



Engineering Services Committee

Meeting Date: February 13, 2024

ESG Agreement Amendment

Department:	Utilities
Presenter:	Wes Byne
Caption:	Approve Amendment No. 11 to the Contract with ESG Operations, Inc. for the Operation of Water Pollution Control Facilities.
Background:	<p>On December 16, 2009, Augusta and ESG Operations, Inc. (ESG) entered into an Agreement for Operations, Maintenance and Management Services. Attached is a proposed Amendment No. 11 from ESG, which sets forth a 2024 budget (Appendix F) of \$7,480,480.00. The estimated cost of wastewater treatment services for 2024 is \$7,267,680.00. 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.</p> <p>In addition, the following appendices are also included in this agreement:</p> <p><u>Appendix F-1</u> to this amendment is the reconciliation of forecasted 2023 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 increases in operating cost in general and specifically in chemical cost, biosolids processing cost, elevated process loading rates due to periodic events of high strength and high-volume flows resulting in higher than normal energy usage and biosolids production.</p> <p><u>Appendix I</u> \$375,200.00 To assist with inspection of the wastewater collection system including manhole inspections and condition assessment of piping using SL-RAT technology.</p> <p><u>Appendix N</u> \$89,000.00 is for continuation of routine water tank maintenance and inspections that began in 2018.</p>
Analysis:	<p>The proposed budget for the operation of our water pollution control facilities represents a 3.5% average annual rate of increase over the life of this agreement. The projected increases are attributed to increased volumes of flow and organic loading to the treatment process, anticipated chemical cost increases and an increase in solids handling requirements. The additional items included in the appendices provide needed services in our water storage and distribution system as well as our wastewater collection system.</p>
Financial Impact:	<p>\$7,480,480.00 for estimated annual Operation and Maintenance cost. \$1,114,200.00 for additional work as described in Appendixes F-1, I and N.</p>
Alternatives:	Pursue other delivery methods for the proposed additional work. (Not Recommended)
Recommendation:	We recommend approval of Amendment No. 11 to the contract with ESG Operations, Inc. for the Operation of Water Pollution Control Facilities and additional work as described.

Funds are available in 506043310-5211110
the following accounts: 506043410-5211110
506043580-5223211

REVIEWED AND N/A
APPROVED BY: