



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of March 24, 2025

Title/Subject

Resolution 2361- Well #4 Control Systems Contract Award

Summary and Background

The 2,500-gallon per minute Well No. 4 pump was designed in the 1960s and is obsolete. The control system is unreliable and inefficient, and the piping system has been dismantled to use for parts in other systems.

The station experiences large pressure fluctuations and configuring the pump control valve is challenging. The pump house also needs to be updated to ensure reliability during peak demands.

The [Well No. 4 Control System](#) project has been included in the rolling 5-Year Capital Improvement Plan as project W10.0 since 2018, and was originally slated for FY23, but due to unforeseen unfunded mandates (i.e. EPA Lead & Copper directives which cost \$250,000 to comply with), this project was re-prioritized to FY25. Unfortunately, that two year delay also exposed this project to two more years of price inflation. It is also worthy to note that due to the nature of this project, which is primarily electrical control equipment, which is much more heavily exposed to international trade policy than something like PVC pipe which is manufactured domestically, this project experienced cost increases related to tariffs. Therefore, the 25% import tax on Chinese electrical systems basically amounts to a 25% cost increase passed on to our local rate payers.

I simply point this out to highlight the fact that, although the Hermiston water utility is the one that has to collect revenue from rate payers to cover system costs, and therefore draws the ire of local residents, current and past Federal Government administrations through regulatory & trade policy are directly to blame for a considerable portion of the cost of this project.

Tie-In to Council Goals

City Facilities: Public facilities that meet the community needs of today and the future

Fiscal Information

Bids were opened on 3/18/2025 as follows:

<i>Engineer's Estimate:</i>	<i>\$498,000.00</i>
Tapani, Inc.:	\$525,300.00
C&E Trenching, LLC:	\$540,250.00
Mckinstry Electrical:	\$618,272.00
Neuman Electric, Inc.:	\$617,680.00
Goodman & Mehlenbacher:	\$748,650.00

This project will be paid for through water system user rates. The project is included in the current FY25 budget in an amount to get started, and will be included in the FY26 upcoming budget.

Alternatives and Recommendation**Alternatives**

1. Approve resolution 2361
2. Reject resolution 2361

Recommended Action/Motion

Motion to approve Resolution 2361

Submitted By:

Mark Morgan