



Harter Tanks Painting Improvement Project December 15, 2020



Presentation By:

Diana Langlely, Interim City Manager/Public Works Director

Harter Tanks Painting and Improvement Project - Background



- On August 18, 2020, Council awarded a construction contract to Farr Construction, Inc. of Sparks, NV for recoating the Harter Water Storage Tanks.
- The award amount was \$1,259,900, with \$125,990 authorized for construction contingency.
- Project has been progressing expeditiously, but 3 unforeseen conditions have been encountered requiring an increase in construction funds.



Harter Tanks Painting Improvement Project – Analysis

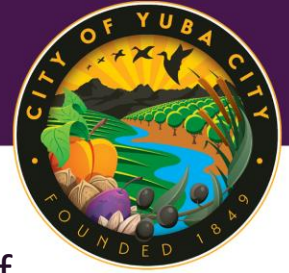


Unforeseen Condition #1 – Latex Paint

- Existing finish coat was found to be latex applied over epoxy.
- Pressure washing removed some of the latex paint, but presented a condition of flaking and blistering.
- New coating materials could not be applied to this unstable surface.
- Sandblasting the tanks was required.
- Additional cost to sandblast/wash both tanks: \$148,425.



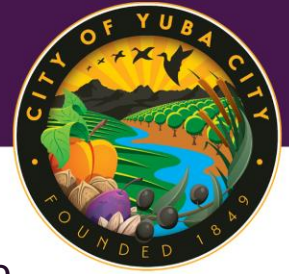
Harter Tanks Painting Improvement Project – Analysis (cont.)



Unforeseen Condition #2 – Salt Contamination

- Testing for certain chemical compounds to ensure proper adhesion of the new coating determined that the interior of the first tank has high salt readings.
- Interior surface of first tank must be decontaminated in order to satisfy the conditions of the coating warranty.
- Alternative coating types that do not require decontamination are not recommended.
- It is anticipated that once the second tank is taken out of service and tested, it will also require decontamination.
- Cost to decontaminate both tanks is $2 \times \$198,399 = \$396,798$.

Harter Tanks Painting Improvement Project – Analysis (cont.)



Unforeseen Condition #3 – Roof Rafters

- Roof rafters in each tank are corroded and not connected to the center support plate.
- Contractor must remove a section of the roof to access the rafters at the center plate, adding shims where necessary, seal weld all rafters to the center plate, and recoating the repair areas.
- Cost to repair rafters in both tanks is $2 \times \$16,170 = \$32,340$.



Harter Tanks Painting Improvement Project – Fiscal Impact



Total additional funding requested to mitigate discoveries of latex paint, salt contamination, and roof rafter deterioration:

\$	148,425	– Sandblasting both tanks to remove latex paint
\$	198,399	– Decontamination of Tank A interior
\$	198,399	– Decontamination of Tank B interior (estimated)
\$	16,170	– Repair Tank A roof rafter connections
<u>\$</u>	<u>16,170</u>	<u>– Repair Tank B roof rafter connections</u>
\$	577,563	– Total additional construction funding required
<u>\$</u>	<u>125,990</u>	<u>– Less previously authorized Construction Contingency</u>
\$	451,573	– Total additional authorization requested

Harter Tanks Painting Improvement Project – Fiscal Impact (cont.)



- Account No. 971227 (Recurring WTP & Water Storage Improvements) has a current available balance of approximately \$270,000.
- Staff recommends retaining this balance for unforeseen improvements required moving forward and transferring \$451,573 from Unallocated Water Reserve Funds to CIP Account No. 971227.
- There are approximately \$4,190,000 in Unallocated Water Reserve Funds available.

Harter Tanks Painting Improvement Project – Alternatives



- There is no reasonable alternative to performing the additional work.
- Foregoing this work would void the coating warranty or compromise the structural integrity of the tanks.

Harter Tanks Painting Improvement Project - Recommendation



- A. Adopt a Resolution authorizing an increase in the construction contingency of \$451,573, with a finding that it is in the best interest of the City.
- B. Authorize a supplemental appropriation and direct the Finance Director to make a budget transfer in the amount of \$451,573 from Unallocated Water Reserve Funds to CIP Account No. 1227 (Recurring WTP & Water Storage Improvements).