



## STAFF REPORT CITY COUNCIL

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

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**Department Origination:** Public Works

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**Agenda Item:** Approve the SEH Professional Services Contract in the Not to Exceed Amount of \$24,900.00 for the 2024 Preliminary Aquifer Evaluation

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**Approval Required:** Simple Majority Vote

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### **BACKGROUND**

The City of Baxter is experiencing a significant decrease in available aquifer capacity in water supply wells within the existing well field. Recent rehabilitation projects have not been effective at providing a long-term solution to the capacity issue likely due to multiple factors. Rehabilitation is being proposed separately to provide immediate improvement to well capacity. However, rehabilitation may not allow chemicals to sufficiently penetrate into the aquifer to remove mineral or bacterial buildup and reduced capacity is likely to reoccur within a relatively short period of time. In addition, a lowering of the head levels in the aquifer also has resulted in lower capacity that must be addressed for long-term water supply needs since the properties of an existing aquifer cannot be changed. Therefore, the goal of this aquifer evaluation is laid out in two phases to provide guidance for short term and long-term options to meet the water usage demand for the City for 2024 and into the future.

Short Term - Existing Aquifer Options: In conjunction with the planned well rehabilitation for 2024 in a separate agreement, short term well field options will be evaluated in the first task to potentially replace existing well(s) or expand the existing well field to ensure sufficient water capacity is available using the existing aquifer and infrastructure; new well(s) located away from the existing wells, but in the same aquifer, will not be influenced by current aquifer buildup near the existing wells.

Long Term – New Well Field Options: However, because replacement well(s) or existing well field expansion does not address the decreased head levels in the current aquifer, the second task will address long-term well field options to identify a potential second well field under different aquifer conditions that can supplement the existing well field for years in the future.

No field investigations or well installations will be conducted as part of this preliminary aquifer evaluation; results of the evaluation will identify potential options and cost estimates for future investigations and well construction.

### **FINANCIAL IMPLICATIONS**

The \$24,900 preliminary aquifer evaluation study expense, along with the proposed \$64,800 water system hydraulic model update and system planning and proposed \$146,225 well rehabilitation project (\$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 SEH Professional Services Contract in the Not to Exceed Amount of \$24,900.00 for the 2024 Preliminary Aquifer Evaluation.

The City Attorney has reviewed the proposed contract and does not have any concerns.

**COUNCIL ACTION REQUESTED**

**MOTION** to approve the SEH Professional Services Contract in the Not to Exceed Amount of \$24,900.00 for the 2024 Preliminary Aquifer Evaluation.