



STAFF REPORT

To: Honorable Mayor and Members of Town Council

Thru: David L. Corliss, Town Manager

From: Mark Marlowe, P.E., Director Castle Rock Water
David Van Dellen, P.E., Assistant Director
Roy Gallea, P.E., Engineering Manager
Scott Tait, P.E., Water Resources Project Manager

Title: **Resolution Approving the Second Amendment to the Town of Castle Rock Equipment and Services Acquisition Agreement with Velocity Plant Services, LLC, for the Tanks 17A and 17B Monoclor® Residual Control System Station Construction and Installation Project** *[Tanks 17A and 17B located at 2362 Coachline Road, Castle Rock, CO]*

Executive Summary

Castle Rock Water (CRW) staff requests Town Council approval of a Resolution approving a Second Amendatory Agreement with Velocity Plant Services, LLC (**see Attachment A**) to provide additional materials, equipment and services for the Tanks 17A and 17B Chloramination Booster Station in the amount of \$56,465.00, for a total authorization amount of \$274,570.00.

Town Manager approved an Equipment and Services Acquisition Agreement for Velocity Plant Services, LLC to construct a foundation and building with heating/cooling equipment, electric service, lighting, and SCADA peripherals and to install PSI Water Technologies, Inc purchased equipment for housing the Monoclor Residual Control System equipment on March 13, 2023 for \$199,750.00 with a 10% contingency for a total authorization amount of \$219,725.00. On October 17, 2023, Town Manager approved a First Amendment Agreement for Velocity Plant Services, LLC to increase the size of the foundation and building based on the requirement of Colorado Department of Public Health and Environment (CDPHE) that for safety, two rooms within the building would be required for chemical storage since two chemicals would be potentially added to Tanks 17A and 17B. The added cost for these modifications was

\$18,355.00 for a total authorized amount of \$218,105.00 for the First Amended Agreement.

This Second Amendment Agreement is for an added cost of \$56,465.00 for inflationary and additional electrical feeder materials and labor, internal chemical spill containment, road gravel and placement, extreme cold weather heat booster equipment, and contractor supervision for a total authorization amount of \$274,570.00.

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

Castle Rock Water staff presented this item to the Castle Rock Water Commission at their meeting held on July 24, 2024 and the Castle Rock Water Commission voted unanimously 6 to 0 to recommend Town Council approval of the Resolution as presented.

Discussion

CDPHE requirements have grown since the inception of the project from the Summer of 2022. To complete the project, a phased approach will be required to gather continuous data on the existing tanks chloramines residuals prior to adding any chemicals. Discussions with CDPHE have yielded an agreement that no CDPHE permit is required to construct the building just to operate the water quality stations and mixers for gathering continuous water quality data. Economically, the building to house the PSI Water Technologies equipment and chemical addition equipment needed to be constructed upfront and comply with Town of Castle Rock Electrical and Building Codes. The growing CDPHE and code requirements have added costs to Velocity Plant Services, LLC original proposal. Amendment 2 is required for three reasons. The first is for housing the electrical connections to each tank mixer separately from the main Monoclor control panel. CRW standards have recently been upgraded to not house communications and electrical connections in the same control panel out of safety concerns. The costs for the additional mixer electrical feeders and installation by the electrical, instrumentation and control subcontractor, CE Power Systems, is included in Amendment 2. The second is for building interior spill containment of the feed chemicals. The mixing of high concentrations of Liquid Ammonium Sulphate and Sodium Hypochlorite, the two chemical components used to make the Chloramine residual, is dangerous. Therefore, a potential spill must be isolated separately from each tank and interior concrete curbing is required to accomplish this. The third is for Class 6 road base material and installation for the area around the new booster station building for vehicle parking and to resurface the interior roads around 17A and 17B tanks.

Notification and Outreach Efforts

A Pre-App notification was issued by Development Services for the project in 2023.

Budget Impact

This project is funded from account 210-4275-442.75-38 with a 2024 budget of \$361,753.00.. A balance transfer is required to cover the cost of Amendment 2 in the amount of \$59,204.59 to be transferred from 210-4275-442.75-89 to 210-4275-442.75-38 as shown below.

Account Description	Account Number	Original Budget	Current Account Balance	Amount of Transfer	Account Balance After Transfer
CIP Distribution System Upgrades	210-4275-442.75-38	\$361,753.00	\$-2,739.59	\$59,204.59	\$56,465
CIP Liberty Village Yellow	210-4275-442.75-89	\$989,663.00	\$214,291.94	-\$59,204.59	\$155,087.35

Staff Recommendation

Staff recommends Town Council approval of a Resolution Approving the 2nd Amendment for the Services and Equipment Acquisition Agreement with Velocity Plant Services to provide additional materials, equipment and services for Tanks 17A and 17B Chloramination Booster Station in the amount of \$56,465.00 for a total authorization amount of \$274,570.00.

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: Agreement