

January 23, 2026

MEMO

TO: LAURA BRYANT, CITY MANAGER

FROM: JOEL HAMBY

RE: SMALL COMMUNITIES DROUGHT ASSISTANCE GRANT PROJECT 4600015451 CLOSEOUT

In 2021, the State opened a Small Communities Drought Assistance grant program with grant funds being awarded on a “first-come/first-served” basis. Council authorized staff to prepare and submit an application in the amount of \$5 million for replacing undersized, leaking water distribution piping. Unfortunately, the funding was exhausted and the City was notified no grant funding would be awarded. However, in November of 2022, a letter was received awarding the City \$2,928,150 with a \$20,000 City match amount for a total of \$2948,150 for the piping replacement project. The scope of the piping work was adjusted to fit the reduced funding.

During the process of formulating the DWR/City agreement, City staff was informed that the project description could be changed if approved by DWR management. Since one of the WesTech filter units at the water treatment plant was needing to be replaced (due to corrosion of the carbon steel body of the filter unit), a request was submitted along with supporting documentation to include replacement of the corroded filter unit in addition to the piping replacement component of the grant application. That request was approved by DWR management.

While the formulation of the DWR/City agreement was in progress, RFP's were advertised and two consultant firms were awarded contracts to do the design of the filter replacement (Dudek) and the piping replacement (BJ Engineering). An aluminum filter body unit was selected for the filter replacement since the aluminum unit has a 100-year life, as opposed to a carbon steel unit with a 20-25-year life. Since there is only one manufacturer that produces the aluminum filter unit- which is also listed on the State's/DDW's approved list- DWR allowed the procurement of the filter from the sole provider. Dudek's July, 2024 Estimate of Probable Cost of Construction for the filter replacement was \$1,935,000—but did not include the instrumentation which came in at \$100,000 making a total cost estimate of \$2,035,000 compared to the bid amount of \$1,916,900.

Since the ultimate cost of the filter replacement was not determinable until the project was let for bids, the design of the piping replacement was paused. The filter replacement project was advertised for bids in July of 2024 and was awarded to Cora Constructors in September in the amount of \$1,916,900. A Notice to Proceed was issued on October 30, 2024. The new filter unit was delivered to the City on February 3, 2025, and put in place. The work of installation and connecting/re-connecting piping and electrical conduit and wiring progressed from February through June of 2025. A Notice of Completion was filed in August since the construction work was concluded. However, the integration of the controls for the new filter unit with the City's existing SCADA/control system was not finally completed until September.

During the course of construction, there were four change orders issued (which were approved by Council in August of 2025) in a total reduction of \$51,444.84; but the City incurred additional construction costs in the amount of \$150,000 (for filter shop drawings), \$7,139.50 for catwalk adjustments, \$3,868.23 for an additional valve from AWC (filter manufacturer), and \$8,867.31 for late payments to Cora. Total cost for the new filter unit, including design and construction management, came to \$2,489,406.32.

Two tasks remain to be performed by Cora Constructors: 1) perform any adjustments to the SCADA/control systems that may be needed when DDW finally issues the new WTP Operating Permit and allows the City to put the new filter in service; 2) perform an inspection and prepare a report at the end of the one-year warranty period. Both of these tasks are to be paid for by Cora Constructors. Their bonds are to remain in place until the end of the one-year warranty period.

An inspection by Division of Drinking Water (DDW) was conducted on October 23, 2025, and no deficiencies or defects were identified. Unfortunately, although DDW had indicated earlier that a new WTP Operating Permit would be issued within four weeks following the inspection, that timeline was stretched to the end of December. DDW Imperial District Engineer did inform the DWR/SCDR project team that the filter meets DDW's requirements on December 22, 2025. This satisfied the SCDR grant requirement of obtaining a regulatory permit; but, once again, the new date of issuance of a WTP Operating permit was moved to March 31, 2025, and the District Engineer refused to allow the City to put the new filter unit in service—until he/they/DDW issue the new permit.

The design of the piping replacement project/work was finalized at the end of March 2025, with a cost of construction estimate of \$395,900. The project was advertised and bids were received on April 10, 2025. The contract was awarded to Rove Engineering in the amount of \$497,365. A Notice to Proceed was issued on May 12, 2025. No significant problems were encountered during the course of construction. Two change orders were issued and approved by Council: 1) for installation of two new fire hydrants plus some additional work for a total of \$41,802; and 2) adjustment for final quantities installed in the amount of \$22,012.10. The construction was completed within just over 60 days and the Notice of Completion was filed on July 17, 2025. No action by Council is needed other than to formally accept the project as complete as of July 17, 2025.

The total amount of piping installed was 3,067 linear feet. Approximately 2,700 linear feet of 4-inch asbestos cement water piping was replaced with new 8-inch and 6-inch PVC water main piping.

Reporting and documentation submittal requirements of the SCDR grant have been fully satisfied, a Project Completion Report was submitted and approved, and the letter requesting release of the 10% retention held by DWR in the amount of \$292,815.02 has been accepted. When the check has been received by the City, notification will need to be provided to DWR of the receipt of the funds and date received. This will finalize the closeout of the grant with the exception that an audit could be performed by DWR if they choose. Records will need to be kept for three years following the final disbursement.

Regarding the cost of the filter and piping projects to the City in excess of the grant funds is listed in the cost spreadsheet as \$149,406.32 for the filter and \$82,875.35 (\$67,000 of the piping project cost could be drawn from the HUTA account since that is the cost calculated for trench repair paving); however, those amounts are based on staff's allocation of the costs estimated for each project. Since the grant program initially was intended to replace piping, the total amount of \$232,281.67 could be attributed/assigned to the filter replacement since it benefitted the most. By comparison, a recent rehabilitation of one of the Wes-Tech filter units cost about \$120,000 in order to extend the life of that filter unit about 15 to 20 years. The new aluminum filter unit has a life expectancy of 100 years.

#### Suggested recommendation for Council action

Staff recommends that Council accept the project as complete (both the filter replacement and piping replacement), waive the liquidated damages for the filter project, inform Cora Constructors of the two tasks remaining for them to complete, and set the date for the one-year inspection and report based on the filing of the Notice of Completion for the filter replacement project on August 19, 2025.

# `CITY OF WESTMORLAND

## SCDR/DWR 4600014541 WATER FILTER REPLACEMENT AND PIPE REPLACEMENT PROJECT BUDGET/EXPENDITURES EXHIBIT JANUARY 23, 2026 FILTER PROJECT

BUDGET ITEM	FILTER BUDGET CITY EST.	DUDEK/HOLT/ CITY/ COST	AWC 100%	ARC Weld. Fabrication	CORA 100%	TOTAL FILTER COST TO DATE	BALANCE
Project Administration	\$20,000	\$20,000 (match)				\$20,000	\$0
Design Engineering Services and Permitting	\$263,300	Dudek \$234,521.14 City \$15,160				\$249,681.14	\$13,618.86
Construction Engineering/ Management	\$167,000	Dudek \$78,444.92 Holt \$72,200 City \$33,750				\$184,394.92	-\$17,394.92
Construction	\$1,889,700		\$153,868.23	\$7,139.50	\$1,874,322.53	\$2,035,330.26	-\$145,630.26
<b>Totals</b>	<b>\$2,340,000</b>	<b>\$454,076.06</b>	<b>\$153,868.23</b>	<b>\$7,139.50</b>	<b>\$1,874,322.53</b>	<b>\$2,489,406.32</b>	<b>-\$149,406.32</b>

## PIPE PROJECT

BUDGET ITEM	PIPE BUDGET CITY EST.	BJ ENGR./CITY/ HOLT/COST	ROVE 100%	TOTAL PIPE COST To date	BALANCE
Project Administration	\$0	\$0	\$0	\$0	\$0
Design Engineering Services and Permitting	\$50,000	BJ \$49,051.25 City \$6,435	\$0	\$55,486.25	-\$5,486.25
Construction Management	\$60,000	Holt \$48,000 City \$18,485 BJ \$7,875	0	\$74,360	-\$14,360
Construction	\$498,150	\$0	\$561,179.10	\$561,179.10	-\$63,029.10
<b>Totals</b>	<b>\$608,150</b>	<b>\$129,846.25</b>	<b>\$561,179.10</b>	<b>\$691,025.35</b>	<b>-\$82,875.35</b>

SCDR Grant Budget: Des. Engr.: \$320,000 Const. Engr./Mgmt.: \$290,000 Const.: \$2,318,150 Total: \$2,948,150 (Includes 20K match)

Project Costs: Des. Engr.: \$305,167.39 Const. Engr./Mgmt.: \$258,754.92 Const.: \$2,596,509.36 Total: \$3,180,431.67 (Includes 20K match)

**Filter cost to date: \$2,489,406.32 + Pipe cost to date: \$691,025.35 = \$3,180,431.67 - \$2,948,150= \$232,281.67 over grant amount**

# CITY OF WESTMORLAND

## SCDR/DWR 4600014541 WATER FILTER REPLACEMENT AND PIPE REPLACEMENT PROJECT BUDGET/EXPENDITURES EXHIBIT JANUARY 23, 2026 TOTAL GRANT COMPARED TO TOTAL PROJECT COSTS

BUDGET ITEM	GRANT BUDGET	PROJECT COSTS	\$ DIFFERENCE	% DIFFERENCE
Project Administration	\$20,000	\$20,000 (match)	\$0	0%
Design Engineering Services and Permitting	\$320,000	\$305,167.39	<b>\$14,832.61</b>	<b>4.64% (surplus)</b>
Construction Engineering/ Management	\$290,000	\$258,754.92	<b>\$31,245.08</b>	<b>10.77% (surplus)</b>
Construction	\$2,318,150	\$2,596,509.36	<b>-\$278,319.36</b>	<b>-12.01%</b>
<b>Totals</b>	<b>\$2,948,150</b>	<b>\$3,180,431.67</b>	<b>-\$232,281.67</b>	<b>-7.88%</b>

NOTES: The duration of the project was from March of 2023 through December of 2025 (almost 3 years)

1. CDBG allows 8% of a grant for City administration—which would be \$234,252;  
City employee (Joel) cost for this project was \$73,830 which is 2.5% of the grant amount
2. FHWA soft costs (admin., design, const. mgmt.) are typically 25% of Const. cost—which would be \$647,332.47;  
soft costs for this project were \$583,922.31 which is 22.6% of the construction cost



Delivery and placing filter unit in position February 3, 2025



Filter in place; electrical conduit from new filter unit to control room

SIGN FOR CITY OF WESTMORLAND WATER DISTRIBUTION PIPING REPLACEMENT PROJECT DWR/SCDR GRANT

#4600015451 JUNE 6, 2025



Looking north along N. Center St. from 7<sup>th</sup> Street intersection



Looking west along W. 7<sup>th</sup> St. from N. Center St. intersection