

RECOMMENDATION:

Authorize the City Manager to execute the first amendment to the Water Supply Agreement with Orchard Heights.

FACTS AND FINDINGS:

- An existing Water Supply Agreement (Agreement) between the City of Salem (City) and Orchard Heights allows the City to provide municipal drinking water to Orchard Heights members for security of water supply and protection against system failure.
- The Agreement limits connections to Orchard Height's water system to only those lots that existed at the time of the original April 29, 2011, Agreement.
- Orchard Heights has requested the City allow discretionary authority to add lots legally created after April 29, 2011, to their water service district. The additional lots would not create a burden on the City's system since the Agreement limits the maximum amount of water delivered to Orchard Heights at 225 gallons per minute.
- The proposed amendment (Attachment 1) limits the discretionary authority to add additional lots to properties located within the Salem/Keizer Urban Growth Boundary (UGB).
- Both parties understand that the City will eventually annex portions of the Orchard Heights service area within the UGB and that those properties will become individual customers of the City.

BACKGROUND:

The City and Orchard Heights originally entered into a Water Supply Agreement to ensure continued water service from the City's municipal water system to Orchard Heights for use and resale in April 2011. The Agreement was renewed in June 2023 (Attachment 2).

The proposed amendment to the Agreement keeps all provisions in full force and effect.

Robert Chandler, PhD, PE
Assistant Public Works Director

Attachments:

1. First Amendment to Orchard Heights Water Supply Agreement
2. Orchard Heights Water Supply Agreement 2023