



Request for City Council Committee Action From the Department of Public Works

Date: March 19, 2013

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Referral: Honorable Betsy Hodges, Chair Ways & Means Committee

Subject: **2013 Capital Budget Amendment – Water Treatment and Distribution Services**

Recommendation:

Amend the 2013 Capital Budget (2012R-655) appropriation amount by increasing the water revenue appropriation in 9010950-WTR23 Treatment Infrastructure Improvements by \$1,750,000 for a new total of \$6,250,000.

Previous Directives:

- December 12, 2012 - 2012R-655, Adopting the 2013-2017 Five Year Capital Program.

Prepared by: Shahin Rezania, Principal Professional Engineer, 661-4902

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Bernie Bullert, Director, Water Treatment & Distribution Services

Reviews

Permanent Review Committee (PRC)	Approval: Not Applicable
Civil Rights Approval	Approval: Not Applicable
Policy Review Group (PRG)	Approval: Not Applicable

Financial Impact

Action requires an appropriation increase to the Capital Budget
Dept Name: 9010950 Water Capital
Fund Name: 07400 Water Enterprise Fund
Project Name: WTR23 Treatment Infrastructure Improvements
Amount: \$1,750,000

Action is within the Business Plan

Request provided to the Finance Department

Community Impact: the whole community will gain benefit from the project.

Background/Supporting Information

Background

2012 revenues in the Water Treatment and Distribution Services Division exceeded budgeted amounts by approximately \$5,000,00 due to drier weather and under budget expenses. The Division has identified three additional capital projects in 2013, totaling \$1,750,000, whose timely completion will provide immediate operational and management benefits. Staff expects the increased appropriation to complete these projects will still allow the maintenance of an acceptable fund reserve.

Project #1 - Fridley Filtration Plant

Construction has started on a new facility to store and feed ammonia at the Fridley Filtration Plant for use in disinfection. This project addresses safety and security concerns present with the existing storage and feed system. The current system has exposed tanks both inside and outside the plant and uncontained gas process piping. As this project progressed after 2011, improvements were added to the project in adjacent areas affected by the construction, security features were upgraded to conform to the Division's current security plan, and enhancements made to valves and electrical systems. These additions and enhancements contributed to a bid price that was approximately \$1,000,000 more than the original budgeted cost of the project. The project's current total cost is estimated at \$5.78 million.

Project #2 - Columbia Heights Plant Pipe Repair

The second project is the repair, at a project cost estimate of \$500,000, of a broken 16-inch pipeline that is critical for conveyance of residuals from the Columbia Heights Plant. The break was detected in 2012 and abandonment and various repair options were thoroughly vetted. Division staff concluded that this pipe is necessary for long term operations and that repair is needed to comply with MPCA rules.

Project #3 - Water Meter Upgrade

The third project, estimated at \$250,000, is to install and upgrade finished water meters that quantify the water that is being sent to distribution from the City's dispersed finished water storage reservoirs. The new meters will more accurately measure flows being sent to distribution. This accuracy will enable better management of non-revenue water. This project is a result of a City internal audit recommendation to more accurately measure the treated water leaving the plant.

Recommended Action

Public Works recommends authorization of all three capital projects and an increase to the 2013 Capital Budget in the amount of \$1,750,000.

Attachments: Resolution