CLACKAMAS COUNTY

DAN JOHNSON
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

December 3, 2026 BCC Agenda Item: _____

Board of County Commissioners
Clackamas County

Approval of Amendment #1 to the Intergovernmental Agreement with Sunrise Water Authority for the 172nd Ave Improvements Project. Amendment has no fiscal impact. Total Agreement Value remains $1,257,100 for 4 years and 3 months. Funding is through Sunrise Water Authority. No County General Funds are involved.

Previous Board Action/Review:
Approval of an Intergovernmental Agreement between Sunrise Water Authority and Clackamas County. 10/1/26
Approval of an Intergovernmental Agreement between Water Environment Services and Clackamas County. 4/23/26
Approval of a Resolution Declaring the Public Necessity and Purpose. 9/11/25
Approval of Amendment 1 of the Intergovernmental Agreement between the City of Happy Valley and Clackamas County. 4/25/24
Approval of a Contract with Harper Houf Peterson Righellis Inc. 3/02/23
Approval of an Intergovernmental Agreement between the City of Happy Valley and Clackamas County. 3/24/22
Performance Clackamas: The project will build a Strong Infrastructure
Counsel Review: Yes **Procurement Review:** N/A
Contact Person: Jonathan Hangartner **Contact Phone:** 503-742-4649

EXECUTIVE SUMMARY: The Clackamas County Department of Transportation and Development (DTD) has completed the design for the 172nd Avenue Improvement Project. As part of the design process, the project consultant coordinated with affected utility providers to minimize conflicts with existing facilities. However, given the scale of the project, some conflicts are unavoidable and require utility relocations.

Sunrise Water Authority (SWA) owns and operates existing infrastructure within SE 172nd Avenue and SE Troge Road that it intends to replace. To avoid future disturbance to the planned roadway improvements and to promote efficient use of public resources, DTD and SWA incorporated the design and construction of SWA facilities into the 172nd Avenue Improvement Project through an Intergovernmental Agreement (IGA).

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The Intergovernmental Agreement (IGA) commits SWA to reimburse DTD for costs associated with the design and construction of SWA facilities. Incorporating this work into the 172nd Avenue Improvement Project will improve efficiency and reduce costs by avoiding duplication of effort and minimizing complex coordination that would occur if the SWA improvements were delivered as a separate project. Additionally, constructing the water concurrently with the roadway improvements will prevent potential damage and disruption to newly constructed infrastructure from future SWA work.

IGA Amendment #1 removes the previously established not-to-exceed amount and clarifies that SWA is responsible for all costs incurred in connection with its work, including engineering, construction, administrative, and legal expenses. The amendment also clarifies SWA's financial responsibility for any costs associated with SWA's termination of the SWA work.

The total estimated cost for the SWA work is $1,257,100, including $87,100 for design, $1,160,000 for construction, and $10,000 for county administrative costs. Under the terms of the IGA, SWA will reimburse DTD for all actual expenses related to the SWA work incorporated into the 172nd Ave Improvement Project.

RECOMMENDATION: DTD staff respectfully recommend the Board of County Commissioners approve Amendment #1 to the IGA between DTD and SWA for the 172nd Ave Improvement Project.

Respectfully submitted,

Dan Johnson

Dan Johnson, Director
Department of Transportation & Development

AMENDMENT #1
TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN SUNRISE WATER AUTHORITY AND CLACKAMAS COUNTY RELATING TO THE 172ND AVENUE IMPROVEMENTS PROJECT

This Amendment #1 is entered into by and between Sunrise Water Authority, a municipal corporation organized under ORS chapter 450 ("SWA"), and Clackamas County, a political subdivision of the State of Oregon, by and through its Department of Transportation and Development ("DTD"), collectively referred to as the "Parties" and each a "Party."

RECITALS

A. On October 1, 2026, the Parties entered into an intergovernmental agreement relating to the 172nd Avenue Improvements Project ("Agreement").

B. Section 8(I) of the Agreement requires all modifications and changes to the terms of the Agreement to be in writing and signed by both Parties.

C. The Parties desire to amend the Agreement as set forth below.

TERMS

The Parties agree as follows:

1. **Effective Date.** This Amendment #1 will take effect on the last date of signature by a Party below.

2. Section 2(F) of the Agreement is deleted in its entirety and replaced with the following:

> **Project Costs.** SWA shall be responsible for all costs associated with the engineering of the SWA Project. The estimated SWA Project engineering costs are shown in the attached Exhibit D. SWA shall be responsible for all costs associated with the construction of the SWA Project. The estimated SWA Project construction costs are shown in the attached Exhibit E. SWA shall also be responsible for all administrative costs DTD incurs in connection with the SWA Project. Where the construction contractor requests a change order, DTD shall notify SWA prior to approving the change order, and SWA shall be responsible for additional costs associated with the change order as described under Section 3(E) below. SWA shall be responsible for legal costs DTD reasonably incurs in connection with the SWA Project, to the extent the dispute arises from SWA Project work, excluding costs attributable to the negligence or breach of DTD. DTD shall consult with SWA on the conduct of any such dispute and shall not settle any claim for which SWA will bear costs

without SWA's prior written approval.

3. Section 5(C) of the Agreement is deleted in its entirety and replaced with the following:

> Any rights or obligations accrued to the Parties prior to termination shall survive such termination. Upon termination, SWA shall be responsible for costs of the SWA Project incurred prior to the effective date of termination and for reasonable costs associated with the termination of the SWA Project that DTD is contractually obligated to pay the construction contractor as a direct result of terminating SWA Project work, including but not limited to demobilization costs, except where such termination results from the breach of DTD.

4. Except as expressly amended above, all other terms and conditions of the Agreement shall remain in full force and effect.

In witness whereof, the Parties have executed this Amendment #1 by the dates set forth beneath their names below.

Clackamas County	Sunrise Water Authority
_____	_____
Craig Roberts Chair, Board of County Commissioners	Jamey Pietzold, Executive Director
_____	11/17/2026
Date	Date