



AGENDA ITEM EXECUTIVE SUMMARY

Title: Presentation of Red Gate Water Tower Alternatives

Presenter: John Lamb

Please check appropriate box:

| | | | |
|--|------------------------|---|------------------------------|
| | Government Operations | X | Government Services 09.23.13 |
| | Planning & Development | | City Council |

| | | | | | | |
|-----------------|-------------|-----------|-----|---|----|--|
| Estimated Cost: | \$1,800,000 | Budgeted: | YES | X | NO | |
|-----------------|-------------|-----------|-----|---|----|--|

If NO, please explain how item will be funded:

Executive Summary:

The Committee recently approved a contract with Engineering Enterprises Inc. (EEI) for design and construction engineering of the Red Gate Water Tower. The Scope of Work required review of three types of towers and presentation to the Committee. EEI also evaluated size of water tower and the associated costs to ensure the City will have adequate storage for both current and future use. EEI will present this information at the meeting.

The FY14/15 budget has a 1.0 million gallon water tower at a cost of \$1.8 million dollars. These figures were based on the 10 Year Water Study done in 2007. EEI used water data from the past five years to assist with their evaluation of the tank volume. As a result a volume greater than 1.0 million gallons would better serve the current and future needs of the City.

Staff reviewed the options with EEI and concurs with their recommendation of the spheroid type of tower and volume of 1.5 million gallons at an estimated construction cost of \$3,625,000.00. This is an estimated construction cost that includes items such as 10% contingency, containment for painting and site work. Some of these costs may be reduced once the project is bid and progresses. The additional costs will be entered into the FY14/15 budget next year. City staff and EEI are applying for an IEPA Low Interest Loan at a rate of 1.93% to finance the project. Below are the costs associated with the two tank volumes and the cost to the average residential user.

| <u>Tower Size</u> | <u>Construction Estimate</u> | <u>Annual Payment</u> | <u>Cost Per 1,000 Gallons</u> | <u>Cost to Average Residential User</u> | |
|-------------------|------------------------------|-----------------------|-------------------------------|---|-----------------|
| | | | | <u>Monthly</u> | <u>Annually</u> |
| 1.0 MG | \$1.8 M (budgeted) | \$115,410 | \$0.09 | \$0.56 | \$ 6.74 |
| 1.5 MG | \$3.6 M | \$218,680 | \$0.16 | \$1.06 | \$12.77 |

Attachments: *(please list)*

Recommendation / Suggested Action *(briefly explain):*

Request approval of water tower design, tank volume and additional cost to construct the Red Gate Water Tower.

For office use only

Agenda Item Number: 5.h