

AGENDA ITEM SUMMARY

City Council



STAFF

Jeremy Woolf, Senior Director, Water Operations
Christina Schroeder, Director, Plant Operations
Joe Wimmer, Director, Utilities Finance

SUBJECT

First Reading of Ordinance No. 129, 2025, Appropriating Prior Year Reserves in the Wastewater Utility Fund for the Blower Replacement Project and Related Art in Public Places.

EXECUTIVE SUMMARY

The purpose of this item is to request additional appropriation of \$1,700,000 in the Wastewater Utility Fund to fund the Blower Replacement Project, in addition to appropriation of \$17,000 for Art in Public Places.

The Blower Replacement Project at the Drake Water Reclamation Facility (DWRf) has undergone design, up to sixty percent, for replacing two blowers. An additional \$1,700,000 from Wastewater Utility Fund reserves is needed to supplement the existing appropriated budget for preliminary design. The requested \$1,700,000 additional appropriation will fund final design and installation of both blowers, having a minor contingency to fund unanticipated costs for the blowers to be placed into service.

STAFF RECOMMENDATION

Staff recommend adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The Blower Replacement Project arises from unexpected operational failure this year combined with the high potential for the DWRf to be in noncompliance with state water quality regulations and permits. The DWRf has two secondary process treatment trains (North and South). Each treatment train has a total of six aeration basin zones, which is supported by four blowers. Absent operation of all four blowers, the capacity of the aeration basin zones is reduced, thereby impacting the efficiency of plant operations. DWRf's North Process Train is currently operating with only three blowers. One of the two high speed turbo compressor style (Turbo) blowers stopped working. Based on the Turbo blowers no longer being supported by the manufacturer and being at the end of their useful life, both Turbo blowers require replacement to ensure compliance with state water quality regulations and permits, as well as to ensure efficient operations.

While included in capital improvement plans for the DWRf, the Blower Replacement Project was not scheduled for funding in the 2025/26 budget. After failure of one Turbo blower, \$650,000 was allocated from existing replacement program capital funds for design of both Turbo blowers, funding the Project through 60 percent design. Considering total project costs for design and construction of both new Turbo

blowers estimated at \$2,350,000, an additional \$1,700,000 is needed to complete the Project. Final design and construction, with appropriate contingency, estimated at \$1,700,000 will undergo a formal request for proposal proposed in August 2025.

CITY FINANCIAL IMPACTS

This Ordinance will appropriate \$1,717,000 for Wastewater Utility Fund non-lapsing expenses. The \$17,000 contribution for the Art in Public Places will be as follows: \$13,260 will remain in the Wastewater Utility Fund for Art in Public Places artwork and \$3,740 will be transferred to the Cultural Services and Facilities Fund for operations and maintenance respectively.

Wastewater Utility Fund reserves are available for the \$1,717,000 Blower Replacement Project, with the fund projected to end 2025 above the City's fund reserve target.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

Utilities staff presented the Blower Replacement Project to the Water Commission at its July 17, 2025, regular meeting. The Water Commission recommended Council approve the supplemental appropriation from the Wastewater Utility Fund to fund the Blower Replacement Project.

Utilities staff also presented the Project (Attachment 3) to Council Finance Committee at its August 7, 2025, meeting. The Council Finance Committee recommended Council approve the \$1,717,000 supplemental appropriation.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Water Commission Minutes, July 17, 2025
2. Council Finance Committee Presentation, August 7, 2025
3. Ordinance No. 129, 2025