



## ITEM REPORT CITY COUNCIL

Agenda Date: 4/2/2024  
Agenda Section: Consent Agenda

**Department Origination:** Public Works

**Agenda Item:** Approve the Thein Well Company quote in the amount of \$120,000 for the 2024 Well Rehabilitation Project.

**Approval Required:** Simple Majority Vote

### **BACKGROUND**

On January 25, 2024, Thein Well provided an inspection report of the City's wells. The outcome of that inspection has indicated that the current pumping rates of the wells have dropped anywhere from 10% to 23% from last year's testing. The decline in pumping rates is likely due to a decline in the pumping water levels that can come from clogging of the well screens that can come from overuse of the wells. This project is intended to clean the wells so that higher pumping rates can be achieved. All four wells will need to be rehabilitated; however, Well No. 2R and Well No. 3R are in need of the most urgent repair and need to be rehabilitated to ensure the City can meet the water supply needs during peak summer months.

Short Elliot Hendrickson, Inc. solicited quotes on behalf of Baxter for the 2024 Well Rehabilitation Project from three (3) well contractors including Thein Well Company, Traut Companies, and Bergerson-Caswell. On March 11, 2024 quotes were received from all three contractors with Thein Well Company coming in as the apparent low quoter.

#### Base Quote

Thein Well Company	\$120,000.00
Traut Companies	Did Not Quote
Bergerson-Caswell	\$530,200.00

#### Alternate 1 – Includes a revised final completion date

Thein Well Company	\$120,000.00
Traut Companies	\$231,800.00
Bergerson-Caswell	\$403,200.00

### **FINANCIAL IMPLICATIONS**

Costs associated with the 2024 Well Rehab Project for all four wells are \$120,000 for rehabilitation along with the \$26,225 of engineering that was approved at the February 20, 2024 council meeting for a total project cost of \$146,225.

The \$146,225 well rehabilitation project, along with the proposed \$64,800 water system hydraulic model update and system planning and \$24,900 preliminary aquifer evaluation study (\$235,925 combined total), were not included in the 2024 Budget. They were also not programmed in the five-year capital needs on the enterprise fund's cashflows to forecast future revenue needs.

While the Water Availability Charges (WAC) of the Water Enterprise Fund is designed to address capital needs of the water system, a deficit remains in the fund as of the end of 2023 (pre-audit closeout) due to the financing of

past projects. Preliminary projections indicate the WAC fund deficit will be eliminated in 2024. Estimates are there will be approximately \$200,000 available to fund most of the \$235,925 of identified project costs.

Operational expenses and other projects programmed in the future may need to be adjusted to accommodate the additional costs of these projects. The projects will be incorporated into the water fund's cashflow to evaluate the impact and future rate adjustments necessary to finance the water operations.

#### **STAFF RECOMMENDATIONS**

The Utilities Commission and staff recommends approval of the Thein Well Company Quote in the amount of \$120,000 for the 2024 Well Rehabilitation Project.

#### **COUNCIL ACTION REQUESTED**

**MOTION** to approve the Thein Well Company quote in the amount of \$120,000 for the 2024 Well Rehabilitation Project.