



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: May 16, 2022		Subject: Resolution 2974 Third Amendment to Operations and Maintenance Contract for Willamette River Water Treatment Plant Staff Member: Delora Kerber, Public Works Director Department: Public Works	
Action Required		Advisory Board/Commission Recommendation	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendation: Staff recommends Council adopt the Consent Agenda			
Recommended Language for Motion: I move to adopt the Consent Agenda			
Project / Issue Relates To:			
<input type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

City of Wilsonville Resolution approving the third amendment of the Operations and Maintenance Contract for the Willamette Water Treatment Plant with Veolia North America – West, LLC in the amount of \$2,697,187 for Fiscal Year 22/23.

EXECUTIVE SUMMARY:

Veolia North America - West, LLC has performed Operations and Maintenance of the Willamette River Water Treatment Plant (WRWTP) since commissioning in April 2002.

Due to the complexities of the treatment plant and the lack of experience in running a water treatment plant, both the City and Tualatin Valley Water District (TVWD) who is a co-owner of the WRWTP decided to hire a private operator.

Veolia Water North America- West, LLC runs treatment plants worldwide and has expansive resources they bring to the project and have done an excellent job operating the plant for the past twenty years.

The contract sets water quality requirements for the finished water that are better than the minimum requirements set by the Environmental Protection Agency (EPA) for safe drinking water.

In 2006, our partner, TVWD sold 5 million gallons per day capacity in the water treatment plant to the City of Sherwood who now share proportionally in the costs to produce and distribute drinking water.

Due to upcoming work at the water treatment plant related to the Willamette Water Supply Program Raw Water Facility project and the City's 20 MGD Expansion project, it is in the best interest of Wilsonville and Sherwood to provide continuity of operation with Veolia Water North America- West, LLC.

In 2012, following a formal procurement process, TVWD, the City, and Veolia entered into the Operation and Maintenance Contract, which allows renews in five (5) year increments. The third amendment is another five-year renewal of contract, which allows for annual adjustments on fixed labor and not-to-exceed costs (utilities, licenses, lab services, etc.) per the employee cost index (ECI) and Portland-Salem consumer price index (CPI), respectively.

EXPECTED RESULTS:

Continued efficient and cost effective operation and maintenance of the Water Treatment Plant by Veolia Water to provide our citizens' safe, high quality drinking water.

TIMELINE:

This contract for the Operations and Maintenance of the Water Treatment Plant is for a five-year period.

CURRENT YEAR BUDGET IMPACTS:

Funding for the Operations and Maintenance Contract has been included in the FY 2022/2023 budget under the Water Treatment Fund. Estimated annual costs for FY 22/23 is \$2,697,187.

The City of Sherwood will reimburse actual costs for the production and distribution of water to Wilsonville based on consumption.

COMMUNITY INVOLVEMENT PROCESS:

Not Applicable.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

With the renewal of the Water Treatment Plant Operations and Maintenance Contract, citizens and businesses will continue to receive cost-effective, safe, high quality water.

ALTERNATIVES:

Veolia Water North America – West, LLC has successfully operated the Water Treatment Plant for the past ten years without a permit violation or time loss accident at a reasonable price and no alternatives were considered for this contract.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Resolution No. 2974
 - A. Third Amendment to Operations and Maintenance Contract