letter in similar form.

Sincerely,

Executive Director, Operations
TriMet

Agreed to by Forest Grove:

Agreed to by City of Portland:

Chief of Police

date

Transit Police Commander

date