

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item: WS
Tab Number:
Date: 04-16-2012

Date Submitted: 3-30-12
Date Requested: 4-16-12

Action: <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Formal <input checked="" type="checkbox"/> Other

Subject: Private Public partnership in operation of Waste Water Treatment Plant
--

TO: MAYOR AND COUNCIL

FROM: City Manager

DISCUSSION: As the Staff has previously reported, we have been reviewing the prospect of a Public/Private Partnership for the operation of the City's Waste Water Treatment Plant (WWTP). There have been a few factors driving this exploration.

- 1) The City of Willcox has used a Lagoon system of Waste Water Treatment for many years, this system does not seem to be adequate to properly treat the waste water. The result has been a Notice of Violation (NOV) from the Arizona State Department of Environmental Quality (AZDEQ). Failure to address the concerns could result in substantial fines and the loss of the ability to connect any new accounts to the Sewer Collection system.
- 2) The City made major upgrades to the WWTP approximately 2000, these were made in conjunction with professional engineers. These have failed to address the concerns and the result was the NOV.
- 3) The Federal and State requirements are projected to continue to become more demanding in future years.
- 4) While the City staff is knowledgeable and motivated, we are limited by our lack of expertise in the operation of many types of Waste Water Disposal.
- 5) The City is faced with making major investments in facilities to address long term needs at the WWTP. The decisions made now will affect the City rate payers for decades. These decisions will affect the design of the WWTP, and the long term costs of the operation of the WWTP.
- 6) It is not clear at this time what will be selected as the "Best" system to address to correct the current problems and address the future needs of the City.
- 7) While engineers are knowledgeable and will design a system which will achieve the goal of producing the end product (effluent of adequate quality); they are not necessarily experienced or knowledgeable in day to day operations.
- 8) Whatever system is picked for the WWTP there will be new costs involved in the operation which will be difficult to predict.

The Staff looked for ways to try to address these concerns. We feel that the need to bring in a high level of “Operational Expertise” to the City to assist in the process of developing the new WWTP: this development needed to be done in a timeframe which will allow the City to be active in the selection of method, design of facility, and future operation of facility. This latter item is especially important to the City as these costs will have to be 100% borne by the ratepayers – forever.

Our opinion was that the best way to find the type Operational Expertise we needed was to look to a large private firm who had broad experience in the operation of WWTP of various types.

Staff initiated a Request for Qualifications (RFQ) in conformance with the City’s purchasing procedure. While we feel Willcox is an important Metropolitan area; in the bigger picture we are small potatoes. We did receive three (3) well qualified responses. A panel made up of Staff, outside staff and knowledgeable citizens from the Willcox area reviewed the RFQ and selected Severn Trent as best suiting the needs of the City (as detailed above). Staff recognized that we are buying not just current operations ability; we are buying expertise and a lot of it. We recognize that the immediate cost to operate the WWTP is likely to **increase**. We feel that the long term benefits of selection of the type facility and the design to incorporate operational efficiencies will far out weigh the short term costs.

The plan is to bring Severn Trent on board as our current operator retires in May 2012. They will be our long term partner through the selection, design, construction, and operation of the new WWTP.

Severn Trent is currently working with the City of Safford in a Public Private Partnership to operate Safford’s WWTP.

RECOMMENDATION: Meet and discuss the Private Public Partnership with Severn Trent. Look for areas not revealed in current discussions. Prepare to move forward on contracting with Severn Trent for the operation of the City’s WWTP.

FISCAL IMPACT: While it is somewhat difficult to breakout the cost of operation of the WWTP from the operation of the Collection system; therefore the FY13 numbers are likely to be highly inflated; it is estimated that the additional costs of operation of the entire Sewer system is likely to increase \$100,000/yr.

Prepared by: Pat McCourt

Approved by: 
Pat McCourt, City Manager