



Folsom City Council Staff Report

MEETING DATE:	8/25/2026
AGENDA SECTION:	Old Business
ITEM TITLE:	Resolution No. 11693 – A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Agreement (Contract No. 173-21 24-039) with West Yost & Associates, Inc. for \$402,886 from the Water Operating Fund (Fund 520) for Additional Construction Management and Inspection Services for the Tower Tank Rehabilitation Project (Project WA2402) and Appropriation of Funds
FROM:	Utilities Department

RECOMMENDATION / CITY COUNCIL ACTION

The Utilities Department recommends that the City Council pass and adopt Resolution No. 11693 – A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Agreement (Contract No. 173-21 24-039) with West Yost & Associates, Inc. for \$402,886 from the Water Operating Fund (Fund 520) for Additional Construction Management and Inspection Services for the Tower Tank Rehabilitation Project (Project WA2402) and Appropriation of Funds.

BACKGROUND / ISSUE

The Utilities Department identifies water infrastructure rehabilitation and replacement projects through water master plans, ongoing water condition assessment programs, and regulatory changes. Through these efforts, portions of the water system have been identified as needing rehabilitation or replacement in order to improve the reliability of the water distribution system. These efforts led to the Utilities Department identifying the Tower Tank Rehabilitation Project as a priority project.

The Tower Tank Rehabilitation Project involves improvements and repairs to five of the city's water storage tanks due to aging infrastructure. The water tanks being rehabilitated include Tower Tank, Foothills Tanks No. 1 and No. 2, South Tank, and East Tank No. 2. The work at all five

tanks was scheduled to occur during the low water demand periods (October through April) as identified below:

- East Tank No. 2 – Completed (Fiscal Year 2024-25)
- South Tank – Completed (Fiscal Year 2024-25)
- Tower Tank – In Service and Finishing Construction (Fiscal Year 2026-27)
- Foothills Tank No. 1 – In Service and Awaiting Construction (Fiscal Year 2026-27)
- Foothills Tank No. 2 – In Service and Finishing Construction (Fiscal Year 2026-27)

As part of Amendment No. 1 for this project with West Yost & Associates, Inc., Tower Tank and Foothills Tank No. 2 were scheduled to be completed and back in-service by May 31, 2026. However, during construction, multiple unforeseen conditions occurred at Tower Tank and Foothills Tank No. 2 which required the completion date to be extended to the end of September 2026. The Tower Tank site also required the drain valve to be replaced, the retaining wall height to be adjusted, the level transmitter to be relocated, and the altitude valve sensing line to be lowered. Changes were made to the Foothills Tank No. 2 cathodic protection mounting system for easier exterior access and future maintenance by city operations staff. At both tank sites, it was beneficial for the exterior surface preparation and the coating application to be completed while the tanks were still offline, which delayed putting the tanks back in-service.

Tower Tank and Foothills Tank No. 2 also required additional coating inspection support for deficiencies that were only possible to identify after draining the tank, installing scaffolding inside the tank for access to the structures supporting the roof, and close-up inspection of the roof. Both tanks had additional anti-skid coatings applied to portions of the roof to provide for a safer walking surface for staff when performing routine maintenance or inspections on top of the roof. At Foothills Tank No. 2, the interior floor coating was originally planned to only have spot repairs. However, due to pre-existing, unforeseen conditions of the existing coating that could only be identified once the scaffolding had been removed and the Contractor began preparation of the planned spot repairs of the floor, spot repair was not feasible for proper coating application. Bay Area Coating Consultants Inc. (BACC), the subconsultant to West Yost & Associates, Inc., determined that the existing condition does not meet current coating standards and that the entire floor coating needed to be removed and recoated. The condition of the coating along the floor of the tank can be seen in the report from BACC in Attachment 3.

Tower Tank and Foothills Tank No. 2 were originally scheduled to be brought back online by April 2026, with exterior site work scheduled to be completed by May 31, 2026. However, these unforeseen conditions and the associated improvements described above delayed putting both tanks back in-service until June and July 2026. Amendment No. 2 includes additional budget for the construction management and inspection services completed to cover the extended timeframe of getting the tanks back online and to complete the exterior site work at Tower Tank and Foothills Tank No. 2 by the end of September 2026.

As part of Amendment No. 1 with West Yost & Associates, Inc., work on Foothills Tank No. 1 was set to begin in October 2026 with a completion date of February 26, 2027. The city has not been able to inspect Foothill Tank No. 1 because this tank needs to remain in-service to meet water demands while the other tanks are out of service. Since Foothills Tank No. 1 is two years older

than Foothills Tank No. 2, the project team anticipates that the additional unforeseen rehabilitation work at Foothills Tank No. 1 will be similar to that identified at Foothills Tank No. 2, anticipating that the completion date will also need to be extended. Amendment No. 2 has additional budget for work to begin on Foothills Tank No. 1 in October 2026, with an extended estimated completion date of April 30, 2027.

Additional effort by West Yost & Associates, Inc. and their sub-contractor BACC related to construction management and inspection services as identified in Amendment No. 2 includes project coordination, project management, and additional construction inspection for Tower Tank, Foothills Tank No. 1, and Foothills Tank No. 2.

This Resolution will authorize the City Manager to execute Amendment No. 2 to the Agreement (Contract No. 173-21 24-039) with West Yost & Associates, Inc. for \$402,886 from the Water Operating Fund (Fund 520) for additional construction management and inspection services for the Tower Tank Rehabilitation Project (Project WA2402) and appropriation of funds.

POLICY / RULE

Section 2.36.120 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value or \$77,426 or greater shall be awarded by the City Council.

ANALYSIS

Due to the various unforeseen site conditions as described in the Background section, the schedule for construction management and inspection services will need to be extended to April 2027. Additional construction management and inspection services recommended to be provided by West Yost & Associates, Inc. as part of the Tower Tank Rehabilitation Project include the following:

- Project Coordination:
 - o Additional weekly construction meetings.
- Project Management and Resident Engineer services:
 - o Coordination of additional submittals and Requests for Information (RFIs).
 - o Coordination of additional Construction Change Directives (CCD) and Change Orders.
- Construction inspection for additional improvements to Tower Tank and Foothills Tank No. 2 (to be completed by end of September 2026).
- Construction inspection for additional improvements to Foothills Tank No. 1 (to be completed by April 30, 2027).
- Special inspections for coatings and welding.
- Structural inspection for Foothills Tank No. 1.
- Preparation of Tank Reports to comply with State regulations.

The total cost to provide additional construction management and inspection services by West Yost & Associates, Inc. as part of the Tower Tank Rehabilitation Project is \$402,886. This

resolution will authorize the City Manager to execute Amendment No. 2 to the Agreement (Contract No. 173-21 24-039) with West Yost & Associates, Inc. for additional construction management and inspection services for the Tower Tank Rehabilitation Project for a new not-to-exceed amount of \$1,536,019. Typical construction management and inspection costs as a percentage of construction costs can range between 8-12 percent. Due to the specialty nature of the structural inspections, structural reports, and coating inspections, the construction management and inspection services for this project are closer to 20 percent.

FINANCIAL IMPACT

The City Council approved Resolution No. 11243 at the August 27, 2024, City Council meeting authorizing the City Manager to execute an agreement with West Yost & Associates, Inc. for construction management and inspection services for the Tower Tank Rehabilitation Project (Project WA2402) for a total amount not-to-exceed \$549,734. The City Council also approved Resolution No. 11544 at the February 10, 2026, City Council meeting authorizing the City Manager to execute Amendment No. 1 to the Agreement (Contract No. 173-21 24-039) with West Yost & Associates, Inc. for additional construction management and inspection services for this project for \$583,399 for a new contract total amount not-to-exceed \$1,133,133.

Budget project costs to date, totaling \$10,044,506 include design, advertisement, Community Development Department Building Permit fees, construction administration services, construction management and inspection services, construction, and construction contingency. The Tower Tank Rehabilitation Project (WA2402) is included in the FY 2026-27 Capital Improvement Plan with a total project budget of \$10,044,506. The Utilities Department recommends approving Amendment No. 2 to the agreement with West Yost & Associates, Inc. for \$402,886 for the Tower Tank Rehabilitation Project (WA2402) for a new contract total amount not-to-exceed \$1,536,019. An appropriation is therefore needed for additional construction management and inspection services, and staff is requesting an appropriation of \$402,886 in the Water Operating Fund (Fund 520) for an updated total project budget of \$10,447,392. Sufficient funds are available in the Water Operating Fund (Fund 520) for the appropriation.

ENVIRONMENTAL REVIEW

This project is replacement and/or improvement of existing infrastructure with negligible or no expansion of use and therefore is categorically exempt from environmental review under the California Environmental Quality Act as noted in Title 14 – California Code of Regulations, Chapter 3 – Guidelines for Implementation of the California Environmental Quality Act, Article 19 – Categorical Exceptions, Section 15301 (Existing Facilities) and 15302 (Replacement or Reconstruction).

ATTACHMENTS

1. Resolution No. 11693 – A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Agreement (Contract No. 173-21 24-039) with West Yost & Associates, Inc. for \$402,886 from the Water Operating Fund (Fund 520) for Additional

Construction Management and Inspection Services for the Tower Tank Rehabilitation Project (Project WA2402) and Appropriation of Funds

2. Tower Tank Rehabilitation Project Map
3. Coating Inspection Reports (Tower Tank and Foothills Tank No. 2) performed by Bay Area Coating Consultant, Inc. on June 5, 2026

Submitted,

Marcus Yasutake, Director
UTILITIES DEPARTMENT

Attachment 1

RESOLUTION NO. 11693

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE AGREEMENT (CONTRACT NO. 173-21 24-039) WITH WEST YOST & ASSOCIATES, INC. FOR \$402,886 FROM THE WATER OPERATING FUND (FUND 520) FOR ADDITIONAL CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE TOWER TANK REHABILITATION PROJECT (PROJECT WA2402) AND APPROPRIATION OF FUNDS

WHEREAS, the City has identified this project as a priority to maintain integrity and operation of the water distribution system; and

WHEREAS, the rehabilitation work identified to enhance the city's water distribution system and to continue to provide reliable water service to the city includes rehabilitating Tower Tank, Foothills Tanks No. 1 and No. 2, South Tank, and East Tank No. 2; and

WHEREAS, West Yost & Associates, Inc. by reason of their experience and abilities for performing these types of services, are qualified to perform the required additional construction management and inspection services for this project; and

WHEREAS, the Tower Tank Rehabilitation Project (WA2402) is included in the FY 2026-27 Capital Improvement Plan with a total project budget of \$10,044,506; and

WHEREAS, an additional appropriation of funds in the amount of \$402,886 is needed for a revised project budget of \$10,447,392 and sufficient funds are available in the Water Operating Fund (Fund 520) for this appropriation; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute Amendment No. 2 to the Agreement (Contract No. 173-21 24-039) with West Yost & Associates, Inc. for additional construction management and inspection services for the Tower Tank Rehabilitation Project (Project WA2402) in the amount of \$402,886 and the new contract not-to-exceed amount, including Amendment No. 2 is \$1,536,019.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate \$402,886 for this agreement. The appropriation will be from the Water Operating Fund (Fund 520) fund balance in the amount of \$402,886.

PASSED AND ADOPTED this 25th day of August, 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

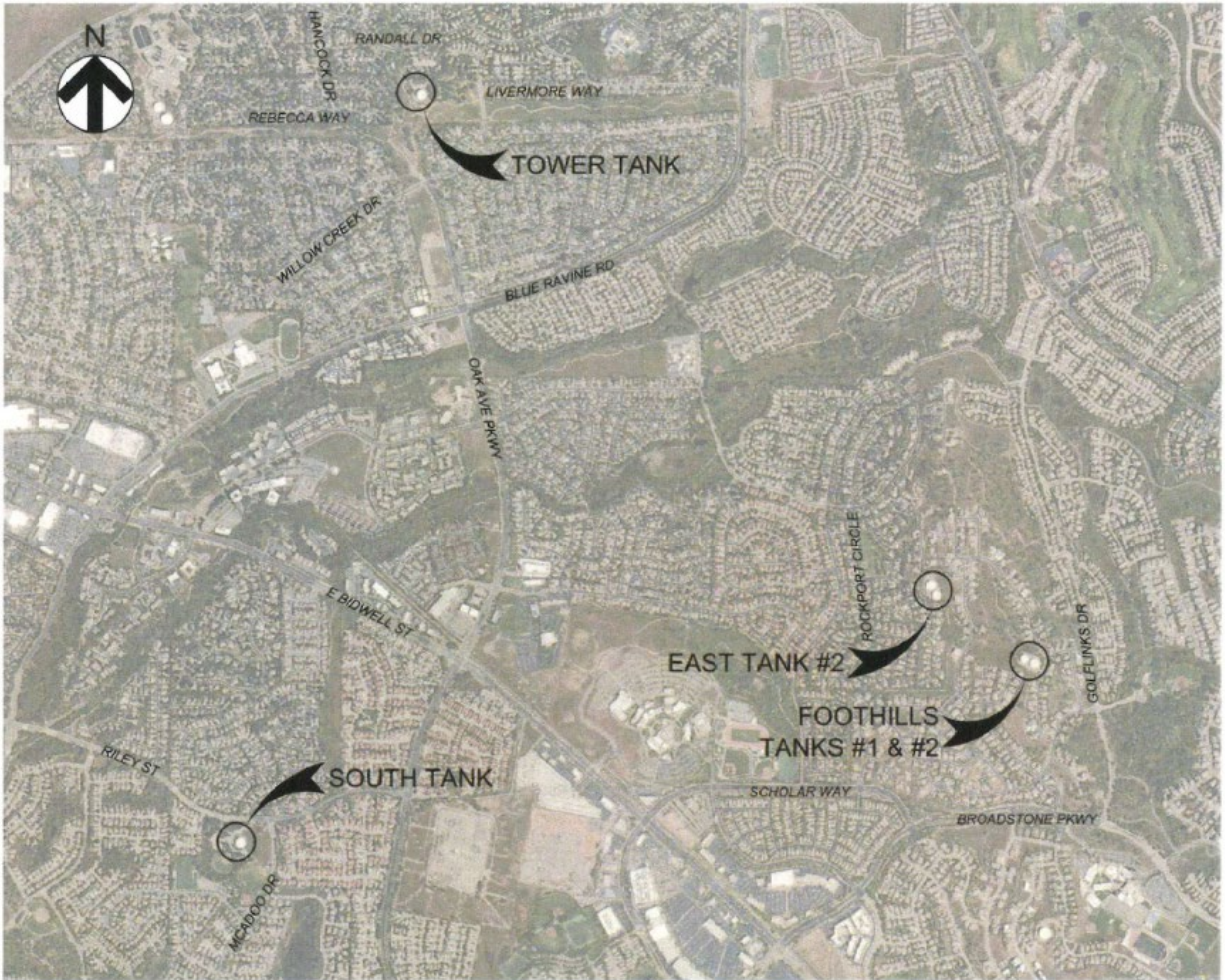
Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

ATTACHMENT 2
TOWER TANK REHABILITATION PROJECT MAP



LOCATION MAP
NTS

Attachment 3

Report # 06052026			
Project Name:	Misc. Tank Rehab Project – Tower Tank	Inspector:	Igor Tutelya
Location:	Randall Dr, Folsom, CA 95630	Coating Contractor:	ESM
Client:	City of Folsom	Foreman:	Oleg Ushakov

Contractor Start/Stop:	n/a – 2:00 pm	Inspector hours:	5
Lunch Break:	n/a	D/H Starting hours:	n/a
Total crew size:	8	D/H Ending hours:	n/a
Weather:	Sunshine ☒ Cloudy ☐ Fog ☐ Rain ☐ Snow ☐ Wind/MPH:	Other clear skies	

Environmental Conditions / Ambient Conditions

Time	DB	RH	Surf/T	DP	Surf - DP	High	Low	Location of work
9:30 am	78°F	39%	94°F	51°F	43°F	97°F	92°F	Exterior roof handrails
10:30 am	80°F	36%	95°F	51°F	44°F	98°F	92°F	Exterior roof handrails
11:30 am	84°F	35%	96°F	54°F	42°F	98°F	95°F	Exterior roof handrails
12:00 pm	85°F	36%	99°F	55°F	44°F	102°F	97°F	Exterior shell
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Surface Preparation

Type of Prep:	Abrasive Blast ☒	Vapor Blasting ☐			Vacuum Blast ☐	Other ☐		
Attribute					Surface Preparation			
Grease and Oil Removal		Sat ☐	Unsat ☐	N/A ☒	Location of Work		Preparation	
Metal Porosity / Protrusion Free		Sat ☐	Unsat ☐	N/A ☒			Spec.	Actual
No Laminations / Sharp Edges		Sat ☐	Unsat ☐	N/A ☒	Interior floor Foothill Tank		n/a	SP7
Visible Moisture on Surface		Sat ☐	Unsat ☐	N/A ☒	n/a		n/a	n/a
Blotter test		Sat ☐	Unsat ☐	N/A ☒	n/a		n/a	n/a
Dust Removal		Sat ☒	Unsat ☐	N/A ☐	n/a		n/a	n/a
Clean Dry Abrasive		Sat ☒	Unsat ☐	N/A ☐	n/a		n/a	n/a
Compressor PSI		n/a		Soluble Salt Testing (ug/cm²)				
Abrasive (type & size)		Kleen Blast 35		Location		Spec.	Actual	Result
Other:		n/a		n/a		n/a	n/a	n/a

Summary of Inspection Tasks

During today's operations, ESM crew members completed the second finish coat application on the Tower Tank exterior roof handrails and continued spot repair operations on the exterior shell. A preliminary blast inspection of the Foothill Tank interior floor revealed coating blistering, disbondment, and brittle coating failure in multiple locations.

BACC recommends complete removal of the existing floor coating system prior to installation of a new coating system.

Coating											
Coating Type	Manufacturer	Product Name	Thinner	Shelf Life	% Thinner Added		Mixing		Coating Temp	Induction time	Pot Life
					Spec.	Actual	Start	Stop			
Epoxy	Sherwin Williams	Macropoxy 646	n/a	3 years	n/a	n/a	11:35 am	11:45 am	100°F	15 min	4 hour @ 77°F
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Mixing						
Mix No.	Product	Qty.	Component Batch Identification			
1	Macropoxy 646	48 oz	A ☒ XM0266NH			B ☒ VM1076CS
n/a	n/a	n/a	n/a			n/a
n/a	n/a	n/a	n/a			n/a

Application							
Location of Work	Product Name Applied	Application		Application Technique	Checklist		
		Start	Stop			Sat	Unsat
Exterior roof handrails	Hi-Solids Poly 250	n/a	11:30 am	Brush/roll	Stripe Coat	☐	☐
Spot prime exterior shell	Macropoxy 646	n/a	n/a	Brush/roll	Re-coat times	☐	☐
n/a	n/a	n/a	n/a	n/a	Protective covering	☐	☐
n/a	n/a	n/a	n/a	n/a	Pot agitated	☐	☐

Plural Component								
Product Name	Quantity Mixed	Pressure		Material Temp		Static Mixers	Spray Tip Size	Mixing Procedure
		Part A	Part B	Part A	Part B			
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Comments
ESM crew members performed coating material mixing operations in accordance with the product data sheets for Macropoxy 646. Mix ratios of 1:1 was verified acceptable during the mixing process. An electric drill equipped with a mixing paddle was utilized to thoroughly agitate the coating materials until a uniform, homogeneous consistency was achieved. Material temperatures were verified to be within acceptable application parameters prior to the start of coating operations. Hi-Solids Polyurethane mixture was not observed during today's operations. 2nd spot prime application to repaired areas not observed during today's operations.

Coating Inspection

Primer ☐	Intermediate ☐		Finish Coat ☐			Other ☐			
Location	Visual inspection		Dry Film Thickness			Holiday Testing			
	Sat	Unsat	Spec.	Actual		SP0-188 ☐		Voltage	
				Range	Avg.	Detected	Remaining	Sat	Unsat
	☐	☐						☐	☐
	☐	☐						☐	☐
	☐	☐						☐	☐

SSPC PA2 Field Calibration

Pre inspection		Post inspection	
Time:		Time:	
Shims		Shims	

Adhesion Testing

Coating ☐	Lining ☐	Concrete ☐	Sealant ☐	Other ☐		
Test Type	Pull Off Test ☐	Pressure Test ☐	Evaluating Adhesion by knife ☐	Tape Test ☐		
Test Location	ASTM Standard	Testing Agent	PSI Rating	Cohesive/Adhesive Percentage	Failure Location	Substrate Type

Inspection Equipment

DFT Gauge	Micrometer	Atmospheric Gauge	Holiday Detector	Surface Temp Gauge

Comments

DFT measurements for the 1st spot prime coat located near the exterior shell's stairway were unable to be performed.

Time Start/Stop	Weather Conditions	
9:15 am -	Clear skies, Sunshine	On June 5, 2026, I, Igor Tutelya (BACC Inspector), arrived on site at the Tower Tank Miscellaneous Tank Rehabilitation Project located in Folsom, California. Upon arrival, weather conditions were clear with sunshine, and the air temperature was approximately 76°F. ESM crew members were on site performing a second finish coat application on the exterior roof handrails of the Tower Tank. I was greeted by Oleg Ushakov (ESM Foreman) to discuss the day's scope of work. Oleg stated that the crew members would continue applying the second finish coat to the exterior handrails. Upon completion, the crew members will apply a second prime coat to the spot repair areas located on the exterior shell near the stairway. Environmental conditions and surface temperatures were recorded upon arrival and verified acceptable for coating application.
9:45 am -	Sunshine	9:45 am – BACC and Jesse Shah (West Yost Inspector) departed the Tower Tank jobsite and traveled to the Foothill Tank project located at 691 Misty Ridge Circle, Folsom, CA 95630. Upon arrival, ESM crew members were performing surface preparation on the interior floor of the Foothill Tank in accordance with SSPC-SP 7 (Brush-Off Blast Cleaning). A preliminary visual inspection was scheduled between approximately 12:00 pm and 1:00 pm to evaluate the prepared surface and perform a visual blast inspection of the interior floor. Following the site visit, BACC departed the Foothill Tank project and returned to the Tower Tank project.
10:20 am – 11:45 am	Sunshine	10:20 am – BACC arrived back on site at the Tower Tank Project. ESM crew members continued applying the 2nd finish coat to the exterior roof handrails. Environmental conditions and surface temperatures were recorded and verified acceptable for coating application. 11:30 am – ESM crew members completed the 2nd finish coat application on the exterior roof handrails. Crew members are now preparing for mixing operations utilizing Macropoxy 646 coating material. 11:45 am – Mixing operations have been completed. The mixed batch of coating material will now undergo a 15-minute induction prior to use.

12:00 pm – 2:00 pm	Sunshine	12:00 pm – Induction has been completed for the mixed batch of coating material. ESM crew members will take a 30-minute lunch break and then begin applying a second prime coat to the spot repair areas located on the exterior shell near the stairway. Due to scheduling, BACC departed the Tower Tank project and traveled to the Foothill Tank project to perform the scheduled preliminary blast inspection of the interior floor. 12:35 pm – BACC arrived on site at the Foothill Tank Project. Upon arrival, I, Igor Tutelya (BACC Inspector), and Alex (ESM Foreman) entered the interior of the Foothill Tank to perform the scheduled preliminary blast inspection. Visual Blast Inspection Visual inspection of the prepared interior floor surface revealed numerous areas of coating blistering, disbondment, and localized coating failure. Multiple blisters had ruptured during SSPC-SP 7 surface preparation operations, exposing the substrate and leaving lifting coating edges. The existing coating exhibited brittle characteristics, with fractured and poorly adhered coating observed in several locations throughout the floor surface. The observed conditions were brought to the attention of Jesse Shah (West Yost Inspector). Due to the widespread coating blistering, disbondment, and brittle coating condition observed throughout the interior floor surface, BACC recommends complete removal of the existing coating system on the floor prior to application of a new coating system. 2:00 pm – BACC departed the jobsite.
End of Report		



Igor Tutelya

06/05/2026

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Photographs



Tower Tank Project.



ESM crew members performing 2nd finish coat application to exterior roofs handrails.



Foothill Tank Project.



Abrasive blasting operations being performed on the interior floor of the Foothill Tank.



Sweep blasting operations being performed on the interior floor. Picture #1



Sweep blasting operations being performed on the interior floor. Picture #2



Spot primed areas located on the exterior shell of the Tower Tank near the stairway.



ESM crew members continuing 2nd finish coat application. Picture #1



ESM crew members continuing 2nd finish coat application.
Picture #2



Part A & B of Macropoxy 646 being pre-mixed prior to
beginning mixing operations.



Coating material temperature at 100°F



24 ounces of part A added to measuring cup.



ESM crew members add part B to the measurement.



48 ounces verified. 1:1 ratio acceptable.



Mixed material undergoing induction.



Lower sections of bare metal spot primed areas contained acceptable mil ranges.



Interior floor of the Foothill Tank. Picture #1



Interior floor of the Foothill Tank. Picture #2



Interior floor of the Foothill Tank. Picture #3



Visible lifting edges and fractures at bare substrate locations.



Lifted edges a visible brittleness.



Visible blisters that remained intact after a sweeping blast.
Picture #1



Visible blisters that remained intact after a sweeping blast.
Picture #2



Some floor plate locations are completely widespread.



Widespread disbondment observed in large areas of the floor. All edges lifting with poor adhesion. Picture #1



Widespread disbondment observed in large areas of the floor. All edges lifting with poor adhesion. Picture #2



Widespread disbondment observed in large areas of the floor. All edges lifting with poor adhesion. Picture #3



Widespread disbondment observed in large areas of the floor. All edges lifting with poor adhesion. Picture #4



Additional photos of exposed substrate. Picture #1



Additional photos of exposed substrate. Picture #2



Substrate condition beneath existing coating. Picture #1



Substrate condition beneath existing coating. Picture #2