



Public Works Division
315 Kennel Ave
Molalla, Oregon 97038
Phone: (503) 829-6855

August 2, 2022

Attn: Mike Pinney, Oregon Dept of Environmental Quality

RE: MAO Plant Construction Deadline

Dear DEQ Permit Coordinator,

The City of Molalla (the “City”) has been and is in the design phase of its new Wastewater Treatment Facility as you are aware. This project #19-10 was initiated by the City with the Engineering firm Dyer Partnership on May 13th, 2020. That contract included a Project Schedule showing an estimated completion date of **October 2024**.

Since that time several project delays have been experienced, including the City’s request to modify the contract scope to add \$1.7 million of additional filtration systems to improve the effluent quality of the final plant, COVID pandemic related delays, and extra time taken to carefully evaluate the recommendations of the Value Engineering team on Site Selection. This month, the City reviewed the current work completed and requested an updated construction schedule from Dyer. That schedule is attached and indicates that the new plant should be completed in **October 2025**.

The City therefore requests an extension to the December 2023 Plant Construction Deadline in the Mutual Agreement and Order (“MAO”) letter WQ/M-NWR-2016-246 to November 2025.

Please let me know at your earliest convenience if this date is acceptable, so the City’s attorneys can work with DEQ on an amendment to the MAO. The City believes it can achieve plant construction by this new date assuming the following:

In evaluating this schedule, the Engineering team has been conservative based on their observations of increased lead times for materials on similar projects currently underway. Yet, this schedule remains aggressive in that it has not attempted to predict any unforeseeable project-delaying events related to the wider economy or environment, such as supply chain lead times, or extreme weather events. The City believes the most critical item related to project completion timing to be the lining of Effluent Storage Pond #2 between April 2025 and September 2025. Should this item be delayed for any reason, the winter weather will prevent completion until the following year. Thereafter, long lead times for larger pumping equipment constitute the second largest risk to the timeline. In order to prevent these possibilities, the City is working with Dyer Partnership to explore the option of “get started” purchase orders directly to the manufacturers of the materials before bidding. The City and Dyer will work to evaluate whether this can speed the process of delivering this complex project by reducing risk

associated with lead times. Of course, the City will remain in contact with DEQ throughout plant construction process and alert DEQ if additional delays emerge. The City is also in the process of securing funding for the plant from the USDA and will shortly be performing a Biological Assessment, which includes initiating Section 7 and 106 consultations, and submit a complete Environmental Assessment pending these consultations, by September 30th 2022. **The City would like to request that DEQ advise whether any of these consultations or assessments are also a requirement of DEQ's work to compose the new NPDES permit for this plant, and if so, to confirm that the consultations through USDA will be sufficient for DEQ, as normal.**

Respectfully,

 <p>Andy Peters, Public Works Div Manager 315 Kennel Ave. PO Box 248 Molalla, OR 97038 Phone – 503.759.0220 Email – apeters@cityofmolalla.com Website – http://www.cityofmolalla.com</p>	CC: Mac Corthell, Community Dev Director Dan Huff, City Manager
--	--

