



STAFF REPORT
Public Hearing 8-2-22

AGENDA ITEM #: 22-84
COUNCIL MTG OF: July 5, 2022
FROM: M. Fowler, Public Works Director; T. Carrier, Deputy Public Works Director
OFFERED BY: M. Fowler, Public Works Director; T. Carrier, Deputy Public Works Director
PREPARED BY: M. Fowler, Public Works Director; T. Carrier, Deputy Public Works Director
SUBJECT: Arsenic Treatment System: Autumn Woods Community Water System

PURPOSE

The purpose of this document is to present to the Council, for their consideration, a request for a supplemental appropriation to fund added costs necessary to construct an arsenic treatment system at the Town's Autumn Woods Community Water System.

TOWN ADMINISTRATOR COMMENTS:

This appropriation is imperative to complete this work in order to remain compliant with new NHDES regulations. The Council is urged to adopt this Resolution after the August 2, 2022 public hearing.

BACKGROUND

On 11/16/2021 the Derry Town Council approved Resolution 2021-074 which appropriated \$280,000 to design and construct an arsenic removal system for the Town's Autumn Woods (AW) community water system. The appropriation included \$45,000 for design and construction engineering, \$200,000 for equipment and installation and a contingency of \$35,000.

On 5/19/2022, the Town Council approved Resolution 2022-040 to apply for and accept an American Rescue Plan Act (ARPA) grant from NH DES in the amount of \$52,000 to be applied toward this project.

DISCUSSION

At the ARPA Grant meeting with NH DES, we were informed that one of the grant requirements was that an environmental review by conducted for the project. The added estimated cost to meet this requirement is \$10,400.

During the final design work, it was noted that the Autumn Woods pressure tank, which was only to be cleaned as part of the project, did not have the proper pressure certification and was deemed a safety hazard. As a result, the tank replacement, estimated at \$70,000, was added to the scope of the project.

On June 28, 2022, bids for the project were opened. The low bid was \$346,500; \$146,500 over budget.

This project is essential to comply with the State's new drinking water arsenic standard.

FISCAL IMPACT

The new project estimate based on actual bids, is \$401,900. This leaves a shortfall of \$121,900 which will require a supplemental appropriation. According to NH DES, the added costs are not eligible for additional ARPA grant funding. The net cost to the Town after the approved ARPA grant will be \$349,900.

RECOMMENDED ACTION BY COUNCIL
Please see Resolution #2022-052