

**FOURTH AMENDMENT TO INTERGOVERNMENTAL AGREEMENT
REGARDING WATER SUPPLY FACILITIES, DESIGN, CONSTRUCTION, AND
OPERATION**

THIS FOURTH AMENDMENT to Intergovernmental Agreement Regarding Water Supply Facilities, Design, Construction and Operation (Fourth Amendment) is effective this 25th day of October, 2016, by and between the City of Lake Oswego (Lake Oswego) an Oregon municipal corporation, and the City of Tigard (Tigard), an Oregon municipal corporation. Lake Oswego and Tigard may also be referred to individually herein as a “Party” and collectively as “Parties.”

Recitals

WHEREAS, on August 6, 2008 the Parties executed an Intergovernmental Agreement Regarding Water Supply Facilities, Design, Construction and Operation (Agreement); and

WHEREAS, since the execution of the original Agreement, the Parties have identified the need for an additional capital project to replace a roof on an existing water storage reservoir (“WR1”); and

WHEREAS, the Parties have concluded that it is in the best interests of both to share in the cost to replace the roof and to jointly fund the ongoing operating and maintenance cost of WR1; and

WHEREAS, Exhibit 7 to the Agreement setting forth an allocation of system improvement costs to the parties requires adjustment reflecting the changes described in these recitals;

NOW, THEREFORE, THE PARTIES AGREE TO THIS FOURTH AMENDMENT AS FOLLOWS:

Section 1. Revision of Exhibits. Exhibit 7 (Allocation of System Improvement Costs to the Parties) is revised to read as set forth in attached Exhibit 7.

Section 2. Entire Agreement. Except a specifically amended by this Fourth Amendment, the Agreement dated August 6, 2008 as subsequently amended by the First Amendment, Second Amendment, and Third Amendment remains in full force and effect.

SIGNATURE LINES TO FOLLOW

IN WITNESS WHEREOF the Parties have dated and signed this Agreement

City of Lake Oswego

City of Tigard

Kent Hudwater 10/20/16
Mayor Dated

[Signature] 10/25/2016
Mayor Dated

ATTEST:

ATTEST:

Anne Marie Simpson 10/18/16
City Recorder Dated

Carola Kriger 10/25/2016
City Recorder Dated

APPROVED AS TO FORM:

APPROVED AS TO FORM:

[Signature] 10-20-16
City Attorney Dated

[Signature] 10/25/16
City Attorney Dated

EXHIBIT 7

ALLOCATION OF SYSTEM IMPROVEMENT COSTS TO THE PARTIES

Project Costs*	Cost of Improvements	Lake Oswego		Tigard	
		Allocation (%)	Share (\$)	Allocation (%)	Share (\$)
Water Treatment Plant					
- 38 mgd Expansion	\$74,966,399	37.16%	\$27,857,514	62.84%	\$47,108,885
River Intake Pump Station	\$12,932,668	20/38	\$6,806,667	18/38	\$6,126,001
Raw Water Pipeline	\$24,540,330	20/38	\$12,915,963	18/38	\$11,624,367
Finished Water Pipeline	\$52,856,778				
- WTP to South Side of Oswego Lake	\$25,583,609	20/38	\$13,465,057	18/38	\$12,118,552
- South Side of Oswego Lake to North Side of Oswego Lake	\$9,732,139	12/30	\$3,892,856	18/30	\$5,839,283
- North Side of Oswego Lake to Waluga Reservoir**	\$13,466,442	0%	\$500,000	100%	\$12,966,442
- Waluga Reservoir to Bonita Pumping Station	\$4,074,588	0%	-	100%	\$4,074,588
Waluga Reservoir #2	\$8,329,497	1.7/3.5	\$4,045,756	1.8/3.5	\$4,283,741
Bonita Pumping Station	\$8,273,901	0%	\$4,045,756	100%	\$8,273,901
Waluga Reservoir #1-Roof Replacement	\$2,903,000	50%	\$1,451,500	50%	\$1,451,500
Sub-Totals	\$184,802,573	38.20%	\$70,935,313	61.80%	\$113,867,260
Program Costs					
Program Management, Permitting, Construction Management	\$34,696,785	38.20%	\$13,254,172	61.80%	\$21,442,613
Sponsor/Staff Cost (wages, transfers, materials & services, testing)	\$13,257,000	38.20%	\$5,064,174	61.80%	\$8,192,826
SCADA System Services	\$1,861,684	38.20%	\$711,163	61.80%	\$1,150,521
Legal, Land Use/ROW and Other Professional Services	\$9,644,000	38.20%	\$3,684,008	61.80%	\$5,959,992
Construction Contingency	\$8,437,000	38.20%	\$3,222,934	61.80%	\$5,214,066
Sub-Totals	\$67,896,469	38.20%	\$25,936,451	61.80%	\$41,960,018
Total Costs	\$252,699,042	38.20%	\$96,871,764	61.80%	\$155,827,278

* - Project costs include design, construction, and mitigation contingency and are presented in 2014 dollars (assumed mid-point of construction).

** - Lake Oswego's half of cost to upsize this reach of FWP to 36-inch so that existing 18-inch can be retired, otherwise, LO pays 0% of new pipe in this reach.