

AMENDMENT NO. 1
To the
INTERGOVERNMENTAL AGREEMENT
FOR TURNER PERMANENT BOOSTER WATER PUMP STATION
Between
the CITY OF SALEM (“Salem”), an Oregon Municipal corporation
And
the CITY OF TURNER (“Turner”), an Oregon municipal corporation

RECITALS

- A. Salem and Turner, collectively referred to herein as the “Parties,” entered into an Intergovernmental Agreement effective November 12, 2021 (the “IGA”) for the construction of a new water Connection Location on Salem’s water supply system to provide a new location to deliver water to Turner, the construction of a new water pump station to supply Turner’s municipal water supply system from this new Connection Location, the sale of real property at the new pump station site from Salem to Turner, and the decommissioning of Salem’s temporary Turner Booster Water Pump Station at a different location.
- B. The terms and conditions of the real estate transaction were established in a PURCHASE AND SALE AGREEMENT entered into between the Parties and effective November 12, 2021 (the “PSA”). The PSA was incorporated into the IGA.
- C. Inflation and a rapid escalation in construction costs prior to the Parties being able to secure contracts for the project have resulted in the need for additional project funding. The Parties wish to generally split the anticipated additional project costs with Salem contributing up to an additional \$250,000.00 to the project.
- D. Recent supply chain disruptions and heavy demand have resulted in long lead times for the delivery of electrical equipment required for the construction of the pump station, such as generators.
- E. The Parties wish to amend the IGA in order to revise the project funding conditions of the Agreement such that Salem’s Project Cost Limits are increased from \$1,000,000 to \$1,250,000, and to extend the anticipated schedule of the pump station construction.

AGREEMENT

NOW THEREFORE, in consideration of the mutual benefits and obligations set forth herein, the parties agree as follows:

- 1. Amend Section 5 of the IGA as follows, with strikeout wording deleted and underscored wording added:

5. Project Funding

- A. Salem shall contribute up to ~~\$1,000,000~~ \$1,250,000 to the project costs (“Salem’s Project Cost Limit”).
- B. Any unspent Salem funds will be retained by Salem and will not be available for Turner’s use.

- C. Subject to Salem's Project Cost Limit of ~~\$1,000,000~~, \$1,250,000, Salem shall reimburse Turner for project costs incurred during engineering, design, construction, inspection, and commissioning of the project, and Salem shall also reimburse Turner for any closing fees, recording fees, transfer taxes and assessments, paid by Turner in accordance with the PSA. Amounts paid by Salem to Turner shall be included in Salem's Project Cost Limit of ~~\$1,000,000~~, \$1,250,000.
 - D. Turner shall present invoices for the project costs incurred by Turner. Salem shall pay such invoices within 30 days of receipt.
 - E. Required fees for permits, approvals, and utility connections for the design and construction shall be included in the project costs.
 - F. The value of equipment provided by Salem to Turner as described in Section 3.D will not be included in Salem's Project Cost Limit.
 - G. The value of the real property to be conveyed by Salem to Turner as described in the PSA shall not be included in Salem's Project Cost Limit. However, closing fees and any other costs paid by Salem for the transfer of the real property in accordance with the PSA shall be included in Salem's Project Cost Limit.
 - H. Turner is solely responsible for any and all project costs and costs associated with the transfer of the real property as set forth in the PSA in excess of Salem's Project Cost Limit of ~~\$1,000,000~~, \$1,250,000.
 - I. If Salem anticipates that its projects costs will exceed ~~\$1,000,000~~, \$1,250,000, Salem shall notify Turner of Salem's anticipated excess project costs. Upon Project Completion Salem shall invoice Turner for project costs expended by Salem in excess of ~~\$1,000,000~~, \$1,250,000. Turner shall pay such invoices within 30 days of receipt. Salem reserves the right to not incur any costs in excess of ~~\$1,000,000~~, \$1,250,000.
2. Amend Subsection 7 of the IGA, as follows, with strikeout wording deleted and underscored wording added:

7. Schedule

The parties agree that they will make best efforts to complete construction of the improvements such that the water pump station is operational by ~~March 31, 2023~~, March 31, 2024.

3. Amend Subsection 10 of the IGA, as follows, with strikeout wording deleted and underscored wording added:

10. Water Supply

- A. The Parties acknowledge that pursuant to section 2.3 of the AMENDMENT TO WATER SUPPLY AGREEMENT DATED MAY 25, 1957, dated May 24, 2007, Salem has the authority to deliver water to Turner at one or more jointly agreed upon Connection Locations. The parties agree that pursuant to this authority:
 - 1. That the new Connection Location which will be established pursuant to this Agreement will be the primary point of supply for Salem to supply water to

Turner upon completion of the Water Pump Station, unless and until a different Connection Location is utilized pursuant to the terms of the Water Supply Agreement dated May 25, 1957, and the AMENDMENT TO WATER SUPPLY AGREEMENT DATED MAY 25, 1957, dated May 24, 2007, or any amendments thereto or any subsequent water service agreements between the Parties.

2. That the existing Aldersgate Connection Location at 7790 Marion Road SE, Turner, Oregon shall remain active to provide emergency fire flow capacity to Turner's water system until no later than ~~December 31, 2023~~ March 31, 2024.
 3. The Parties agree that upon completion of the water pump station all other Connection Locations existing at that time shall remain in place and be inactive during normal operation of Salem's water system, with the exception of the Aldersgate Connection Location as set forth in section 10.A.2. Nothing in this subsection shall be interpreted as limiting Salem's authority to reactivate any of the Connection Locations at Salem's discretion.
- B. Nothing in this section is intended as a modification of the terms and conditions of the Water Supply Agreement dated May 25, 1957, and the AMENDMENT TO WATER SUPPLY AGREEMENT DATED MAY 25, 1957, dated May 24, 2007, or to limit the ability of Salem to deliver water to Turner at one or more jointly agreed upon connection locations.
- C. Salem reserves the right to supply water to Turner at other Connection Locations as needed for maintenance and repair of Salem's water system with prior notification to Turner.
4. Amend Exhibit 1 to the IGA as set forth in Attachment A to this Amendment No. 1.
 5. This Amendment No. 1, is effective as of the date of the last signature hereon.
 6. Except as specifically modified by this Amendment No. 1, the terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF the parties have caused this Amendment No. 1 to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

CITY OF TURNER

CITY OF SALEM

By: _____
Scott McClure,
City Administrator

By: _____
Keith Stahley,
City Manager

Date: _____

Date: _____

AMENDMENT NO. 1
To the
PURCHASE AND SALE AGREEMENT
Between
the City of Salem, an Oregon Municipal corporation (“**Seller**”)
And
The City of Turner (“**Turner**”), an Oregon municipal corporation (“**Buyer**”)

RECITALS

- A. Seller and Buyer, collectively referred to herein as the “Parties,” entered into an Intergovernmental Agreement effective November 12, 2021, (the “IGA”) for the construction of a new water Connection Location on Salem’s water supply system to provide a new location to deliver water to Turner, the construction of a new water pump station to supply Turner’s municipal water supply system from this new Connection Location, the sale of real property at the new pump station site from Salem to Turner, and the decommissioning of Salem’s temporary Turner Booster Water Pump Station at a different location.
- B. The terms and conditions of the real estate transaction were established in a PURCHASE AND SALE AGREEMENT entered into between the Parties and effective November 12, 2021 (the “PSA”). The PSA was incorporated into the IGA.
- C. The Parties wish to amend the IGA and the PSA in order to revise the project funding conditions of the IGA such that Salem’s Project Cost Limits are increased from \$1,000,000 to \$1,250,000, and to extend the anticipated schedule of the pump station construction.

AGREEMENT

NOW THEREFORE, in consideration of the mutual benefits and obligations set forth herein, the parties agree as follows:

- 1. Amend Section 10 of the PSA as follows, with strikeout wording deleted and underscored wording added:
 - 10. Closing Costs and Taxes.** Seller shall pay one-half of any closing fees, including escrow fees, except that Seller shall not be required to exceed the “Salem’s Project Cost Limit” of ~~\$1,000,000~~ \$1,250,000 as set forth in the IGA as amended by Amendment No 1 to the IGA. Should Seller have incurred project costs of ~~\$1,000,000~~, \$1,250,000, Buyer shall be responsible for all closing fees, including escrow fees. Recording Fees, transfer taxes and assessments, deed stamps, shall be paid by Buyer. Closing fees, including escrow fees, not paid by Seller shall be paid by Buyer. Any property taxes paid by Seller shall be prorated as of the Closing Date, and Buyer shall be responsible for any additional or deferred taxes that may result from this sale or Buyer’s use of the Property. Each party shall pay its own attorney fees, consultant fees and costs, and other expenses solely incurred by that Party.
- 2. This Amendment No. 1, is effective as of the date of the last signature hereon.

3. Except as specifically modified by this Amendment No. 1, the terms and conditions of the PSA remain in full force and effect.

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CITY OF TURNER

CITY OF SALEM

By: _____
Scott McClure, City Administrator
City Administrator

By: _____
Keith Stahley,
City Manager

Date: _____

Date: _____

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Between
the City of Salem, an Oregon Municipal corporation (“**Seller**”)
And
The City of Turner (“**Turner**”), an Oregon municipal corporation (“**Buyer**”)

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By _____
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