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Request to Amend IGA with Lake Oswego Tryon Creek Wastewater Treatment Plant (TCWTP) Replacement Project



ENVIRONMENTAL SERVICES
CITY OF PORTLAND
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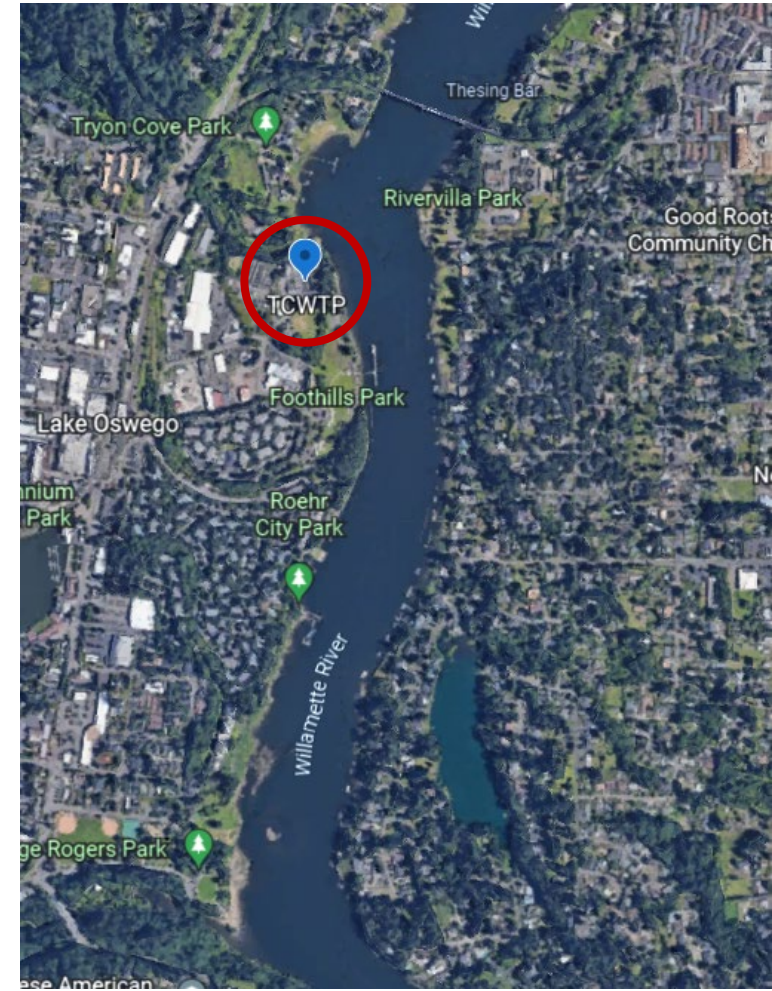
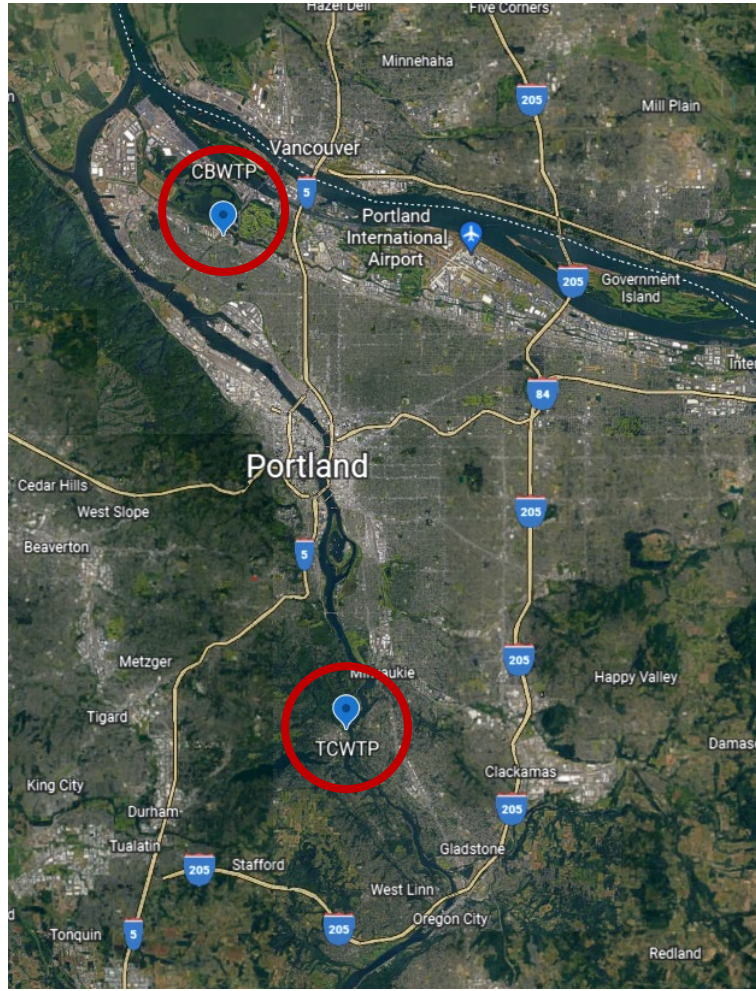
Ordinance Overview

Request to approve Amendment to current Interim IGA with City of Lake Oswego.

- Amendment will:
 - Authorize BES to contribute \$5.9M (cash) and up-to \$5.1M (debt forgiveness) toward the purchasing of land, which will be used to site the new wastewater treatment plant.
 - Clarify conditions which may allow either city to exit current P3 procurement effort.
 - Clarify use or disposition of purchased property should P3 procurement effort be terminated.
- On Dec 20th, Lake Oswego City Council unanimously approved the Amended IGA and a Resolution of Public Necessity, which initiated the Eminent Domain process to acquire property where new plant will be sited.
- Time is of essence – As part of their Eminent Domain process, LO intends to make offers to property owners mid-to-late February 2023. Funds need to be available from BES by early February.



Tryon Creek WTP History / Current



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The City of Portland constructed the Tryon Creek Wastewater Treatment Plant (TCWTP) in 1965 within Lake Oswego city limits next to the Willamette River. The city expanded the plant in 1976 and modified the plant in 2003.

The plant treats sewage collected from parts of southwest Portland, unincorporated areas of Multnomah and Clackamas counties, and the City of Lake Oswego.



TCWTP Replacement Project Overview

- TCWTP is at end of life and needs replacement or major, significant maintenance and upgrades.
- Staff from both Lake Oswego and Portland have been in discussion for multiple years regarding potential upgrades to or replacement of the TCWTP to ensure adequate and efficient service to both cities over the long-term, and to continue to meet environmental regulatory requirements.
- In September 2020, **Portland City Council Ordinance 190127** authorized Portland to collaborate with Lake Oswego to proceed with the procurement process for a public-private partnership (P3) to design, build, finance, operate and maintain (“DBFOM”) a replacement sewer treatment plant within the City of Lake Oswego.
- City of Lake Oswego will become the long-term owner of the new treatment plant and will have the direct contractual relationship with the future DBFOM provider.
- Portland will pay Lake Oswego for wastewater collection and treatment services rendered under the new DBFOM arrangement.
- If procurement is successful, future Portland City Council action will be required to approve new IGA to specifically address costs and party responsibilities under new arrangement.



TCWTP Replacement Project Overview

Where we are now

- Lake Oswego and Portland anticipates agreeing to extend the current Preliminary Services Agreement phase of the procurement effort an additional 12 months to achieve the following prior to formal agreement.
 - Complete 90%-design level of new treatment plant plans. This will result in more certainty about project costs and provide more options/flexibility in the procurement process.
 - Get an early start on the eminent domain process for property acquisition.
 - Get an early start on lengthy permitting process.
 - Benefit from possible improvements in supply chain and financial market conditions.
- It is necessary to amend the current IGA between Portland and Lake Oswego to authorize BES to contribute toward land acquisition costs.



Designated Location for New Treatment Facility







TCWTP Replacement Project Summary

- TCWTP is in dire need of replacement or significant upgrade
- Portland supports Lake Oswego owning a plant that predominantly serves the LO community.
- This project will equitably rebalance the PDX/LO's financial and regulatory obligations.
- At present, the Public-Private Partnership approach is the best way to meet these three objectives.
- Approving this ordinance is a critical milestone in this project, in that it will allow needed land to be acquired to site the new plant.





Questions