

STAFF REPORT



SUBJECT: Stephenville Wastewater Treatment Plant
Rebateable Items for Operations, Maintenance, and Management Services
Jacobs/CH2M OMI – FY’s 20-21, 21-22, and 22-23

MEETING: Public Works Committee Meeting - 14 NOV 2023

DEPARTMENT: Public Works

STAFF CONTACT: Nick Williams

RECOMMENDATION:

Staff recommends approval to close out Fiscal Years 20-21, 21-22, and 22-23 for operations at the wastewater plant.

BACKGROUND:

The base fee for operations and maintenance services includes amounts for sludge hauling (solids) and chemical usage. Both sludge hauling and chemical usage are rebateable items, where any dollar amount over the estimated cost set in the agreement is paid by the city and any amount under the agreement amount is rebated back to the city at the end of the operating year.

FISCAL IMPACT SUMMARY:

In February of 2022, staff received notice from Jacobs of outstanding balances for rebateable items for CY25 (FY20-21) and CY26 (FY21-22). Research indicates chemical price trends do correlate and support the increases seen in rebateable chemical costs. Manifest tickets from sludge hauling support the increase in that line item as well.

During the review of items, it was discovered Jacobs had incorrectly charged some equipment repair costs to the rebateable item’s accounts. Those charges have now been reviewed by staff and corrected by Jacobs. Procedures have been implemented to ensure proper accounts are used and Jacobs is now required to send reports for rebateable items each month prior to being paid.

The FY20-21 closeout costs consist of \$7,753.47 and \$21,333.78 for solids/chemicals and repairs respectively for a total FY20-21 closeout cost of \$29,087.25.

The FY21-22 closeout costs consist of \$44,820.48 and \$21,012.18 for solids/chemicals and repairs respectively for a total FY21-22 closeout cost of \$65,832.66.

The total closeout costs for FY20-21 and 21-22 are \$94,919.91.

Additionally, on November 10, 2023, staff received notice that the sludge hauling and chemicals rebateable items for FY22-23 would close out over budget by \$33,593.46.

Consultation with the Finance Department indicates the prior year’s FY20-21 and FY21-22 closeout costs, and last year’s FY22-23 rebateable cost totaling \$128,513.37 could be covered by fund balance.

ATTACHMENTS:

None.