RESOLUTION 2018-46

Agenda Item

TO: Mayor and City Council

FROM: Zachary Johnson, Utility Director

DATE: November 19, 2018

RE: GNWWC

Issue

The Great Northwest Wholesale Water Commission is continuing to work toward project completion and anticipating having a project ready for bid in April 2019. Commission members are actively working on acquiring easements while the engineering teams work toward final design. The Commission has finally overcome an 18-month setback in acquiring a tank site and connection point in St. Joseph. Unfortunately, the setback has financial implications as well. As we are all aware, construction costs continue to rise at a rate of approximately 4% each year. Delaying construction by just over a year can have a significant impact on overall project costs. There will also be additional site prep work needed to ensure a stable foundation for the Commission's above ground storage tank.

As the engineers approach 60% completion of final design, an updated project budget was prepared based on contractor's estimates. This provided the Commission with their first real look at expected construction costs. With the additional expenses involved with the connection point and the 5 years since the PER was created, the estimated project budget has increased by $8,939,453. USDA has asked the member cities to acknowledge this increase.

While this is a large increase over the preliminary costs for the Commission, the affects to the Citizens of Cameron is manageable. Even with this adjusted budget, we are still anticipating the average (5,000 gallons) user's water bill to be approximately $55 per month. Initial projections from the original PER estimated our average user at $52-55. This is roughly a $15 increase over our current rate.

Recommendation

City Staff recommends passage and approval of this Resolution in support of the Great Northwest Wholesale Water Commission.

RESOLUTION 2018-46

A RESOLUTION FOR THE CITY OF CAMERON, MISSOURI ACKNOWLEDGING UPDATED BUDGET FIGURES AND EXPRESSING CONTINUED SUPPORT FOR THE GREAT NORTHWEST WHOLESALE WATER COMMISSION

WHEREAS, the City of Cameron is a member in good standing of the Great Northwest Wholesale Water Commission; and

WHEREAS, the City of Cameron has already executed a take or pay water contract with the Commission; and

WHEREAS, the Commission desires to construct a wholesale water distribution system to solve northwest Missouri's long term water supply issues; and

WHEREAS, engineering firms for the Commission have provided an updated and revised budget for the anticipated construction costs.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CAMERON, MISSOURI, AS FOLLOWS:

Section 1. The City Council continues to support the Great Northwest Wholesale Water Commission and their efforts in resolving water supply issues for the City of Cameron and surrounding communities.

Section 2. The City Council hereby acknowledges the updated and revised estimated budget as presented by the Great Northwest Wholesale Water Commission.

Section 3. This Resolution shall take effect and be in force from and after its passage and approval by the Mayor.

PASSED and **APPROVED** this 19th day of November 2018.

_____
Mayor Darlene Breckenridge

ATTEST:

_____
City Clerk