



## Staff Report

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**File #:** 18-534

**Version:** 1

**Date:** 12/3/2018

**Item #:** 3.3 a.

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**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Peter Fernandez, PE, Public Works Director

**SUBJECT:**

Intergovernmental Agreement with Orchard Heights Water Association.

Ward(s): Ward 8

Councilor(s): Jim Lewis

Neighborhood(s): West Salem Neighborhood Association

**ISSUE:**

Shall City Council authorize the City Manager to amend the Intergovernmental Agreement between the City of Salem and Orchard Heights Water and extend the term of the agreement to June 30, 2023?

**RECOMMENDATION:**

Authorize the City Manager to amend the Intergovernmental Agreement between the City of Salem and Orchard Heights Water Association and extend the term of the agreement to June 30, 2023.

**SUMMARY AND BACKGROUND:**

In April 2011, the City of Salem (City) and Orchard Heights Water Association (Orchard Heights) entered into an Intergovernmental Agreement (IGA) to ensure continued water service from the municipal distribution system to Orchard Heights for use and resale. The water service connections need to be updated to reflect current locations, and the Second Amendment needs to be updated to reflect the transfer of service associated with annexed properties on Landaggard Drive NW. In addition, this IGA was scheduled to expire on June 30, 2018.

It is neither the City's nor Orchard Heights intent to terminate the agreement at this time. However, the City and Orchard Heights would like to further renegotiate the IGA to bring it up to date with the current practices and expectations of both parties. Staff anticipates that these negotiations may take up to five years.

## **FACTS AND FINDINGS:**

The existing IGA was scheduled to expire on June 30, 2018. The City and Orchard Heights are in negotiations to develop a new long-term agreement that will address current expectations. The proposed amendment to the existing IGA extends the date of the current renewal period for five years, to June 30, 2023. The extension will allow for additional time to draft an updated IGA. If the amendments are approved, all other provisions of the existing Agreement will remain in effect.

### **Attachments:**

1. Intergovernmental Agreement with Orchard Heights Water Association (April 2011)
2. Proposed Amendment to the April 2011 Intergovernmental Agreement with Orchard Heights Water Association
3. Proposed Update to the Second Amendment