



Staff Report

File #: 23-210

Version: 1

Date: 6/12/2023

Item #: 3.3d.

TO: Mayor and City Council

THROUGH: Keith Stahley, City Manager

FROM: Brian D. Martin, PE, Acting Public Works Director

SUBJECT:

Intergovernmental Agreement with Orchard Heights Water Association.

Ward(s): Ward 8

Councilor(s): Varney

Neighborhood(s): WSNA

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

SUMMARY:

Proposed Intergovernmental Agreement to ensure continued water service from the municipal distribution system to Orchard Heights Water Association (Orchard Heights) for use and resale.

ISSUE:

Shall the City Council authorize the City Manager to execute the Intergovernmental Agreement with Orchard Heights to ensure continued water service from the municipal distribution system to Orchard Heights for use and resale?

RECOMMENDATION:

Authorize the City Manager to execute the Intergovernmental Agreement with Orchard Heights to ensure continued water service from the municipal distribution system to Orchard Heights for use and resale.

FACTS AND FINDINGS:

An existing Intergovernmental Agreement (IGA) with Orchard Heights Water Association is scheduled to expire on June 30, 2023. In anticipation of this expiration, the City and Orchard Heights have negotiated a new long-term agreement with a new expiration date of June 30, 2035.

This IGA enables the City's municipal water to be provided to Orchard Heights members to provide security of water supply and protection against system failure. It confirms that the City shall continue to deliver up to 225 gallons per minute of water at the City-designated Connection Location off Orchard Heights Road NW, and that the City will bill Orchard Heights for the quantity of water supplied.

This IGA further clarifies that Orchard Heights has designed and constructed a new water main at its sole cost and expense for the purpose of delivering water from the Connection Location. Orchard Heights shall continue to ensure operational compatibility with the City's system, which shall include backflow protection, isolation, and a blow off assembly adjacent to the Connection Location.

Both parties understand that the City will eventually annex portions of Orchard Heights service area, and that members of the Orchard Heights Water Association in the annexed area may, at the City's discretion, become individual City customers if City water is available to the annexed property.

BACKGROUND:

The City of Salem (City) and Orchard Heights Water Association (Orchard Heights) originally entered into an Intergovernmental Agreement (IGA) to ensure continued water service from the municipal distribution system to Orchard Heights for use and resale in April 2011. In January 2019, this agreement was amended to include updates to the locations of water service connections, to reflect the transfer of service associated with annexed properties on Landaggard Drive NW, and to extend the agreement expiration date to June 30, 2023.

The new proposed IGA includes continued updates to the water service connection locations, the removal of language requiring the construction of certain water facilities due to this work having been completed, language that clarifies both service eligibility and the exclusive service area, and a new expiration date of June 30, 2035.

Heather Dimke
Management Analyst II

Attachments:

1. Proposed 2023 IGA with Orchard Heights Water Association
2. Exhibit A. Orchard Heights Water Association Service Boundary