



## **STAFF REPORT**

**To:** Honorable Mayor and Members of Town Council

**Thru:** David Corliss, Town Manager

**From:** Mark Marlowe, P.E., Director of Castle Rock Water  
Roy Gallea, P.E., Engineering Manager  
Emily Huth, P.E., Project Manager

**Title:** **Resolution Waiving the Formal Written Bidding Requirement on the Basis of Sole Source and Emergency and Approving a Construction Contract with Garney Companies Inc. for the Ray Waterman Regional Water Treatment Center and the Bell Mountain Ranch LAS Conversion Project** [*Ray Waterman Regional Water Treatment Center and Bell Mountain Ranch Water Treatment Plant*]

---

### **Executive Summary**

Castle Rock Water (CRW) staff requests approval of a Resolution approving a sole source Construction Contract and Work Package 1 under that contract (***Attachment A***) with Garney Companies (Garney) to complete construction of liquid ammonium sulfate (LAS) chemical conversion projects at the Ray Waterman Regional Water Treatment Center (RWRWTC) and the Bell Mountain Ranch Water Treatment Plant (BMR). This project will be completed in two work packages. Work Package 1 is for \$1,199,662 and will be executed to allow for procurement of long lead equipment. Work Package 2 will be for the remainder of the work. Final pricing is still being developed for Work Package 2.

Now that the WISE project is ramping up to full deliveries and CRW is also delivering Dominion's WISE and other water supplies, it is critical that CRW be able to bring WISE water directly into our system, bypassing retreatment at RWRWTC which currently cannot be done. Retreatment at RWRWTC means that we are limited to the total treatment capacity of the plant and WISE water and other supplies do not add to our overall water supply capacity. This project is necessary to ensure that bringing WISE and other imported supplies directly into our system is possible. This will increase the overall water supply capacity of CRW, which is important to keep up with growth. It will also ensure that we do not run into a situation where WISE water is being offered and CRW cannot accept that water (known as take-or-pay). If this case were to occur, CRW would

be at risk of paying hundreds of thousands of dollars per month and not receiving the benefit of the water supply.

### **Notification and Outreach Efforts**

No notification and outreach is necessary for this project as this project is internal to CRW.

### **History of Past Town Council, Boards & Commissions, or Other Discussions**

CRW staff presented this item to the CRW Water Commission on June 25, 2025. The Commission voted unanimously 7 to 0 to recommend Council approval of the resolution as presented.

### **Discussion**

This contract will include scope at two of the Town's treatment facilities: RWRWTC and BMR. The work at BMR includes installation of a new liquid ammonium sulfate (LAS) chemical feed system, resulting in the switch from free chlorine to chloramines as the disinfectant in the BMR system to align with the rest of the Town's water distribution system. The work at RWRWTC will include conversion of the existing anhydrous ammonia chemical system to a liquid ammonium sulfate (LAS) chemical system to improve safety and align with chemicals being used at other facilities in the system. The location of the conversion from free chlorine to chloramines will be modified in the facility to improve operational flexibility and allow the Town to receive WISE flows even when RWRWTC is taken offline.

The flowrates CRW receives from WISE are determined by Aurora Water and CRW must take the water, or pay a fee for not receiving it (known as WISE take-or-pay). CRW is slated to receive higher WISE flows during the 2025/2026 lower demand season (i.e. winter months), which is a trend that is expected to continue in future years. Additionally, CRW is now receiving and transmitting all of Dominion's WISE and Aurora water supplies through this connection. In the future, CRW will also have additional imported supplies coming into our system at RWRWTC. CRW staff have determined the RWRWTC LAS Conversion project is an emergency project to complete as efficiently as possible during the 2025/2026 low demand season to minimize the take-or-pay fees associated with not being able to receive WISE water when RWRWTC must be taken offline – whether for expected routine maintenance, planned construction projects, or unexpected/emergency repairs.

It is preferred that as much of the construction work be completed in the month of November 2025 as possible because that is when WISE flows are not going to be provided to CRW. This project will also include some Supervisory Control and Data

Acquisition (SCADA) improvements that were originally going to be completed as part of the SCADA Phase V project at RWRWTC. The LAS Conversion cannot be completed without completing some upgrades to the SCADA system, instrumentation, and programming that was originally going to be completed in the SCADA Phase V project. Including a portion of the SCADA work within the LAS Conversion project will help to prevent rework and additional costs.

Given the emergency status of this project, and complexity of coordinating this project with other concurrent projects occurring at RWRWTC, it is recommended that the project be sole-sourced to Garney. Garney is a contractor that is familiar with CRW's facilities and standards, has consistently completed high quality work on schedule, has crews available to complete the work in the necessary time frame, and is able to work with CRW staff to prioritize procurement of long-lead equipment and develop a construction schedule that minimizes impacts to CRW's operations. Garney has previously been selected through competitive bidding processes and is currently working on the Plum Creek Water Purification Facility (PCWPF) Expansion Project.

The project will be completed in two work packages. The first work package is being established to allow for procurement of long lead equipment that is necessary for the project. Long lead equipment includes chlorine analyzers, analyzer panels, programmable logic controller (PLC) panels, chemical feed pumps, and chemical storage tanks. It is necessary to purchase this equipment as early as possible to complete the work in the necessary schedule. A second work package will be proposed to Town Council for approval of the remaining equipment and construction at RWRWTC and BMR after the overall project pricing is known.

### **Budget Impact**

Garney's proposal for Work Package 1 is \$1,199,662. Staff requests an additional \$119,966 (Town-managed 10% contingency) be authorized for a total project authorization of \$1,319,628. The project will be funded from the accounts shown in the table below. There is \$1,930,372 remaining in the budget for Work Package 2.

<b>Project</b>	<b>Account Number</b>	<b>Budget</b>
Chloramine & WISE Modifications at RWRWTC	211-4375-443.77-72	\$1,600,000
Bell Mountain Ranch WTP LAS Conversion	210-4275-442.79-33	\$500,000
SCADA System Improvements	210-4275-442.75-41	\$1,150,000
	<b>Total Budget</b>	<b>\$3,250,000</b>
<b>Project Contract</b>		
RWRWTC and BMR LAS Conversion Project - Work Package 1 Construction Contract		\$1,199,662
Town Contingency (10%)		\$119,966

Total Authorization		\$1,319,628
---------------------	--	-------------

### **Staff Recommendation**

Staff recommends Town Council approval of the resolution to approve the Construction Contract between the Town of Castle Rock and Garney Companies Inc. for the RWRWTC and BMR LAS Conversion Project – Work Package 1 in the amount of \$1,199,662 plus a Town-managed 10% contingency of \$119,966, for a total authorization amount of \$1,319,628.

### **Proposed Motion**

*“I move to approve the Resolution as introduced by title.”*

### **Alternative Motions**

*“I move to approve the resolution as introduced by title, with the following conditions: (list conditions).”*

*“I move to continue this item to the Town Council meeting on \_\_\_\_\_ date to allow additional time to (list information needed).”*

### **Attachments**

Attachment A:	Resolution
Exhibit 1:	Construction Agreement
Attachment B:	Location Map
Attachment C:	Sole Source Justification Form