



Staff Report

File #: 21-483

Version: 1

Date: 11/8/2021

Item #: 3.3b.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Peter Fernandez, PE, Public Works Director

SUBJECT:

Intergovernmental Agreement and Purchase and Sale Agreement with the City of Turner for the Turner Water Pump Station.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Safe, Reliable, and Efficient Infrastructure

SUMMARY:

The City of Turner is a wholesale water customer of the City of Salem. Resiliency and operational flexibility of Salem's water transmission system will be improved by supplying Turner's water system from Salem's Franzen Reservoir rather than from a transmission main that carries water through Turner. A new water pump station is needed to provide the water pressure required so that Turner can be served from the Franzen Reservoir.

ISSUE:

Shall Council authorize the City Manager to execute an Intergovernmental Agreement (IGA) and Purchase and Sale Agreement (PSA) with the City of Turner to construct a new water pump station and then transfer ownership of the pump station and property to the City of Turner?

RECOMMENDATION:

Authorize the City Manager to execute an IGA and PSA with the City of Turner to construct a new water pump station and then transfer ownership of the pump station and property to the City of Turner.

FACTS AND FINDINGS:

Salem received \$20 million from the State of Oregon for improving its water system. Assisting with the improvement of Turner's water system was a key part of the discussions with the area's state legislators.

Salem and Turner have come to terms on an IGA and PSA for the construction of a new water pump station on a Salem-owned parcel of land in the City of Turner and the subsequent transfer of ownership of the pump station and property to Turner (Attachments 1 and 2).

Turner has been working on the design of the new water pump station over the past year. Upon approval of the IGA and PSA, Salem will take over delivery of the project with Turner's continued participation. After delivery of the project, the 0.2-acre parcel of land will be sold to Turner for one-dollar and Salem will be granted at no cost easements for its infrastructure at the site.

Salem's financial commitment on the project is limited to \$1-million. The project will be funded with utility rates in the FY 2021-212 Water Non-Assessed Construction Fund 255.

The City Manager may execute amendments to the IGA if the following requirements are met: (1) The amendments do not substantially expand the City's obligations; (2) The amendments do not broaden the scope of the agreement to other subjects; (3) The amendments do not increase the City's financial obligations; and, (4) The amendments may extend the term or renew the IGA so long as any other changes to the IGA do not substantially expand the City's obligations

BACKGROUND:

The City of Salem utilizes two large water transmission mains to deliver water from the Geren Island Water treatment Facility to Salem's water storage and distribution system. Both of the transmission mains pass through the City of Turner as shown in Attachment 3. Salem also owns and operates the 92-million-gallon Franzen Reservoir in Turner. During normal operations, one transmission main supplies water to Franzen Reservoir and the other main supplies water to the City of Turner before continuing into Salem. Salem will have more operational flexibility if Turner is supplied from Franzen Reservoir with the new pump station.

Brian D. Martin, PE
City Engineer

Attachments:

1. Intergovernmental Agreement
2. Exhibit 1 to Intergovernmental Agreement - Purchase and Sale Agreement
3. Project Location Map