

April 3, 2017

## CITY COUNCIL AGENDA MEMORANDUM

### **SUBJECT**

Ordinance authorizing amendment of the 2017-2023 Utility Capital Investment Program (CIP) Plans by decreasing the total 2017-2018 available budget for the Sewer Pump Station Improvements Program (CIP Plan No. S-16) by \$600,000 and increasing the 2017 budget for Meydenbauer Bay Park Sewer Line Replacement Project (CIP Plan No. S-69) by \$600,000.

### **FISCAL IMPACT**

This action will result in no net change to the total 2017-2018 budget for the Sewer Utility CIP. Approval of this budget transfer will amend the 2017-2018 available project budgets for the Sewer Utility CIP as follows:

<b>CIP Plan</b>	<b>Total Budget Appropriated To Date <sup>1</sup></b>	<b>LTD Expenditures<sup>2</sup></b>	<b>Available Budget</b>	<b>Total Planned Expenditures 2017-2018</b>	<b>This Action (Budget Transfer)</b>	<b>New 2017-2018 Available Budget<sup>3</sup></b>
S-69 Meydenbauer Bay Park Sewer Line Replacement Project	\$4,180,000	\$1,100,930	\$3,079,070	\$3,679,070 (\$600,000 shortfall)	\$600,000	\$3,679,070
S-16 Sewer Pump Station Improvements	\$15,679,155	\$12,917,318	\$2,761,837	\$1,786,837 (\$975,000 Surplus)	(\$600,000)	\$1,786,837
Net budget change from this action					\$0	

<sup>1</sup> -Budget Appropriated To Date through 2018

<sup>2</sup> – Life To Date Expenditures through 2016

<sup>3</sup> – New Available Budget for S-16 assumes additional budget transfer of \$375,000 to CIP Plan S-66 addressed in another agenda memorandum presented to Council April 3, 2017.

### **STAFF CONTACTS**

Andrew Lee, Deputy Director, 452-7675  
Regan Sidie, Engineering Design Manager, 452-6857  
Utilities Department

### **POLICY CONSIDERATION**

Utilities Department policies:

The Utilities Department shall invest resources as necessary to construct, maintain and renew sewer system infrastructure and equipment such that Utility customers are provided consistent, reliable service.

Utilities Department practice:

- Rehabilitate or replace deteriorated elements of the wastewater system. CIP Plan No. S-69 has been designated to do this.

### **BACKGROUND**

Council approval of this Ordinance would increase the project budget for the Meydenbauer Bay Park Sewer Line Replacement Project (CIP Plan No. S-69) in 2017 by \$600,000, increasing the total project budget from \$4,180,000 to \$4,780,000. The budget increase is required to cover additional design costs as addressed below.

The Meydenbauer Bay Park Sewer Line Replacement Project (CIP Plan No. S-69) includes construction of approximately 1,500 feet of sewer line that replaces a portion of the aging 1950s sewer line located along the shore of Lake Washington. The new 12-inch diameter sewer line and a below grade pump station will be relocated on shore within the existing Meydenbauer Beach Park and Marina parking lot. The project has been closely coordinated with the City Meydenbauer Bay Park Phase 1 project to minimize impacts to future park redevelopment.

Between 2014 and 2016, the sewer line was redesigned twice to avoid potential conflicts with Park features. In Summer 2016, Utilities finalized the design of the sewer line as an off-shore lake line replacement. The project was put out to bid, and the lowest bid was approximately \$6.4 million, which was \$2.8 million over the Engineer's estimate. Due to the extraordinary high costs of the bid, Utilities rejected the construction bids in July 2016 and proceeded with redesigning the project as an on-shore pipeline within the park to bring costs within budgetary limits.

The redesign was completed in a rapid timeframe and in close coordination with Parks in Fall 2016. On November 21, 2016, the City Council awarded the construction contract to IMCO General Construction (IMCO), in the amount of \$2,618,604.90. The majority of construction is scheduled to be completed prior to the start of the expansion of Meydenbauer Bay Park in May 2017. The design modifications and rebid for the project have saved the City nearly \$3-million in total project costs.

To cover the cost of both the earlier design and the redesigned project, \$600,000 in additional funding will be needed for CIP Plan No. S-69. The proposed increase in project budget in 2017 is requested to address a projected shortfall in the total budget for this project.

The source of additional funding will be a transfer of \$600,000 from the total 2017-2018 available budget for the Sewer Pump Station Improvements Program (CIP Plan No. S-16). Future CIP budgetary planning will account for this transfer by either using savings in the sewer CIP funds from completed projects or re-evaluating priorities of future planned projects or balancing the funding needs in the next budgetary cycle.

### **EFFECTIVE DATE**

If approved, this Ordinance becomes effective on April 13, 2017.

### **OPTIONS**

1. Adopt the Ordinance Ordinance authorizing amendment of the 2017-2023 Utility Capital Investment Program (CIP) Plans by decreasing the total 2017-2018 available budget for the Sewer Pump Station Improvements Program (CIP Plan No. S-16) by \$600,000 and increasing the 2017 budget for Meydenbauer Bay Park Sewer Line Replacement Project (CIP Plan No. S-69) by \$600,000.
2. Do not adopt the Ordinance and provide alternative direction to staff.

### **RECOMMENDATION**

Option 1

### **MOTION**

Move to adopt Ordinance No. 6350 Ordinance authorizing amendment of the 2017-2023 Utility Capital Investment Program (CIP) Plans by decreasing the total 2017-2018 available budget for the Sewer Pump Station Improvements Program (CIP Plan No. S-16) by \$600,000 and increasing the 2017 budget for Meydenbauer Bay Park Sewer Line Replacement Project (CIP Plan No. S-69) by \$600,000.

### **ATTACHMENTS**

- A. CIP Project Description S-16
  - B. CIP Project Description S-69
- Proposed Ordinance No. 6350

### **AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

N/A