

AGENDA ITEM FOR ADMINISTRATIVE MEETING () Discussion only
(X) Action

FROM (DEPT/ DIVISION): County Counsel

SUBJECT: Additional Water Resource

<p>Background:</p> <p>The County is in the process of constructing the Central Pipeline project. Another source of intake for water to the pipeline has been identified. A study is sought to determine the feasibility of the additional source.</p>	<p>Requested Action:</p> <p>Authorize study and option to determine the feasibility of a second river intake for the Central Pipeline project.</p>
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ATTACHMENTS: Proposal; Option

*****For Internal Use Only*****

Checkoffs:

- () Dept. Heard (copy)
- () Human Resources (copy)
- () Fiscal
- (X) Legal (copy)
- () (Other - List:)

To be notified of Meeting:

Needed at Meeting:

Scheduled for meeting on: December 20, 2023

Action taken:

Follow-up:

Umatilla County's Ordnance Regional Water Supply and Aquifer Restoration Project Expansion River Intake Screens System and Pump Station Feasibility Study Proposal

12/05/2023

Background:

Upon request from Umatilla County, IRZ has determined costs associated with performing a feasibility study for the engineering of an additional in-river intake system and three pump station options at the N&C Farms River Station Location. The following report outlines the engineering tasks and costs required to complete this feasibility study.

Engineering Item #1 – Permitting

Feasibility level engineering tasks associated with permitting include:

- Outlining which agencies need to be contacted to determine permitting/easement procedures and end goals.

Engineering Item #2 – In-River Intake System

Feasibility level engineering tasks associated with the intake system include:

- Determining a design flowrate.
- Sizing intake screens to meet system and National Marine Fisheries Service (NMFS) requirements.
- Obtain updated bathometric survey.
- Analyzing bathometric maps to determine optimal location for screen.
- Size, route, and structural support of intake pipe.

Engineering Item #3a – Two Newly Constructed and Completely Separate Pump Stations

This item will provide a feasibility level study that looks at constructing two separate pump stations. The intake manifold will be shared but the discharge manifolds, concrete slabs and electrical buildings will all be separated.

Feasibility level engineering tasks associated with a new Umatilla County Pump Station include:

- Hydraulic modeling to determine head, flow, and pumping requirements.
- Transient modeling to determine hydropneumatic tank requirements.
- Preliminary design of steel piping including velocity calculations to correctly size pipe, connection to Ordnance mainline, and a preliminary visual representation.
- Preliminary structural design of pump station concrete slab and electrical building.
- Preliminary site plan.

Feasibility level engineering tasks associated with a new N&C Pump Station

- Hydraulic modeling to determine head, flow, and pumping requirements.
- Transient modeling to determine hydropneumatic tank requirements.

- Preliminary design of steel piping including velocity calculations to correctly size pipe, connection to N&C mainline, and a preliminary visual representation.
- Preliminary structural design of pump station concrete slab and electrical building.
- Preliminary site plan.

Engineering Item #3b – Umatilla County and N&C Fully Shared Pump Station

This item will provide a feasibility level study that looks at constructing a shared pump station. The intake manifold, discharge manifold, concrete slab and electrical building will all be shared.

Feasibility level engineering tasks associated with a new Umatilla County and N&C Pump Station include (this option will assume that N&C Farms will construct a new on-farm booster station):

- Hydraulic modeling to determine head, flow, and pumping requirements.
- Transient modeling to determine hydropneumatic tank requirements.
- Preliminary design of steel piping including velocity calculations to correctly size pipe, connections to Ordinance mainline and N&C mainline, and a preliminary visual representation.
- Preliminary structural design of pump station concrete slab and electrical building.
- Preliminary site plan.

Engineering Item #3c – Umatilla County and N&C Shared Semi-Shared Pump Station

This item will provide a feasibility level study that looks at constructing a semi-shared pump station. The intake manifold, discharge manifold, concrete slab will be shared. An isolation valve will be installed in the discharge manifold. This option will look at having two separate electrical buildings.

Feasibility level engineering tasks associated with a new Umatilla County and N&C semi-shared Pump Station include (this option will assume that N&C Farms will construct a new on-farm booster station):

- Hydraulic modeling to determine head, flow, and pumping requirements.
- Transient modeling to determine hydropneumatic tank requirements.
- Preliminary design of steel piping including velocity calculations to correctly size pipe, connections to Ordinance mainline and N&C mainline, and a preliminary visual representation.
- Preliminary structural design of pump station concrete slab and electrical building.
- Preliminary site plan.

Engineering Item #4 – Feasibility Study Report & Cost Estimate

IRZ will provide a written report at the end of the feasibility study which will include a summary of results, a preliminary visual representation and a cost estimate for the options presented above.

Feasibility Study Proposal

IRZ Engineering & Consulting proposes to complete the feasibility study which includes the tasks as outlined on a lump sum basis for \$110,000.

Next Steps

Once the feasibility study is complete and reviewed by both parties, the chosen option (3a, 3b or 3c) will be taken to the next phase of design under an additional agreement.

**OPTION AGREEMENT
Pump Station**

THIS OPTION AGREEMENT (the "Option Agreement") is entered into and effective as of the date the last party hereto signs this Option Agreement (the "Effective Date") by and between Umatilla County, a political subdivision of the State of Oregon ("County"), and N & C Land, LLC, an Oregon limited liability company ("N&C").

RECITALS

A. N&C owns and operates an irrigated farm in Umatilla County, Oregon and irrigates with water pumped from the Columbia River through a pump station on the Columbia River, located in 5N271300 lot 1301, at river mile 287.2.

B. County has acquired 30 cubic feet per second ("cfs") of uninterruptible pumping capacity and 15 cfs of additional, interruptible pumping capacity at a nearby Columbia River pump station owned by Grimmway Farms located at:

Township	Range	Meridian	Section	¼ ¼	Lot	Location
5N	27E	Willamette	13	NW SW	4	POD located 2400 feet North and 330 feet East from the SW Corner, Section 13

C. County is constructing a mainline from the Grimmway Farms Columbia River pumping station capable of delivering a minimum of 45 cfs to an area of the Umatilla Chemical Depot in the vicinity of the Westland Road/Interstate 82 interchange, along with an aquifer recharge basin to conduct aquifer recharge testing and long-term operations in the Ordinance Alluvial Aquifer.

D. County has an interest in acquiring an option to design, build and have additional fish screen, intake and pumpstation capacity at the N&C pumpstation.

E. County wishes to utilize this option and option period to enable the County the ability to collaborate on the expansion of N&C's easement and capacity of N&C's intake screening system on the Columbia River and to use that capacity to transport water through a connection with the new mainline or potentially a dedicated mainline from N&C's pumpstation to uses other than or in addition to the Ordinance Regional Water Supply System.

F. The purpose of this agreement is to grant an option to County to enable the County to pay for an alternative design to increase fish screen capacity and intake infrastructure, pursue permitting of a larger fish screen and intake infrastructure, build, own and operate all or a portion of the fish screen and intake infrastructure and secure an easement for both County owned portion of the Columbia River pumpstation works, and pipeline(s) extending through N&C lands to County owned pipelines.

NOW, THEREFORE, in consideration of the representations, covenants, and promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Option

A. Grant of Option. In consideration of \$25,000 paid by County to N&C, N&C hereby grants County an exclusive option to County to enable the County to pay for an alternative design to increase fish screen capacity and intake infrastructure, pursue permitting of a larger fish screen and intake infrastructure, build, own and operate all or a portion of the fish screen and intake infrastructure and secure an easement for both County owned portion of the Columbia River pumpstation works, and pipeline(s) extending through N&C lands to County owned pipelines, as described in the Recitals above (the "Option").

B. Term of Option. The term of the Option begins on the date of this Agreement and shall terminate January 1, 2026 (the "Option Period").

C. Annual Payment. County agrees to pay N&C \$25,000 on the signing of this Option Agreement and annually on the anniversary of the date of this Option Agreement. Such payments shall continue annually and be due on the anniversary date until this Option Agreement is terminated or the Option is exercised.

D. Exercise of Option. The Option may be exercised by County at any time during the Option Period by Notice (as defined in Section 3.K) to N&C and payment to N&C of an agreed upon purchase price or payment for all or a portion of the fish screen, intake and pumpstation improvements as negotiated between the Parties. Such Notice and payment shall be the sole means of exercising the Option during the term of the Option.

E. Termination of Option. If the Option is not exercised by County during the Option Period, this Option Agreement automatically terminates. On termination of the Option Agreement, either by failure of County to exercise the Option during the Option Period or written notice to N&C that County terminates its Option prior to the end of the Option Period, County shall sign and record the necessary documents to remove any title issues for N&C caused by this Option Agreement.

F. Funding. Any construction is contingent on the County obtaining the funding for the construction of all or a portion of the project and obtaining the permitting necessary to accomplish the construction and project.

G. Feasibility Study. On signing the Option Agreement, County will undertake a feasibility study, solely at its cost, to determine the feasibility of the Option. Once completed, County shall deliver the feasibility study to N&C for review. After review of the feasibility study, N&C shall notify County if N&C agrees to the plan proposed under the feasibility study and the continuation of the Option Agreement or whether N&C desires to terminate the Option Agreement. **Notwithstanding any other provision of this Option Agreement,** if N&C desires to terminate the Option Agreement, after review of the feasibility study, the Option Agreement and Option granted thereunder is automatically terminated with no cost to N&C. County shall then sign and record the necessary documents to remove any title issues for N&C caused by this Option Agreement.

2. Potential Development

A. New Construction and System Upgrades. Once the feasibility study has been completed and one or more of the options set out in the feasibility study have been approved by both parties, the County shall have the right to use the expanded water delivery capacity associated with project based on the approved option or options. The feasibility study will look at the following options with the help of the engineer: (1) one shared pump platform, separately owned pumps by each party on the pump platform, shared electrical building on the pump platform, shared intake and mainline up to a point of take-off for each parties' pumps; (2) one shared pump platform, shared pumps on the pump platform, shared electrical building on the pump platform, shared intake and mainline up to the pumps, a short shared extension line from the pumps to a take-off for each party's separate line, with a flow meter at the take-off; and (3) separate pump platforms, with N&C retaining its current pump platform, pumps and electrical building and County building its own pump platform for the Counties pumps and electrical building, with shared intake and mainline up to a point of take-off for each parties' pumps. The designs will be part of the feasibility study, though N&C would prefer the first option.

B. Fish Screen. The project would require a new fish screen on the new pipe. N & C proposes that the cost of the fish screen be based on the expected use of the pipe. N & C generally pumps 20 to 25 CFS through the pipe. The design capacity for the current proposed screen system is 42.8 CFS. The proposed County portion would be a minimum of 30 CFS. The County's percentage of investment will be whatever percentage over N&C's water right is added. Until the system is designed, a rate cannot be established.

C. Length of Main Pipeline. The design will call for extending the intake into deep water where the current and depth will ensure minimal fowling in both summer and winter months. The parties would share equally the cost of a new pipeline from the N & C pump station out to 250 feet. The County would fund the balance of the cost of the pipeline construction and installation from 250 feet out to the deep water. The extension may not be out to 1,000 feet, but will be determined after a feasibility study is prepared.

D. Ownership. N&C will continue to own the N&C water delivery system unless, by agreement of both parties, a separate ownership arrangement is more efficient and secure for both parties.

E. Grant Application. The County and N&C will mutually support a grant application for \$2.5 million for this project.

3. General Provisions

A. Dispute Resolution. In the event of any dispute, claim, question, or disagreement arising from or relating to this Option Agreement or the breach thereof, the Parties shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both Parties. If they do not reach such solution after good faith efforts to resolve the issue, then, upon 30 days written notice by either Party to the other, all disputes, claims, questions, or differences shall be finally settled by binding arbitration

administered by the American Arbitration Association in accordance with the provisions of its Commercial Arbitration Rules.

B. Severability. If any of the provisions contained in this Option Agreement are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this Option Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

C. Force Majeure. No Party will be considered in default in the performance of its obligations under this Option Agreement to the extent that the performance of such obligation is prevented or delayed by any cause, existing or in the future, which is beyond the reasonable control of the affected Party, including, but not limited to Acts of God, earthquake, casualty, drought, labor disputes, civil commotion, war and the like. Obligations related to the payment of monies shall not be eliminated or delayed based on this Force Majeure provision, but shall continue unabated.

D. No Third-Party Beneficiaries. N&C and County are the only parties to this Option Agreement and are the only parties entitled to enforce its terms. Nothing in this Option Agreement gives, or is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly, or otherwise, to third persons.

E. No Agency or Partnership. Neither N&C nor County, nor the officers, employees, or agents of N&C or County, are, or shall be deemed to be, agents, partners, or joint venturers of or with the other. Both N&C and County are separately and exclusively responsible for acts, errors, and omissions of its own officers, employees, and agents except to the extent expressly provided otherwise in this Option Agreement.

F. Survival of Covenants. Any provision of this Option Agreement, which by its terms has or may have application after the expiration or earlier termination of this Option Agreement, including all covenants, warranties, and agreements, will be deemed to the extent of such application to survive the expiration or termination of this Option Agreement.

G. Rule of Construction. N&C and County hereby affirm that the terms of this Option Agreement were negotiated between the Parties and their respective legal counsel and shall not be construed against either N&C or County as a drafter of this Option Agreement.

H. Governing Law. The laws of Oregon shall govern this Option Agreement. Any disputes shall be resolved through the provisions of Section 3.A of this Option Agreement.

I. Entire Agreement. This Option Agreement embodies the entire agreement and understanding between the Parties hereto and supersedes all previous agreements and understandings between the Parties relating to this Option.

J. Counterparts. This Option Agreement may be executed in separate counterparts, which together will constitute an agreement between the Parties.

K. Notice. Notice shall be made by a written letter delivered by a Party to this Option Agreement to the other Party by both electronic mail and first class US mail to the appropriate individual listed below. Notice shall be deemed effective as of the date of the electronic mail so

long as receipt is confirmed by the receiving Party with a reply electronic mail, or in any event, two days following mailing by first class US mail. The designated contact person for each Party is as follows:

N & C:

N & C Land LLC
71062 Perkins Road
Echo, Oregon 97826

Email:
Phone:

County:

Chair, Board of Commissioners
Umatilla County
216 SE 4th Street
Pendleton, Oregon 97801

Email: doug.olsen@umatillacounty.gov
Phone: (514) 276-7111

Either Party may change its respective contact person or address listed above by written Notice to the other Party.

L. Assignment. This Option Agreement may be assigned, whether in whole or in part, without the consent of the other Party, provided assignment by County is to another public entity.

IN WITNESS WHEREOF, the undersigned have caused this Option Agreement to be executed as of the ____ day of _____, 2023.

N & C LAND LLC
an Oregon Limited Liability Company

UMATILLA COUNTY
an Oregon political subdivision

By: _____
Name: _____
Its: _____
Date: _____

By: _____
Name: _____
Its: Chair, Board of Commissioners
Date: _____