



Approve Amendment to the Contract with ESG Operations

Meeting Date: 3/25/25

ESG Agreement Amendment

Department: Utilities

Presenter: Wes Byne

Caption: Approve Amendment to the Contract with ESG Operations, Inc. for the Operation of Water Pollution Control Facilities and approve an additional 5 year extension of the Contract.

Background: Augusta and ESG Operations, Inc. (ESG) are extending an Agreement for Operations, Maintenance and Management Services. The contract was amended in 2017 and extended for five years with an option to extend an additional five year period.

Attached is a proposed Amendment No. 12 from ESG, which sets forth a 2024 budget (Appendix F) of \$7,726,880.00. The estimated cost of wastewater treatment services for 2024 is \$7,514,080.00. We have also included an allowance of \$212,800.00 to provide for ESG assistance as may be needed at the water treatment facilities and other areas within our system.

In addition, the following appendices are also included in this agreement:

Appendix F to this amendment includes services to assist AUD with developing and implementing a Fats, Oils, and Grease (FOG) program. AUD currently has a program, but has requested assistance updating the protocols and procedures to more efficiently collect and track the FOG that is pumped from the system.

Appendix F-1 to this amendment is the reconciliation of forecasted 2024 year actual cost to the projected cost. This cost is estimated to be not more than \$650,000.00. This amount is due to significant chemical costs. A new chlorine generator was installed this year which has proven to be very successful and should lower this cost in the future.

Appendix I to this amendment includes personnel to further extend the sanitary sewer system evaluation and assist with inspection of the wastewater collection system including manhole inspections and condition assessment of piping using SL-RAT technology. This cost is estimated to be not more than \$669,760.00.

Appendix M to this amendment includes installation of valve actuators on Fort Eisenhower for the raw water plant to be used mainly for irrigation. This cost is estimated to be not more than \$294,325.

Appendix N to this amendment is for continuation of routine water tank maintenance and inspections that began in 2018. This cost is estimated to be not more than \$89,000.

Appendix O to this amendment includes services to wash, inspect, repair, and paint water tanks. This cost is estimated to be not more than \$890,650.

Analysis: The proposed budget for the operation of our water pollution control facilities represents a minor increase related to personnel to support the FOG program.

Financial Impact: \$7,726,880.00 for estimated annual Operation and Maintenance fund for Appendix F, \$650,000 for estimated overage from annual Operations and Maintenance fund for Appendix F-1, \$294,325 for Fort Eisenhower work from 507 Capital fund, \$1,649,410.00 for additional work as described in Appendixes I, N, and O from annual Operations and Maintenance fund.

Alternatives: Pursue other delivery methods for the proposed additional work. (Not Recommended)

Recommendation: We recommend approval of Amendment to the contract with ESG Operations, Inc. for the Operation of Water Pollution Control Facilities and additional work as described.

Funds are available in the following accounts: 506043310-5211110 Appendix F, F-1
506043410-5211110 Appendix I
506043580-5223211 Appendix N, O
507043410-5425110 Appendix M

REVIEWED AND APPROVED BY: N/A