



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action - Mahler WRF Equipment Pre-Purchase and Interim Improvement Project

Preferred Agenda: November 8, 2022

Submitted By: Greg Springman, Public Works Director

Reviewed By: Kelcey Young, City Manager

Type of Action: Resolution ____ Motion X Roll Call ____ Other ____

Relevant Code/Policy: N/A

Towards Council Goal: 1.1 Develop specific steps for implementation of the adopted infrastructure master plans.

Attachments: West Yost Engineer's Recommendation for Mahler WRF Equipment Pre-Purchase and Interim Improvement Project

Purpose of this RCA:

Staff is requesting Council authorization to proceed with Mahler WRF Equipment Pre-Purchase and Interim Improvement Project as a path forward to spend the City's \$7 Million in Grant funding.

Background/Context:

The City has been in design for wastewater treatment plant capacity and process improvements to meet DEQ requirements since 2018. Council approved to Mahler MRF Improvement Project, Phase 1 to solicit bids in September 2022. Staff received formal bids for three pre-qualified contractors. All bids submitted by the contractors exceeded 25% of the Engineer's estimate, requiring the City to not award the contract to the lowest bidder. The Mahler WRF Equipment Pre-Purchase and Interim Improvement Project includes the pre-purchase of owner-supplied equipment, purchase long-lead electrical equipment, and complete the final design of the Mahler WRF Improvement Project.

Recent WWTP DEQ violations has Staff focusing on how to operate the current treatment facility, while constructing the new WWTP. Ongoing issues with MWRF operation and compliance with the City's National Pollutant Discharge (NPDES) Permit that regulates the quality of water discharged to the South Santiam River have led to the need for an Interim Improvements Project to improve solids storage and processing capacity. While plant staff are doing everything they can to operate the MWRF, there is simply not enough capacity to meet NPDES Permit requirements consistently. To address the issue of solids storage and processing capacity, Staff and West Yost proposes completion of the MWRF Interim Improvements Project. This interim project will utilize tanks, piping and equipment proposed for

the larger MWRF Improvements Project so there would be minimal “sunk” cost associated with these near-term upgrades.

The Engineer’s recommendation includes a site plan summarizing the proposed MWRF Interim Improvement Project upgrades, which would include the following elements that will be utilized as part of the larger MWRF Improvements Project to the maximum extent possible:

- Demolition of the existing lime silo and biofilter near the solids building that need to be removed;
- New waste solids storage tank that will ultimately be the Sludge Blend (SB) Tank;
- New solids dewatering equipment sized for future use and housed in a temporary location with cover for near-term operation that will ultimately be relocated to the Solids Dewatering Area on the upper plant site;
- Solids pipelines that will be installed and reused as part of the larger plant expansion; and
- Site work, electrical and controls upgrades that will be needed for temporary system operation by plant staff.

The West Yost preliminary cost estimate for the MWRF Interim Improvement Project is approximately \$2.50M to \$3.00M, which will be confirmed early in design. To meet the tight deadline for spending the City’s \$7M in grant funding from the Oregon Legislature, West Yost proposes the City proceed with pre-purchasing the solids dewatering equipment and solids storage tank while final design for the MWRF Interim Improvement Project is completed.

The Challenge/Problem:

To make efficient use of limited funds to complete needed wastewater treatment improvements and satisfy DEQ requirements and state funding timelines.

Stakeholders:

- City Residents. Residents are the customers who deserve good service with the highest return on their taxes and fees that we can provide, and who trust the City to maintain their infrastructure systems at a high level of service.
- Council Members. Council members are the voice of the citizens we serve. Each member of this group is interested in providing the best service possible at the lowest possible cost. They must balance leadership with representation.
- Public Works Department Staff. This project will greatly improve the operability of the WWTP which is currently undersized and beyond its serviceable lifespan. Staff spends significant time fixing broken down equipment and fighting with system inefficiencies.
- Management Team. Comprised of five department heads, each with a responsibility to the citizens and City Manager to run their day-to-day operations as efficiently as possible.
- Oregon DEQ. The WWTP upgrade project is required to comply with DEQ regulations.

Issues and Financial Impacts:

The proposal will cost \$4,139,490. Due to quoted lead times, a change order to extend the construction contract will probably be needed.

Elements of a Stable Solution:

A stable solution will provide efficient completion of needed facility improvements and make full use of the funding from the State of Oregon for this project.

Options:

1. Option 1 – Do Nothing. This will result in project delays and regulatory action by DEQ.
2. Option 2 – Move to authorize staff to proceed with Engineer’s Recommendation for Mahler WRF Equipment Pre-Purchase and Interim Improvement Project. Staff will

execute the proposed Mahler WRF Equipment Pre-Purchase and Interim Improvement Project

3. Option 3 – Move to negotiate the proposal with West Yost. Staff will revisit the proposal with West Yost to address Council's concerns, then bring it back to Council to reconsider approval. This may result in cost increases due to fluctuating market prices.

Recommendation:

Staff recommends Option 2 – Move to authorize staff to proceed with Engineer's Recommendation for Mahler WRF Equipment Pre-Purchase and Interim Improvement Project.