



Staff Report

File #: 20-447

Version: 1

Date: 11/23/2020

Item #: 3.3a.

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Peter Fernandez, PE, Public Works Director

SUBJECT:

Award of a \$50,000 wastewater pre-treatment grant to Oregon Fruit Products.

Ward(s): 2

Councilor(s): Andersen

Neighborhood(s): SESNA

Result Area(s): Natural Environment Stewardship; Reliable and Efficient Infrastructure; Strong and Diverse Economy.

ISSUE:

Shall the City Council approve a \$50,000 wastewater pre-treatment grant to Oregon Fruit Products for the installation of a water-cooling tower to reduce discharging heated non-contact water into the wastewater system.

RECOMMENDATION:

Staff recommends awarding a \$50,000 wastewater pre-treatment grant to Oregon Fruit Products. The award is consistent with the requirements of *Salem Revised Code* Chapter 74.190, and Public Works Department Policy WW 1-11.

SUMMARY:

Oregon Fruit Products is in the process of installing a pasteurizer in their plant to expand their product lines. The pasteurizer requires the use of 64 million gallons of cooling water per year. To avoid discharging this clean, but heated, cooling water into the City's wastewater system, Oregon Fruit Products is installing a water-cooling tower at a cost of \$310,000. *Salem Revised Code* Chapter 74.190 allows for the creation and administration of an incentive program to assist Utility customers in developing wastewater pre-treatment systems. Public Works Department Policy WW 1-11 establishes the maximum grant amount at \$50,000 and requires City Council approval.

FACTS AND FINDINGS:

1. Oregon Fruit Products is classified as a Significant Industrial User under the federally mandated Industrial Pretreatment Program. Under this classification, the Company is required to obtain and hold a wastewater discharge permit from the City to be connected to Salem's wastewater treatment plant. Oregon Fruit Products' permit is in good standing and has an excellent track record of meeting and maintaining permit requirements.
2. Oregon Fruit Products is installing a pasteurizer to expand its product lines, requiring 64 million gallons per year of cooling water.
3. Oregon Fruit Products and the City share the goal of avoiding the discharge of hot, clean ground water into the City's wastewater system.
4. A water-cooling tower will eliminate the need to discharge the cooling water. The estimated construction and commissioning costs of the project is \$310,000. Oregon Fruit Products has applied for an Industrial and Institutional Pretreatment Grants Program award (Attachment 1). The project meets the goals of the grant program.
5. *Salem Revised Code* Chapter 74.190 allows the Public Works Department to establish a grant program to assist customers in developing cost effective systems to decrease wastewater flows into the City's wastewater system.
6. Public Works Department Policy WW 1-11 establishes the grant program parameters that implement SRC 74.190. The Policy establishes a maximum grant amount of \$50,000 and requires Council approval of the grant.
7. Staff recommends the grant award. There are enough resources in the Department budget to fund this request in the current fiscal year.

BACKGROUND:

Oregon Fruit Products uses a ground water well on its property to produce the cooling water. The cooling water does not come in contact with the product but absorbs the heat from the process. If it is not captured, Oregon Fruit Products would discharge hot, clean ground water in the City's wastewater system.

Willow Lake Water Pollution Control Facility has the capacity to accept the discharge. However, it is the City's goal to reduce groundwater flows into the system. In addition, heated water creates the possibility of exceeding Willow Lake's TMDL (total maximum demand load) for temperature. As such, it is in the City's best interest to divert the discharge from the wastewater stream.

Last year, Oregon Fruit Products personnel and Public Works staff discussed the issues associated with installing the pasteurizer. At the time, Oregon Fruit Products was concerned with the costs

related with the substantial increase in wastewater volume. Staff immediately recognized the issue of treating hot, clean water and agreed to work with the Oregon Fruit Products to find a mutually beneficial solution.

Public Works staff engaged one of the Department's consultants to study the issue and develop options for reducing the discharge (Attachment 2). Oregon Fruit Products chose an alternative that will both reduce the discharge (by 92 percent), and reuse the cooling water, thus significantly saving the use of ground water as well. The estimated construction and commissioning costs of the project is \$310,000 (Attachments 3 and 4).

Oregon Fruit Products has operated in Salem since 1935. The Company employs approximately 85 full time individuals, adding about 115 employees during the summer. They manufacture pourable fruit, fruit purees, and canned fruit for the food service and retail markets, including growth to service the beer and cider industry.

Attachments:

1. Grant request letter from Chris Sarles, President/CEO Oregon Fruit Products
2. Oregon Fruit Products Process Cooling Alternatives Analysis
3. Cooling Tower Specifications
4. Chiller Technical Information