



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of September 14, 2026

Title/Subject

Resolution 2441: Wastewater & Domestic Water Utility Agreement.

Summary

This resolution will approve an agreement with Amazon Web Services related to wastewater & domestic water supply.

Background

The City expanded its Urban Growth Boundary and annexed approximately 800 acres of industrial land south of Feedville Road in January, 2026. That was preceded by approval by the City Council in the Fall of 2025, and included extensive final findings pertaining to various utility impacts, with work on those and presentations to Council dating back more than two years ago to 2024.

City Council was presented with a wastewater project stemming from that work at its [March 23, 2026 meeting](#) which would install a new sewer main in Feedville Road and Highway 207. City Council approved the project with 73.6% of the project funding coming from the company, and the remainder coming from the City with State of Oregon financing. This agreement finalizes the terms of the arrangement with the initial customer.

There are three overall services itemized in the agreement: Sewer, Potable Water, and Non-Contact Cooling Water discharge.

- Potable Water: The maximum of 7,500 gallons per day (gpd) of potable water listed in this agreement is not a significant volume which would otherwise warrant such an agreement, and is similar to a use such as a car wash (~9,000gpd), and significantly less than uses like an elementary school, which uses 50,000+gpd. This water is largely intended for employee-related activities (drinking, toilet flushing, hand-washing, etc.).
- Sewer Service: The maximum of 7,500gpd of sewer service listed in the agreement is similarly not a significant volume which would not otherwise warrant such an agreement.
- Temporary Non-Contact Cooling Water Discharge (NCCW): This water will be accepted for up to two years as the company finishes an alternative discharge option outside of the

City of Hermiston's utility. This will be cooling water that has the potential to reach relatively large peak volumes. To address peaking issues, this agreement limits the maximum instantaneous flow from the site to no more than 75 gallons per minute; likely achieved by on-site storage by the company, and physically regulated by the City.

The sewer main discussed in the agreement is nearly through final design, is anticipated to be advertised for construction this Fall, with completion anticipated in Fall '27.

Tie-In to Council Goals

City Facilities: Public facilities that meet the community needs of today and the future

Fiscal Information

This agreement obligates the company to reimburse the City for \$4,610,000 for installation of the new sewer main.

- Potable Water: The company will pay standard City of Hermiston water rates as they exist in the future at the time of billing.
- Sewer Service: The company will pay standard City of Hermiston sewer rates, including any potential Industrial Pretreatment Program surcharges which may apply, as they exist in the future at the time of billing.
- Temporary NCCW: The City does not currently have a separate NCCW rate established, but if one is being developed, the company will pay that rate as it exists at the time of billing. Until that time, the company will pay standard City of Hermiston sewer rates, including any potential Industrial Pretreatment Program surcharges, as they exist in the future at the time of billing.

Therefore, this agreement is largely about the capital construction costs associated with the new sewer main. Future operational rates remain within the purview of the City Council.

Alternatives and Recommendation

Alternatives

1. Approve Resolution 2441
2. Reject Resolution 2441
3. Table Resolution 2441

Recommended Action/Motion

Approve Resolution 2441

Submitted By:

Mark Morgan