



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:** 05/28/2021

**SUBJECT: BUDGET AMENDMENT IN THE AMOUNT OF \$500,000 FOR WELL 17  
WATER TREATMENT**

**ANTICIPATED COUNCIL PRESENTATION DATE: 06/15/21**

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**I. RECOMMENDED ACTION**

A. Move to:

1. Approve the Well 17 Water Treatment Budget Amendment for \$500,000.
2. Authorize the Mayor to sign the amendment.

**II. DEPARTMENT CONTACT PERSONS**

Brent Blake, Engineering Project Manager	489-0340
Kyle Radek, Assistant City Engineer	489-0343
Warren Stewart, City Engineer	489-0350
Dale Bolthouse, Director of Public Works	985-1257

**III. DESCRIPTION**

A. Background

City Council approved the budget, starting in FY20, for an iron and manganese treatment facility at Well 17 that will improve the water quality supplied by this well. This project was accelerated because Well #17 manganese levels are approaching Environmental Protection Agency health advisory levels. Some phases of the project have been completed including pilot testing, 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

Bids for the construction phase of the treatment facility were opened on May 12, 2021. The low bid exceeded the balance of the FY21 available funding. In order to award a contract for construction, and complete the balance of the project, additional funds are

needed. The primary reason for the shortfall is related to the current bidding environment. Contractors have many opportunities with the rapid growth taking place, and don't have to compete as aggressively for new work. The rising cost of materials, equipment, asphalt, steel, and lumber has also contributed to higher than anticipated costs.

#### 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 17.

##### C. Fiscal Impacts

The overall budget for the Well 17 Treatment Project will increase by \$500,000 in order to provide adequate funding to complete the project. The current Enterprise Fund balance can support the additional funding required. Total project funding will increase from \$2,000,000 to \$2,500,000.

	<b>Budgeted/Estimated Costs</b>	<b>Actual/Bid Costs</b>
<b>FY20</b>		
Design Contracts	\$ 300,000	\$ 300,786
Design Services During Construction	\$ 100,000	\$95,185
Well Assessment/Well Reconstruction Labor	\$ 10,000	\$ 2,500
Equipment Procurements	\$ 460,000	\$ 471,164
Misc. Expenses/Contingency	\$ 30,000	\$ 31,000
<b>FY20 Total</b>	<b>\$ 900,000</b>	<b>\$ 900,635</b>
<b>FY21</b>		
Construction	\$ 1,000,000	\$ 1,498,477*
Bid Alternate 1 & 2	\$ 0	\$ 33,855*
Contingency	\$ 100,000	\$ 67,033
<b>FY 21 Total</b>	<b>\$ 1,100,000</b>	<b>\$ 1,599,365</b>
<b>Project Total</b>	<b>\$ 2,000,000</b>	<b>\$ 2,500,000</b>
<b>Budget Shortfall</b>		<b>\$ 500,000</b>

<b>Well 17 Bidding Contractors</b>	<b>Bid (all bids include bid alternate of stainless steel pump column &amp; bowls)</b>
Cascade Enterprises Inc.	\$1,738,651
IMCO General Construction	\$ 2,017,036
<b>*Irminger Construction (winning bidder)</b>	<b>\$ 1,532,332</b>
JC Constructors, Inc.	\$ 1,684,699
The Ewing Company	\$1,829,258

V. **ALTERNATIVES**

The City could choose not to approve the budget amendment and delay award of a construction contract to the next fiscal year. This would require re-bidding in hopes of a more favorable construction estimate. Additionally, filter equipment has already been procured for the project and would need to be stored.

VI. **TIME CONSTRAINTS**

This project is currently planned for completion in spring of 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: \_\_\_\_\_



