



RESOLUTION 2022-046

AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT WITH THE WILLAMETTE WATER SUPPLY SYSTEM COMMISSION FOR SYSTEM INTERCONNECTION

WHEREAS, the Willamette Water Supply System Commission is an intergovernmental entity formed by Tualatin Valley Water District, the City of Hillsboro, and the City of Beaverton in connection with the Willamette Water Supply System, which includes intake and transmission facilities, a water treatment plant, and reservoir; and

WHEREAS, a portion of this system, including a water treatment plant and water pipelines, is located within the City of Sherwood; and

WHEREAS, the City of Sherwood is not a part of this system and instead relies on a separate water supply system in cooperation with the City of Wilsonville; and

WHEREAS, in order to provide an opportunity to share water between the two systems in an emergency, the Commission and the City would like to establish an interconnection between their two systems, subject to the term and conditions set forth in the Intergovernmental Agreement attached hereto as Exhibit A.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. The City Manager is hereby authorized to sign an intergovernmental agreement in a form substantially similar to the attached Exhibit A.

Section 2. This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 29th of June 2022.



Keith Mays, Mayor

Attest:



Sylvia Murphy, MMC, City Recorder

**INTERGOVERNMENTAL AGREEMENT BETWEEN
WILLAMETTE WATER SUPPLY SYSTEM COMMISSION AND THE CITY OF SHERWOOD
FOR SYSTEM INTERCONNECTION**

PARTIES:

WWSS Commission: Willamette Water Supply System Commission, an Oregon intergovernmental entity

City: City of Sherwood, an Oregon municipal corporation

WWSS Commission and City are referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

- A. The WWSS Commission was formed as an intergovernmental entity pursuant to ORS Chapter 190 by Tualatin Valley Water District ("TVWD"), the City of Hillsboro ("Hillsboro"), and the City of Beaverton ("Beaverton") to permit, design, and construct the Willamette Water Supply System, including intake and transmission facilities, a water treatment plant, and reservoir facilities (collectively, the "WWSS") to provide potable water and to increase system reliability.
- B. The WWSS Commission's only customers are TVWD, Hillsboro, and Beaverton, each of which obtain water from the WWSS Commission on a wholesale basis and maintain their own municipal water system facilities for serving residential, commercial, and industrial customers within their respective service territories. The WWSS Commission has the authority to sell water to other customers on a wholesale basis.
- C. Sherwood owns, operates, and maintains municipal water system facilities to serve residential, commercial, and industrial customers within its service territory.
- D. A portion of the WWSS, including a water treatment plant and water pipelines, is located within the City.
- E. The Parties desire to build on their history of cooperation to ensure the cost-effective provision of safe and reliable water services to present and future customers by establishing an interconnection between their two systems as depicted on Exhibit A, which is attached and incorporated by this reference.

AGREEMENT

Based on the foregoing Recitals, which are incorporated by this reference, the Parties agree as follows:

Article I. Definitions. The following words and phrases shall have the meaning given in these definitions when capitalized:

- 1.1. **Effective Date.** The date both Parties have executed this Agreement as set forth in the signature blocks below.
- 1.2. **Emergency.** A sudden, unplanned occurrence that results in the inability to supply water to customers, such as a main break or other event resulting in a significant reduction in pressure or a Party's inability to supply water to its customers. Emergency does not include increased demand or lack of supply due to drought, warm weather, or increased demand due to service area growth.
- 1.3. **Interconnection.** The Vault and Pipeline connection, up to and including the valve immediately downstream of the connection, between the water systems of the Parties located as depicted on Exhibit A that is intended to provide water supply in an Emergency.
- 1.4. **Supplemental Supply.** The temporary use of the Interconnection during an Emergency to supply water to the Party experiencing the Emergency.
- 1.5. **Vault and Pipeline.** The vault located on WWSS Commission's property and the pipeline that extends from the vault into the right-of-way of Ice Age Drive, each as depicted on Exhibit A, and all other improvements necessary to construct and operate the Interconnection.

Article II. Term and Termination.

- 2.1. **Term.** This Agreement commences on the Effective Date and shall continue for 20 years ("Initial Term").
- 2.2. **Renewal Terms.** Unless a Party provides Notice to the other Party no later than five (5) years prior to the end of the Initial term or a Renewal Term, this Agreement shall renew automatically for additional 5-year periods (each a "Renewal Term").
- 2.3. **Termination.** This Agreement may terminate as follows:
 - 2.3.1 By providing Notice to the other Party no later than five (5) years prior to the end of the Initial Term or a Renewal Term, in which case this Agreement will terminate at the end of the Initial Term or Renewal Term.
 - 2.3.2 Upon Notice of a breach of a material term of this Agreement by one Party, provided that the non-breaching Party has provided the breaching Party with an opportunity to cure pursuant to Section 5.6.1, in which case this

Agreement will terminate on a date specified in the Notice.

2.3.3 At any time by mutual written agreement between the Parties.

Article III. Interconnection.

3.1 Description of Interconnection.

3.1.1 Basic Design Specifications.

3.1.1.1 The Interconnection shall provide for crossflow between the City's water system ("City System") and the WWSS Commission's Water Treatment Plant facility ("WTP_1.0"). Flow from WTP_1.0 to the City System shall be from the WTP_1.0 potable water supply loop. Flow from the City System to WTP_1.0 will be to the WTP_1.0 Clearwell.

3.1.1.2 Water flow from WTP_1.0 to the City System shall have the following features:

- 3.1.1.2.1 Capability for WTP_1.0 Supplemental Supply of up to 5 million gallons per day ("mgd") to the City System.
- 3.1.1.2.2 Pressure to be regulated to 50 psi.
- 3.1.1.2.3 Isolation valve, combination flow and pressure regulating valve, and combination strainer and flowmeter shall be provided in below-grade pre-cast concrete vault.
- 3.1.1.2.4 Isolation valve will be closed under normal conditions and will be manually opened when needed to provide Supplemental Supply or for testing.
- 3.1.1.2.5 Vault shall have a sump and pumped discharge to the WTP_1.0 stormwater system.
- 3.1.1.2.6 Vault shall have traffic rated, lockable hatch and internal ladder.

3.1.1.3 Water flow from the City System to the WTP_1.0 Clearwell shall have the following features:

- 3.1.1.3.1 Capability for City Supplemental Supply of up to 5 mgd to WTP_1.0.
- 3.1.1.3.2 City shall maintain minimum pressure of 40 psi at the Interconnection to its 16" main in Ice Age Drive.
- 3.1.1.3.3 Prevention of backflow from WTP_1.0 to the City of Sherwood connection shall be provided either by reduced-pressure backflow prevention assemblies installed in lockable above-ground boxes with heat tracing, or by operational controls

that prevent unintended flow from WTP_1.0 to the City of Sherwood.

- 3.1.1.3.4 Isolation valve, flow regulating valve and combination strainer and flowmeter shall be provided in below-grade pre-cast concrete vault.
- 3.1.1.3.5 Isolation valve will be closed under normal conditions and will be manually opened when needed to provide Supplemental Supply or for testing.
- 3.1.1.3.6 Vault shall have a sump and pumped discharge to the WTP_1.0 stormwater system.
- 3.1.1.3.7 Vault shall have traffic rated, lockable hatch and internal ladder.

3.1.2 The Interconnection shall include signals to the WTP_1.0 Supervisory Control and Data Acquisition (SCADA) system that will allow the WTP_1.0 SCADA system and City to monitor the flow of water between the water systems.

3.1.2.1 All flowmeter and pressure signals shall be transmitted to the WTP_1.0 SCADA system for monitoring, recording, and communication to the City.

3.1.2.2 An additional Proxy PLC will be provided in Network Room panel SPP8 to exchange data to the City, which will be independent from the WWSS Commission Proxy PLC.

3.1.2.3 The City will set up a secure network link to the WTP_1.0 non-Partner Proxy PLC with certificates that meet the WWSP “zero trust environment” (like the method of connection used by the City of Sherwood for primary water source at the Willamette River Water Treatment Plant).

3.2 Interconnection Design and Construction.

3.2.1 WWSS Commission shall, at its sole cost and discretion, complete the design for the Interconnection in a manner sufficient to supply Supplemental Supply consistent with the terms of this Agreement. The Parties intend that the final design will be complete no later than December 31, 2022. In the event the WWSS Commission requires more time to complete the design, it will inform the City and provide a new timeline. The completion date shall not be extended beyond December 31, 2023 without the written consent of the City, which shall not be unreasonably withheld.

3.2.2 WWSS Commission shall, at its sole cost and discretion, construct the

Interconnection consistent with the design of the Interconnection as set forth in Section 3.2.1. and shall obtain all real estate interests and permitting necessary for the construction. The Parties intend that the construction will be complete no later than July 1, 2026. In the event the WWSS Commission requires more time to complete the construction, it will inform the City and provide a new timeline. The completion date shall not be extended beyond July 1, 2026 without the written consent of the City, which shall not be unreasonably withheld.

3.3 Ownership. WWSS Commission shall be the sole owner of the Interconnection assets.

3.4 Interconnection Operation and Maintenance.

3.4.1. WWSS Commission, through its Managing Agency, shall provide all services and equipment necessary to maintain the safe and reliable operation of the Interconnection (“O&M”) while this Agreement is in effect.

3.4.2. Each Party agrees to pay one-half of all O&M costs. WWSS Commission will track O&M costs using prudent utility practices. WWSS Commission will invoice City for the City’s portion of O&M costs on a quarterly basis.

3.4.3. WWSS Commission shall maintain, and the City and its duly authorized representatives shall have access during normal business hours to, the books, documents, papers, and records of the WWSS Commission which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcripts throughout the term of this Agreement and for a period of three (3) years after its termination. Copies of applicable records shall be made available upon reasonable request. Payment for cost of copies is reimbursable by the City.

3.4.4. The City, either directly or through a designated representative, at City’s expense except as provided in this section, may conduct financial audits of the billings and services specified in this Agreement at any time during the term of the Agreement and during the three (3) year period after its termination. Audits will be conducted in accordance with generally accepted auditing standards as promulgated in Government Auditing Standards by the Comptroller General of the United States General Accounting Office. If an audit discloses that payments to WWSS Commission were in excess of the amount to which the WWSS Commission was entitled, then the WWSS Commission shall repay the amount of the excess to the City. If the payments to the WWSS Commission were in excess of the amount to which the WWSS Commission was entitled by five percent (5%)

or more, then WWSS Commission shall additionally repay to the City the reasonable costs of the audit performed.

3.5 Supplemental Supply. The Interconnection shall be designed, constructed, maintained, and operated in a manner capable of providing Supplemental Supply from each Party's system to the other Party's system.

3.5.1. Supplemental Supply shall be available and operable on demand at any time with Notice from the requesting Party as is reasonable under the circumstances to the supplying Party.

3.5.2. The Party providing Supplemental Supply shall not be liable for non-delivery of water if water is unavailable because of the supplying Party's demands or system limitations. The Parties will develop a methodology to determine available capacity as part of the Operations Plan in Section 4.1.

3.6 Use of Interconnection. At all times, use of the Interconnection shall occur only when the requesting Party is experiencing an Emergency, unless both Parties, each in their sole discretion, agree to use the Interconnection for non-Emergency purposes.

Article IV. Operations Plan, Supplemental Supply Metering and Rates.

4.1 Operations Plan. Upon WWSS Commission's completion of the construction of the Interconnection, WWSS Commission shall develop an Operations Plan that, at a minimum, addresses: 1) testing and flushing of the Interconnection; 2) water quality for water supplied through the Interconnection; (3) testing of the meter; and (4) the method for a Party to determine the maximum capacity of Supplemental Supply it can make available to the other Party. The method for a Party to determine the maximum capacity of Supplemental Supply it can make available to the other Party will be based on the then-current actual maximum capacity of the system of the Party making Supplemental Supply available, minus the then-current actual demand on the Party's system (not including Supplemental Supply) or a reasonable estimate thereof, and will also take into consideration any technical limitations of the Party's system in order to ensure proper system functionality while providing Supplemental Supply. No Party will be required to engage in curtailment of demand in order to make additional Supplemental Supply available, unless otherwise agreed by the Parties in writing. The Operations Plan will also identify, to the extent practicable, a methodology for alternating the City System and the WTP_1.0 as the source for water required to conduct any testing, flushing, or inspection activities. Prior to taking effect, the initial Operations Plan and any subsequent amendments to the plan must be approved in writing by the City. Such approval shall not be unreasonably withheld.

- 4.2 **Access and Inspection.** WWSS Commission shall provide City with access to the Interconnection facilities for the purpose of inspecting and observing tests or to perform other obligations required under this Agreement, at any time with reasonable notice.
- 4.3 **Meter Reading.** Real-time SCADA information will be available to both Parties.
- 4.4 **Rates and Payment.** Water provided through the Interconnection shall be billed by the providing Party to the receiving Party as follows:
- 4.4.1. For Supplemental Supply, the Party providing water shall invoice the receiving Party within 60 days of the end of the event requiring the Supplemental Supply. Notwithstanding the foregoing, when the Parties expect to provide Supplemental Supply for any period exceeding one month, the Parties shall mutually agree upon the frequency of invoices for the expected period.
- 4.4.2. For non-Supplemental Supply, such as water required for testing, flushing, or inspection activities, the Parties shall each provide water at no cost as set forth in the Operations Plan.
- 4.4.3 All amounts invoices shall be based on the volume of water that passed through the Interconnection times the providing Party's then-existing cost of wholesale water.
- 4.4.2 In addition, any direct costs for items which are directly attributable to the Emergency, such as the cost of electricity, shall also be billed to the Party requesting water.

Article V. Miscellaneous.

- 5.1 **WWSS Commission Water Distribution.** Nothing in this Agreement shall be deemed to be an agreement by the City that the WWSS Commission can provide water service to any customer connected to the City's water system, located within the City's territorial boundary, as that boundary may change from time to time, or located within the City's urban planning area (i.e. territory that is either within the City's urban growth boundary or within the City's urban reserves), as that area may change from time to time. WWSS Commission agrees to provide no such service without the express, written consent of the City.
- 5.2 **No Third-Party Beneficiaries.** The Parties agree that this Agreement is for

the sole benefit of WWSS Commission and the City and that there are no third-party beneficiaries to this Agreement. Each Party is providing the Interconnection as an accommodation to the other, regardless of any end users that receive water. This Agreement shall not be deemed to have conferred any rights, express or implied, upon any person or entity not a party to this Agreement.

- 5.3 Indemnity.** To the full extent permitted by law, and subject to the limits of the Oregon Tort Claims Act, each Party (Indemnifying Party) agrees to indemnify and hold harmless the other Party (Indemnified Party), its governing body, members, officers, agents, and employees from any and all liability, claims, demands, damages (including attorney fees and costs), actions, or proceedings of whatever kind or nature arising out the acts or failure to act under this Agreement by the Indemnifying Party, its elected officials, officers, agents, employees, or anyone over whom the Indemnifying Party has direction or control, except to the extent of the Indemnified Party's negligence, if any.
- 5.4 Insurance.** Independent of the indemnity obligation in Section 5.3, the Parties shall each maintain not less than \$5,000,000 in liability, casualty, and property insurance coverages and appropriate Workers Compensation coverage.
- 5.5 Detrimental Fiscal and Operational Impacts.** Each Party agrees to cooperate to prevent or minimize fiscal and operational impacts to the other Party that result from this Agreement and to negotiate reasonable modifications to this Agreement as necessary to prevent detrimental impacts to either Party's system resulting from this Agreement.
- 5.6 Dispute Resolution.** This Agreement obligates the Parties to cooperate for the mutual benefit of both Parties to deliver water to their respective water systems for Emergency purposes. This Dispute Resolution process is provided to encourage informal resolution through negotiation among the Parties' staff, executives, or elected officials before resorting to a formal process using mediation, arbitration, or litigation.
- 5.6.1 Default and Cure.** If a Party defaults in performance of this Agreement, then upon 20 days written Notice, the defaulting Party shall cure or undertake diligent steps to cure within a reasonable time. If the default cannot be cured within the 20-day period, the Parties must agree to a timeline for cure. If the dispute is not resolved within 30 days, it shall be referred to mediation if requested by either Party. Notwithstanding the foregoing, any failure to pay must be cured by payment in full within 20 days of Notice.

5.6.2 Mediation. If the default is not cured pursuant to Section 5.6.1, a Party desiring mediation shall provide the other Party with a written notice setting forth the nature of the dispute. The Parties will cooperate in good faith to select a mediator within 14 days of either Party requesting mediation, and the Parties may adopt any procedural format that seems appropriate for the particular dispute. Mediation should be scheduled within 14 days of selection of the mediator, or as soon as possible, based on availability. If the mediation fails, then a Party may seek remedies pursuant to Section 5.6.3.

5.6.3 Remedies. Upon the failure of any mediation pursuant to Section 5.6.2., either Party may seek any remedy available to the Party. The Parties agree that, because this Agreement concerns potable water system infrastructure, equitable remedies such as injunction or specific performance may be sought.

5.7 **Notice.** Any notice allowed or required under this Agreement (“Notice”) shall be in writing. Notice shall be deemed sufficient if hand delivered or deposited in the United States Mail, postage prepaid, addressed to the Parties as follows:

<p>If to the WWSS Commission:</p> <p>Willamette Water Supply Program Attn: General Manager 1850 SW 170th Ave. Beaverton, OR 97003 (503) 848-3000</p>	<p>If to the City:</p> <p>City of Sherwood Attn: City Manager 22560 SW Pine St. Sherwood, OR 97140 (503) 625-4200</p>
--	---

5.8 **Law and Venue.** This Agreement shall be governed by the laws of the state of Oregon, and any legal proceeding shall be brought in the Circuit Court of the State of Oregon for the County of Washington.

5.9 **Successors and Assigns/Non-Assignment.** This Agreement may not be assigned to another party without the express written consent of the non-assigning Party, which consent shall be in the non-assigning Party’s sole discretion.

5.10 **Amendment.** This Agreement may only be amended in writing signed by

both Parties. The designated representatives of each Party may execute any amendment to this Agreement.

THE PARTIES EXECUTED this Agreement on the dates written below.

Willamette Water Supply System Commission

City of Sherwood

By: _____

By: _____

Its: _____

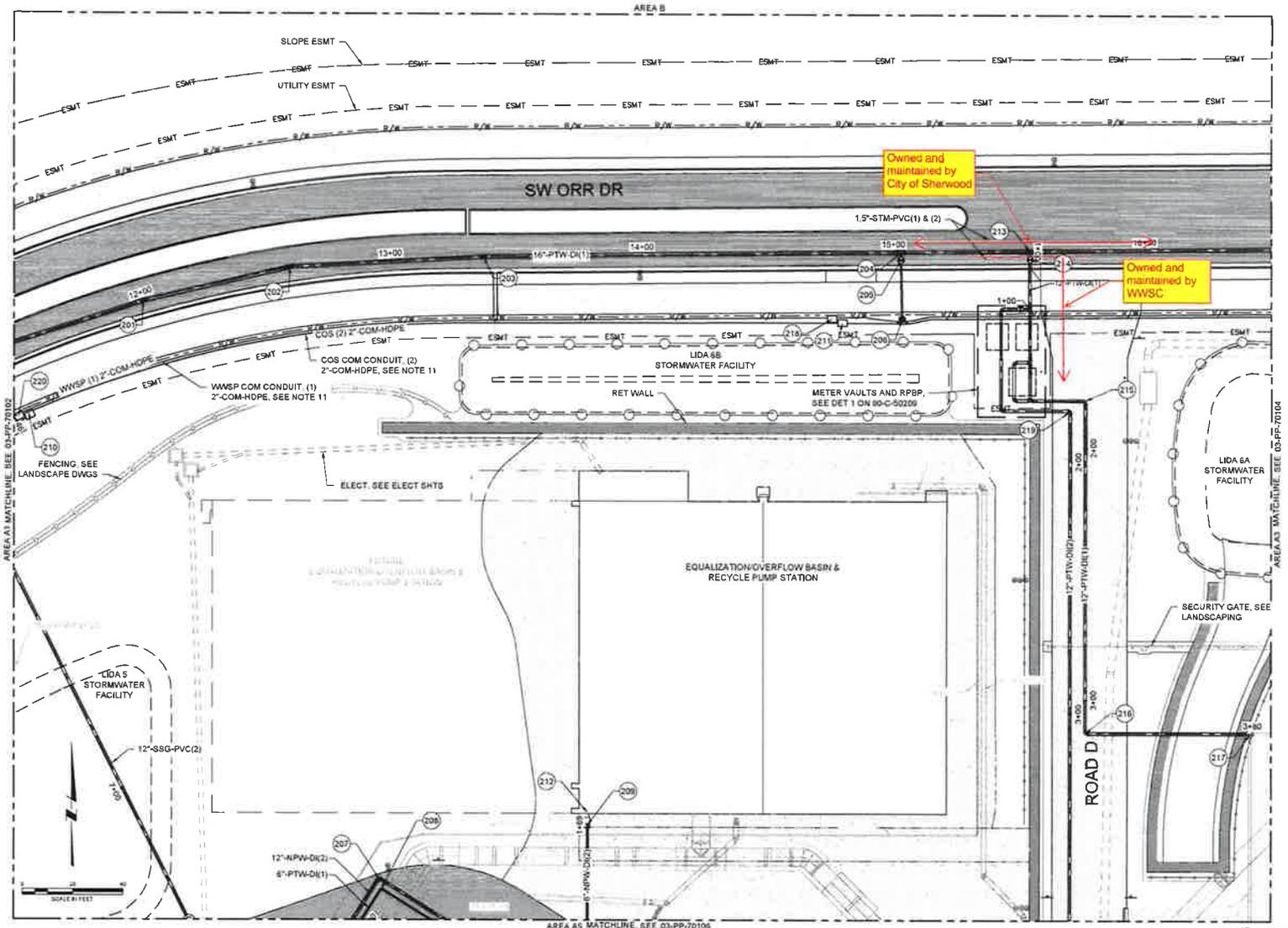
Its: _____

Date: _____

Date: _____

NOTES:

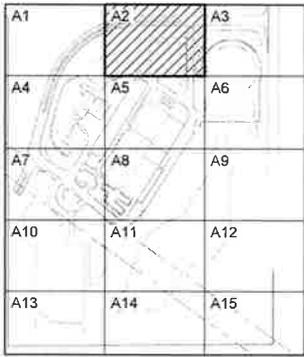
1. FOR PIPE SCHEDULE AND KEY NOTE DESCRIPTION TABLES, SEE 03-PP-70114 THROUGH 03-PP-70117.
2. FOR 16"-PTW-D(1) PROFILE, SEE 03-PP-70402.
3. FOR 12"-PTW-D(1) PROFILE, SEE 03-PP-70409.
4. FOR 12"-NPW-D(2) PROFILE, SEE 03-PP-70404.
5. FOR 6"-PTW-D(1) PROFILE, SEE 03-PP-70406.
6. FOR 12"-SSG-PVC(2) PROFILE, SEE 03-PP-70303.
7. FOR STORM CONVEYANCE SYSTEMS, SEE GRADING, PAVING AND DRAINAGE PLANS.
8. INSTALL 16"-PTW-D(1), 12"-PTW-D(1), 12"-NPW-D(2), 6"-PTW-D(1) AND ASSOCIATED SERVICE CONNECTIONS PER TYPICAL PIPE TRENCH SECTION, SEE CITY OF SHERWOOD STANDARD DETAIL V-10 ON 90-C-S0001.
9. INSTALL 12"-SSG-PVC(2) PER TYPICAL PIPE TRENCH SECTION, SEE CLEAN WATER SERVICES DETAIL 590 ON 90-C-S0006.
10. FOR PROCESS MECHANICAL PIPING, SEE PROCESS PIPING PLAN SHEETS.
11. INSTALL COMMUNICATION CONDUIT, JUNCTION BOXES AND SERVICE BOXES PER TYPICAL CITY OF SHERWOOD STANDARD DETAILS, F0-1 THROUGH F0-5, ON 90-C-S0011. FIBER AND PHONE CABLES TO BE INSTALLED BY OTHERS.
12. FOR 12"-PTW-D(2) PROFILE, SEE 03-PP-70408.



Owned and maintained by City of Sherwood

Owned and maintained by WWSC

KEY MAP



DSGN	K RATHBUN				
DR	M ESTEP				
CHK	B FOSTER				
APV'D	M HICKEY	NO.	DATE	REVISION	BY (APV'D)

VERIFY SCALE
 1/8" = 1' ON ORIGINAL DRAWING
 1/4" = 1' ON THIS SHEET, ADJUST SCALES ACCORDINGLY



Willamette Water Supply
Our Reliable Water
 WILLAMETTE WATER SUPPLY PROGRAM
 WATER TREATMENT PLANT_1.0



SITE PIPELINE PLAN AND PROFILE SITE UTILITIES PLAN AREA A2		SHEET 235 OF 1410
DATE APRIL 2022		DWG 03-PP-70103
FILENAME WTP1-03-PP-70102.dwg		PRJ WTP_1.0
PLOT DATE AND TIME 3/30/2022 4:05:37 PM		

REV: 03/30/2022
 DATE: 03/30/2022
 TIME: 4:05:37 PM
 FILENAME: WTP1-03-PP-70102.dwg
 PLOT DATE AND TIME: 3/30/2022 4:05:37 PM

