

**OAK RIDGE CITY COUNCIL
SPECIAL MEETING
Municipal Building Courtroom**

March 29, 2016
5:00 p.m.

AGENDA

I. **ROLL CALL**

II. **RESOLUTION**

A RESOLUTION TO EXTEND THE CURRENT WATER SERVICES CONTRACT BETWEEN THE CITY AND THE UNITED STATES DEPARTMENT OF ENERGY (DOE) THROUGH MARCH 31, 2017.

III. **ADJOURNMENT**

CITY COUNCIL MEMORANDUM
16-09

DATE: March 28, 2016
TO: Honorable Mayor and Members City Council
FROM: Mark S. Watson, City Manager
SUBJECT: ONE YEAR EXTENSION OF CONTRACT FOR WATER SERVICES WITH
THE DEPARTMENT OF ENERGY

Introduction

The sole item on the special called meeting of March 29, 2016, is a resolution to extend the current water services contract between the City and the United States Department of Energy (DOE) through March 31, 2017.

Background

The City Manager and staff have conducted re-negotiations of a contract for water services with the DOE since last October. We anticipated that an agreement would be reached. However, a further extension occurred in December to take us to the present expiration date of March 31, 2016.

After numerous meetings and expressed concern by both parties for major capital expenses associated with the water plant, the City has recommended and the DOE has concurred with a one year extension through March 31, 2017. During this interim period, the City has pledged to assess the overall condition of the plant and the needed capital improvements through a consulting engineer. This report is anticipated within the next six months, determining the need for continued long-term investment in the facility or beginning plans to achieve federal appropriation and support for a new plant.

The proposed contract is for a one year period in an expected water purchase amount of \$2,103,876 by DOE. The extension will allow for operations and maintenance funding for the period between April 1, 2016 and March 31, 2017.

Recommendation

The City Manager recommends approval of the attached resolution.


Mark S. Watson

Attachment

RESOLUTION

A RESOLUTION TO EXTEND THE CURRENT WATER SERVICES CONTRACT BETWEEN THE CITY AND THE UNITED STATES DEPARTMENT OF ENERGY (DOE) THROUGH MARCH 31, 2017.

WHEREAS, by Resolution 4-47-98, City Council approved a Memorandum of Understanding between the City and the United States Department of Energy (DOE) to transfer the Y-12 Water Plant from DOE to the City, and the transfer documents included a water services contract whereby DOE purchases water from the City; and

WHEREAS, the water services contract had an original term of ten years (May 1, 2000 through April 30, 2010) with DOE having the option to extend for up to six (6) months, which extension DOE exercised; and

WHEREAS, by Resolutions 10-98-10, 6-46-11, 5-34-2012, 9-69-2012, and 11-132-2015, City Council amended the water services contract to provide for additional extensions through March 31, 2016; and

WHEREAS, by Resolution 11-132-2015, City Council amended the water services contract to set forth a new annual potable water rate of \$2,281,079 through March 31, 2016 and other modifications; and

WHEREAS, the City and the DOE desire to extend the existing water services contract through March 31, 2017 to allow the parties more time to continue negotiations regarding contract modifications; and

WHEREAS, the City and the DOE desire to set a new annual potable water rate of \$2,103,876 through the end of the current contract term; and

WHEREAS, the City Manager recommends approval of the water services contract extension.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the City is hereby authorized to enter into the necessary legal documents to extend the current water services contract between the City and United States Department of Energy (DOE) through March 31, 2017.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 29th day of March 2016.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Warren L. Gooch, Mayor

Mary Beth Hickman, City Clerk