



Mayor Robert E. Simison

**City Council Members:**

Treg Bernt  
Joe Borton  
Luke Cavener

Brad Hoaglund  
Jessica Perreault  
Liz Strader

**TO:** Mayor Robert E. Simison  
Members of the City Council

**FROM:** Kyle Radek  
Assistant City Engineer

**DATE:** 10/21/2021

**SUBJECT: BUDGET AMENDMENT IN THE AMOUNT OF \$873,975 FOR WELL 18  
WATER TREATMENT**

**ANTICIPATED COUNCIL PRESENTATION DATE: 11/16/21**

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**I. RECOMMENDED ACTION**

A. Move to:

1. Approve the Well 18 Water Treatment Budget Amendment for \$873,975.
2. Authorize the Mayor to sign the amendment.

**II. DEPARTMENT CONTACT PERSONS**

|  |              |
|--|--------------|
| Dean Stacey, Engineering Project Manager | 208-489-0386 |
| Kyle Radek, Assistant City Engineer      | 208-489-0343 |
| Warren Stewart, City Engineer            | 208-489-0350 |
| Laurelei McVey, Director of Public Works | 208-985-1259 |

**III. DESCRIPTION**

A. Background

In FY20 and 21, City Council approved budget for the construction of an iron and manganese treatment facility at Well 18. The primary purpose for this project is to improve water quality and customer satisfaction by reducing issues created by iron and manganese precipitation in water supplied by this well. Some phases of the project have been completed including pilot testing, pump and well evaluation, filter equipment procurement, and design of the treatment facility. The project is now ready for the construction phase of the treatment facility which includes construction of the building, equipment installation, and site work.

B. Reason for Amendment

Original bids for the construction phase of the treatment facility were opened in August 2021, with only 1 bidder and a bid of \$2,108,255. The engineer's June 2021 estimate for this work was \$1,785,775 and the budget available was \$1,189,455. Due to the high cost

and only having 1 bidder, the decision was made to rebid the project in an effort to get a more competitive bid. The project was re-bid on October 2021 and resulted in 5 bids and a low bid of \$1,883,430. Timing of the bid in relation to other major projects in the valley was one of the major reasons for the improved outcome of the bidding process.

**IV. IMPACT**

**A. Strategic Impact:**

This project meets our mission requirements to identify and prioritize work to anticipate, plan, and provide public services and facilities that support the needs of our growing community and ensure modern reliable facilities while maintaining financial stewardship.

**B. Service/Delivery Impact:**

This project will improve level of service to customers by removing iron and manganese and associated taste and odor from water supplied by Well 18.

**C. Fiscal Impacts**

The overall budget for the Well 18 Treatment Project will increase by \$873,975 in order to provide adequate funding to complete the project. The reasons for the higher than anticipated costs are likely due to the current construction environment, shortage of labor and material cost increases. The current Enterprise Fund balance can support the additional funding required. Total project funding will increase from \$2,200,000 to \$3,073,975.

|  | <b>Budgeted<br/>(Estimated Costs)</b> | <b>Actual Costs</b> |
|--|---------------------------------------|---------------------|
| <b>FY20&amp;FY21</b>                     |                                       |                     |
| Well Assessment                          | \$10,000                              | \$7,487             |
| Design Contracts                         | \$280,000                             | \$254,755           |
| Supporting Services Expenses             | \$10,000                              | \$22,921            |
| Equipment Procurements                   | \$500,000                             | \$624,462           |
| Construction                             | \$1,200,000                           | \$1,883,430         |
| Engineering Services During Construction | \$70,000                              | \$93,633            |
| Special Inspections                      | \$10,000                              | \$7,287             |
| Contingency                              | \$120,000                             | \$180,000           |
|  |                                       |                     |
|  |                                       |                     |
| <b>Project Budget Total</b>              | <b>\$2,200,000</b>                    | <b>\$3,073,975</b>  |
| <b>Budget Shortfall</b>                  |                                       | <b>\$873,975</b>    |

| <b>Well 18 Bidding Contractors</b>       | <b>Bid</b>          |
|--|---------------------|
| Andersen Construction                    | \$ 2,728,052        |
| Irminger Construction                    | \$ 2,063,430        |
| <b>*Lacy Mechanical (winning bidder)</b> | <b>\$ 1,883,430</b> |
| Syblon Reid                              | \$ 2,394,500        |
| TCG Construction                         | \$2,142,996         |

V. **ALTERNATIVES**

The City could choose to not approve the budget amendment and re-advertise the project again in hopes of a more favorable bid. The current bid represents a savings of over \$200,000 vs the first bid, and a future bid is not guaranteed to be lower. Additional concerns with project delay include: 1. A filter has already been procured for this project and may need to be stored at additional expense, 2. Customer demand for quality water, continues to grow, and 3. Execution of future projects (including more filter projects) could be delayed.

VI. **TIME CONSTRAINTS**

This project is currently planned for completion in FY 2022. Choosing not to approve this request will result in delay of project completion. This will also delay the improvements in level of service associated with this project.

Approved for Council Agenda:  \_\_\_\_\_

## City of Meridian FY2022 Budget Amendment Form



### Personnel Costs

Full Time Equivalent (FTE): \_\_\_\_\_

| Fund# | Dept.# | G/L#  | Proj.# | G/L# Description   | Total |
|-------|--------|-------|--------|--------------------|-------|
| 60    | 3490   | 41200 | 11027  | Wages              |       |
| 60    | 3490   | 41206 | 11027  | PT/Seasonal Wages  |       |
| 60    | 3490   | 41210 | 11027  | Overtime           |       |
| 60    | 3490   | 41304 | 11027  | Uniform Allowance  |       |
| 60    | 3490   | 42021 | 11027  | FICA               | \$ -  |
| 60    | 3490   | 42022 | 11027  | PERSI              | \$ -  |
| 60    | 3490   | 42023 | 11027  | Worker's Comp      | \$ -  |
| 60    | 3490   | 42025 | 11027  | Employee Insurance | \$ -  |

**Total Personnel Costs** \$ -

*Please only complete the fields highlighted in Orange.*

### Amendment Details

Title: Well 18 Water Treatment  
 Department Name: Public Works  
 Presenting Department Name: Public Works  
 Department #: 3490  
 Primary Funding Source: 60  
 CIP#: \_\_\_\_\_  
 Project #: 11027

Is this for an Emergency?  Yes  No  
 New Level of Service?  Yes  No

*Clerks Office Stamp*

Date of Council Approval \_\_\_\_\_

### Operating Expenditures

| Fund# | Dept.# | G/L# | Proj.# | G/L# Description | One-Time | On-Going | Total |
|-------|--------|------|--------|------------------|----------|----------|-------|
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |
| 60    | 3490   |      | 11027  |                  |          |          | \$ -  |

**Total Operating Expenditures** \$ - \$ - \$ -

### Capital Outlay

| Fund# | Dept.# | G/L#  | Proj.# | G/L# Description | Total      |
|-------|--------|-------|--------|------------------|------------|
| 60    | 3490   | 96118 | 11027  | Well 18          | \$ 873,975 |
| 60    | 3490   |       | 11027  |                  |            |
| 60    | 3490   |       | 11027  |                  |            |
| 60    | 3490   |       | 11027  |                  |            |
| 60    | 3490   |       | 11027  |                  |            |
| 60    | 3490   |       | 11027  |                  |            |

**Total Capital Outlay** \$ 873,975

### Revenue/Donations

| Fund# | Dept.# | G/L# | Proj.# | G/L# Description | Total |
|-------|--------|------|--------|------------------|-------|
| 60    | 3490   |      | 11027  |                  |       |
| 60    | 3490   |      | 11027  |                  |       |
| 60    | 3490   |      | 11027  |                  |       |

**Total Revenue/Donations** \$ -

### Acknowledgement

Date

10/27/21  
 Department Director

**APPROVED**  
 By Todd Lavoie at 3:48 pm, Nov 04, 2021

BP 11/4/21

Chief Financial Officer

Approved Brad Hoaglund 5:04 pm 11/4/2021

Council Liaison

11-4-21  
 Mayor

**Total Amendment Request** \$ 873,975

### Total Amendment Cost - Lifetime

## City of Meridian FY2022 Budget Amendment Form

|   | Prior Year(s)<br>Funding | Fiscal Year<br>2021 | Fiscal Year<br>2022 | Fiscal Year<br>2023 | Fiscal Year<br>2024 | Fiscal Year<br>2025 | Department Name: <u>Public Works</u><br>Title: <u>Well 18 Water Treatment</u>   |
|---|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---|
| Personnel   |                          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | <b>Instructions for Submitting Budget Amendments:</b><br>> Department will send Amendment with Directors signature to Finance (Budget Analyst) for review<br>> Finance will send Amendment to Council Liaison for signature<br>> Council Liaison will send signed Amendment to Mayor<br>> Mayor will send signed Amendment to Finance (Budget Analyst)<br>> Finance (Budget Analyst) will send approved copy of Amendment to Department<br>> Department will add copy of Amendment to Council Agenda using Novus Agenda Manager |
| Operating   |                          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |   |
| Capital   | \$ 2,200,000             | \$ 873,975          |                     |                     |                     |                     |   |
| Total   | \$ 2,200,000             | \$ 873,975          | \$ -                | \$ -                | \$ -                | \$ -                |   |
| <b>Total Estimated Project Cost: \$ 3,073,975</b> |                          |                     |                     |                     |                     |                     |   |

### Evaluation Questions

Please answer all Evaluation Questions using the financial data referenced above.

|   |  |
|---|--|
| 1. Describe what is being requested?  | \$873,975 is being requested to provide additional funding to award the low bid for the construction and completion of the Well 18 Water Treatment Project. This project is in year 2 of 2 years. Pilot testing has been completed, equipment has been procured and purchased and the facility design has been completed. Facility construction is the last phase of the project. The current Enterprise Fund balance will support the addition of this funding in FY22. |
| 2. Why was this budget request not submitted during the current fiscal year budget cycle?   | The need for the additional funding was not known when the 2022 budget was requested. The project was bid out two different times in an effort to get a more reasonable bid. Higher than anticipated costs are likely due to the current construction environment, labor shortage and high material costs.   |
| 3. What is the explanation for not submitting this budget request during the next fiscal year budget cycle?   | Waiting until the next fiscal year to provide funding for the project would delay project completion by at least another 15 months and incur additional expense for storage of water treatment equipment which has already been purchased and must be incorporated into the construction.  |
| 4. Describe the proposed method of funding? If funding is split between Funds (i.e. .General ,Enterprise, Grant), please include the percentage split. List the amounts and sources of anticipated additional revenue that will result from approval of this request. | Enterprise Fund.   |
| 5. Does this request align with the Department/City's strategic plan? If not, please explain how this request was not included in the Department/City strategic plan?   | Yes - Public Health and Safety   |
| 6. Does this request require resources to be provided by other departments? If yes, please describe the necessary resources to be provided by other departments.  | Yes - Purchasing for contract execution.   |
| 7. Does this Amendment include any needed Equipment or Software that will utilize the City's network? (Yes or No)   | No   |
| 8. Is the amendment going to result in the disposal of an asset? (Yes or No)  | No   |
| 9. Any additional comments?   |  |

**Total Amendment Request \$ 873,975**

*Every effort should be made to avoid reopening the budget for an amendment. Departments will need to provide back up and appear before the City Council to justify budget amendments. Budget amendments are intended for emergency or mandatory changes to the original balanced budget. Changes to the original balanced budget may cause a funding shortfall.*