
To: Mayor McFarland & Members of the Finance Committee
From: Peter Hartz – Water Systems Manager

Date: 12-12-2022

Re: Water & Wastewater capital fund carry over

Dear Mayor McFarland & Committee Members:

I have the following items to share for awareness regarding fund balance / carry over projects.

1. Review and update - Wastewater Capital Improvement Plan 2022, provide awareness of aeration system upgrade project expense balance carry over into 2023; from the capital expense fund for repair/replace of equipment #02-97-30-12 in the amount of \$243,175.

Status: The aeration system project upgrades began in late 2021 with the selection of Symbiont Science Engineering & Construction Inc., by the city after passage of Resolution Exhibit #9321 on December 21, 2021 (\$88,400). Since we began, we have selected new Lone Star blowers (\$113,700), purchased new control valves and actuators from Dorner (\$20,653), selected Rhode Brothers as the general contractor for demo and install (\$69,070), and selected United Electric as the electrical firm (\$60,405). The completion of the project all hinges on the delivery of the blowers which has unfortunately been delayed due to supply chain issues (computer chips, manufacturing of blowers). The planned completion of the project has been extended and will not be done until sometime in early 2023.

Fiscal note: This project is being funded with cash from the Wastewater Utility enterprise fund #2, there is no borrowing or negative fiscal impact to the 2023 budget as not all the money planned was spent in 2022. Payment for the project ultimately comes via a cash transfer from the investment account #02-01-13-20, which has a balance of approximately \$5,988,821.82 (end of October 2022).

2. Review and update – Water Capital Improvement expense 2022, provide awareness of an emergency purchase for a new HVAC furnace at the West Drinking Water Treatment Plant expense carry over into 2023; from the capital expense fund #03-99-99-99 in the amount of \$63,252.00.

Status: The emergency purchase was initiated on November 10th due to an unexpected failure of the furnace. We are waiting for delivery of the new furnace. Costs include the furnace from Masters Buildings Solutions for \$46,272.00, and installation from Richter Heating & Air Conditioning for \$16,980.00.

Fiscal note: This project is being funded with cash from the Water Utility enterprise fund #3, there is no negative fiscal impact to the 2023 budget as not all the money planned for the project was spent in 2022. Payment for the project ultimately comes via a cash transfer from the investment account #03-01-13-12 which has a balance of approximately \$3,544,502.10 (end of October 2022).

If anyone has any questions regarding this item, please feel free to discuss with me anytime.

Sincerely,

Peter Hartz

Watertown Water Systems Manager