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## **City of Lake Oswego to Explore Competitive Procurement Method for New Wastewater Treatment Facility**

LAKE OSWEGO, OR – On Tuesday, January 30, 2024, the Lake Oswego City Council voted to not proceed with a 30-year project agreement with EPCOR to design, build, finance, operate, and maintain (DBFOM) a new wastewater treatment facility. Instead, Lake Oswego will explore a competitive procurement method using public financing, to complete the design, construct the facility, and operate and maintain the facility under a long-term contract.

After completing the planning and design phase, the City found the proposed cost of the private financing by EPCOR poses significant cost burdens to ratepayers and customers, compared to public financing.

In addition, “issuing a request for proposals to the engineering, construction, and water operations industries for this next phase of the project will result in market-driven, competitive pricing, likely reducing cost,” stated Anthony Hooper, Project Manager and Deputy City Manager for the City of Lake Oswego.

“Being good stewards of taxpayer and ratepayer dollars is prioritized in every decision we make,” said Lake Oswego Mayor Joe Buck. “We believe using public financing and leveraging our Water Infrastructure Finance and Innovation Act loan will be the best long-term financial option, saving millions of dollars for both communities on this vital project.”

Lake Oswego, with Portland’s support, has been using a phased approach that could replace the aging Tryon Creek plant, with an environmentally sustainable wastewater treatment facility, at a good value to the community. The first phase is now complete, which included developing facility designs, preliminary permitting, and proposed pricing for the Wastewater Treatment Facility Project.

This first phase of the project successfully demonstrated the feasibility of building a new plant away from the riverfront, and enabled the cities to make a fully-informed decision about the

costs and benefits associated with the private-public partnership approach to constructing the project. The cities found it would be more cost-effective for the next phase of the project to take place using 100% public financing, as opposed to the public-private partnership DBFOM approach.

The second phase of the project now focuses on a competitive procurement method to finalize project designs, construct, operate and maintain the facility, while meeting the desired affordability goals.

“The City of Portland is committed to partnering with Lake Oswego to replace the aging Tryon Creek plant for environmental and reliability reasons,” said Farshad Allahdadi, Business Services Group Manager, City of Portland Bureau of Environmental Services. “Investing in a new, resilient, state-of-the-art treatment facility remains the financially preferred solution for both cities.”

The project team will provide next step recommendations to the Lake Oswego City Council in the coming months. The cities look forward to continuing with the next phase of the project.

“We thank EPCOR for the work they have done planning and designing the facility. That work gives us a solid launching point for our next phase,” said Anthony Hooper. “Also, a big thank you to our residents and stakeholders for the ongoing valuable input on this crucial infrastructure project.”

Learn more at: [www.lakeoswegowastewaterfacility.org/](http://www.lakeoswegowastewaterfacility.org/)

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### About the Tryon Creek Wastewater Treatment Plant

The Tryon Creek Wastewater Treatment Plant was built in 1964 and is owned and operated by the Portland Bureau of Environmental Service. It is strategically located at the confluence of Tryon Creek and the Willamette River in Lake Oswego. The plant treats wastewater collected from parts of southwest Portland, unincorporated areas of Multnomah and Clackamas counties, and the City of Lake Oswego. Treated wastewater is discharged to the Willamette River via an outfall system.

Currently, wastewater treatment operations and maintenance costs are split between Portland and Lake Oswego. On average, Lake Oswego contributes approximately 70 percent of the flow volume. Lake Oswego also pays approximately 70 percent of the cost of operating the plant, in line with its usage. Both cities are exploring a new plant that would be owned by Lake Oswego.