



ITEM REPORT UTILITIES COMMISSION

Agenda Date: 5/6/2026
Agenda Section: Information Only

Department Origination: Public Works

Agenda Item: 2026 Mill & Overlay Improvements Project Monthly Update

Approval Required: No Action Required

BACKGROUND

Widseth completed the report in late summer of 2025 and has presented to the Utility Commission a few times through the fall and winter. The project was put on hold for a number of reasons related to the CIP not being completed and the City being focused on the TH371/210 Interchange Project. Due to a narrowing timeframe to be able to complete the full project which included Residential M&O, Residential FDR and Commercial FDR, an option to move forward with only the Residential M&O was presented to the Utility Commission on February 5th. With this Recommendation, updated Resolutions to Order the Preparation of the Report and Receiving the Feasibility Report and Calling for the Improvement Hearing were brought forward for consideration with the new project title of 2026 Mill & Overlay Improvements Project. The Utility Commission approved the project moving forward with only the M&O Roadways. Widseth updated the Feasibility Report to reflect that decision and presented it at the February 17th City Council Workshop. At the February 17th City Council meeting, the City Council adopted both resolutions with an understanding that the CIP is to be completed in the very near future. The Improvement Hearing was held on March 5th at 6pm in the Council Chambers at Baxter City Hall. There were 16 residents in attendance. There were some in agreement with the project, but a majority of the residents were concerned with the short notification timeline and the ongoing home construction in the Mississippi Meadows area. The residents of Mississippi Meadows area requested the roads be postponed until 2027. Widseth explained the roads are quickly deteriorating and may require an FDR if they are pushed off any further and that the assessment could likely double if the project goes to a FDR.

The Utility Commission and the City Council also approved Widseth Design Proposal for the project at the February meetings. Widseth completed the Plans and at the March 17th City Council meeting, a resolution was passed approving the Plan & Specifications and ordering advertisement for bids.

The Bid Opening was held on April 16th. There were 3 bidders with Anderson Brothers being the apparent low bidder. Anderson Brothers Bid totaled \$1,215,289.64 with the Engineers Estimate totaling \$1,176,391.65.

As a whole, the project is estimated to be \$152,931.22 or 10.1% over the Feasibility Study budget. Even though the project cost went up, the assessments went down by approximately \$300 per assessment. The main reason for the increase in project cost is related to the watermain improvements. The watermain improvements came in \$222,801.81 over the estimate in the Feasibility Report. The Feasibility Report cost estimate was based on previous years cost estimates with an adjustment for inflation and overall final quantity compared to the previous quantity. There are four main drivers for the watermain improvements cost.

The first is related to the exploratory excavations to review the watermain tee materials. If a watermain tee is found to be plastic, it will be replaced with a ductile iron tee. Based on 2024 Hydrant and Plastic Tee Review Report, the watermain tees in the Timberlane Area are likely ductile iron and the Cherrywood area is likely plastic. If the Timberlane areas does not require any watermain replacements, the project cost could be reduced by \$70,906. With the Cherrywood Area being likely plastic, the \$30,155 should stay in the budget.

The second driver in the watermain costs is related to Hydrant Restoration. Hydrant Restoration involves removing the interior components of the hydrant and replacing some of the wearing parts. On previous projects, there have been hydrants that can't be fully restored because the hydrants won't come full apart. To make sure the City has a fully functioning hydrant, they have elected to replace those hydrants. In the plans, we estimate half of the hydrants can't be restored. This allows us to have a price to replace the hydrant and reduce the chances of a costly change order. If the three hydrant replacements are not required, this would reduce the project cost by \$28,242. Each year there has been at least 1 hydrant that has not been able to be fully restored.

The third item are the 6" gate valve replacements. There is a significant amount of valves within the project area and each year there are a few that are found to be not fully operational. Additionally, if the hydrant can't be fully restored, often the valve is not fully operational as well. There are six 6" gate valve replacements in the plan. If no valves are replaced with this project, this would reduce the project cost by another \$25,271.

The fourth item is dewatering for the watermain work. In past projects, dewatering has not been an issue to complete the watermain repairs. There are areas of the City that do have high water table but the areas we are working so far have been dry. Similarly, with this year's project, dewatering was not anticipated as surrounding areas indicated the water table could be 1-2 feet below the watermain. In the construction document, dewatering was initially made incidental. During bidding, there were multiple calls regarding dewatering. Since the dewatering was made incidental to the watermain items, the concern was that we could get inflated bids to take into account dewatering. Since soil borings were not completed as part of this project, there was no definitive way to determine if the water table was going to cause issues. An addendum was drafted adding dewatering by the each to the contract for select areas. The total bid price for the dewatering is \$71,620. The guidance in the construction documents is to use exploratory excavation hours to determine if dewatering is required prior to setting up the dewatering. If no dewatering is used on the project, this could save an additional \$71,620 of the project budget.

In total, if the above four items are reduced as explained, the total project cost could be reduced by approximately \$196,039.

Below is a table comparing the Current Project Budget and the budget from the Feasibility Report.

		BIDDING	FEASIBILITY REPORT	DIFFERENCE	% CHANGE
RESIDENTIAL M&O ASSESSMENT CALCULATIONS					
ESTIMATED TOTAL PROJECT COST:		\$1,664,146.56	\$1,511,215.34	\$152,931.22	10.1%
ESTIMATED ASSESSABLE PROJECT COST:	62.41%	\$1,038,586.23	\$1,083,863.39	-\$45,277.16	-4.2%
ESTIMATED ERU'S:		143	143		
ESTIMATED ERU ASSESSMENT:		\$7,262.84	\$7,579.46	-\$316.62	-4.2%
CITY COSTS:					
ROADWAY:		\$27,839.67	\$71,270.68	-\$43,431.01	-60.9%
STORM SEWER:		\$205,485.09	\$186,647.51	\$18,837.58	10.1%
WATERMAIN:		\$392,235.57	\$169,433.76	\$222,801.81	131.5%
TOTAL CITY COST	37.59%	\$625,560.33	\$427,351.95	\$198,208.38	46.4%
ASSESSMENT SUMMARY					
ASSESSMENTS TO BENEFITTING PROPERTIES:		\$1,038,586.23	\$1,083,863.39	-\$45,277.16	-4.2%
ESTIMATED TOTAL PROJECT COST:	100.00%	\$1,664,146.56	\$1,511,215.34	\$152,931.22	10.1%

Widseth has also submitted proposal to complete the Construction Observation/Administration of the project now that a qualified low bidder has been identified and recommended. See the attached Proposal for more details.

Widseth has also submitted a Fee Amendment detail the additional items related to the easements for your consideration. See the attached Fee Amendment for more details.

FINANCIAL IMPLICATIONS

STAFF RECOMMENDATIONS

COUNCIL ACTION REQUESTED