

To: Mayor and Town Council
From: Michelle Metteer
Date: September 3, 2024
Agenda Item: Membrane Water Treatment Plant 30% Design & Cost Estimates



REQUEST:

Council to review 30% design drawing materials provided by HDR, WTP construction cost estimates provided by Glacier Construction and an updated water rate analysis by James Mann. Upon review and discussion, and prior to providing any direction, staff requests time to seek any additional funding sources toward offsetting the cost of a water treatment plant.

INTRODUCTION:

This project has been ongoing since the Water Infrastructure Capital Improvement Plan was approved in 2019. Delays have centered primarily around cost concerns. The most recent cost estimate, included in the packet, is based on a 30% design drawing created by HDR with the extensive consultation of Minturn water treatment plant operator, John Volk. The 30% design took a “reuse whatever we can approach” with the goal of minimizing costs wherever possible. John Volk, Jarod Limke, James Mann and Glacier Construction will all be available to answer questions.

ANALYSIS:

The 30% design package included with this packet is the most detailed work thus far and is accompanied by an estimate provided by a water treatment plant construction company, providing a high level of assurance this estimated cost is accurate.

With the estimated cost of the water treatment plant at \$12M-\$14M, I provided directions to James Mann to base a water rate analysis on a worst-case scenario cost of \$14M. Additionally, I directed the option of a “Senior’s Program” to be included in the water rate analysis which ensures any Minturn senior citizens who have lived in their homes for at least 20-years and meet the 100% AMI criteria, will not be subject to any water rate increases stemming from the construction of a new WTP.

Most of the analysis will be discussed the evening of the Council meeting. The consultants continue to reiterate their recommendation for a membrane water treatment plant. John Volk has been recommending a membrane water treatment plant since 2012. None of the experts believe the rehabilitation of the slow sand filters is a wise use of funds, either for an intermediate or long-term option.

Costly infrastructure is almost always a difficult conversation. We see this occurring throughout our region with the Town of Gypsum most recently bonding for \$90M toward a wastewater treatment plant. People don’t enjoy making costly improvements to their home and this project is similar for a town. The request is for a building that the public will almost never see, but for a product, water, that is necessary to sustain a community. It’s not sexy, but it’s vital.

Staff strongly encourages the Council to support moving forward with the construction of a membrane water treatment plant. For this recommendation to have the best opportunity of

success, and to ensure the Town has done everything to keep water rates as low as possible, we further request time to review any remaining cost-saving measures available, including, pending a settlement, the opportunity to discuss WTP cost share options with Battle Mountain.

COMMUNITY INPUT: Water infrastructure and affordability was one of the top five issues/priorities or problems identified in the 2024 Community Survey, that Minturn needs to address in the next two to three years (2024 Minturn Community Survey, pg. 6). Community input remains critical to this infrastructure conversation and subsequent solutions.

BUDGET / STAFF IMPACT:

TbD

STRATEGIC PLAN ALIGNMENT:

In accordance with Strategy #4 the Town will advance decisions/projects/initiatives that expand future opportunity and viability for Minturn.

RECOMMENDED ACTION OR PROPOSED MOTION: Provide direction for staff to seek all remaining cost reduction possibilities available, including WTP cost share opportunities.

Attachments:

- WTP Opinion Probable Construction Cost
- WTP 30% Design Drawings
- Water Rate Analysis Memo