



CITY COUNCIL WORK SESSION
Monday, June 16, 2025 - 10:00 AM
City Council Chambers, Elks Civic Building - 107 S. Cascade Ave.

Public participation for this meeting will be in person in the City Council Chambers. The meeting can be [viewed online via livestream](#) and video recordings of the meetings can be viewed on our [YouTube page](#).

Hearing assistance devices are available for public use. Please let us know if you need accommodation. The City also offers interpretation for Spanish speakers. Schedule time to book this resource, by [emailing the City](#) at least 3 days before the meeting.

1) DISCUSSION ITEMS

- A) Wastewater Treatment Plant Design-Build Contract Change Order (15 minutes)
Staff: Utilities Director David Bries
- B) Rio Grande Corridor Dry Utility Relocation and Installation (10 minutes)
Staff: City Engineer Scott Murphy
- C) Public Works Facility Overall Project Authorization Recommendation (30 minutes)
Staff: Public Works Director Jim Scheid

2) GENERAL CITY COUNCIL DISCUSSION

3) STAFF COMMENTS



Council Transmittal Memo
Date: June 16, 2025

To: Mayor and City Council

From: David Bries, Utilities Director

CC: William Bell, City Manager
Shani Wittenberg, Finance Director
Hyrum Webb, WWTP Superintendent

Subject: WWTP Improvements - Design-Build Contract - Proposed Change Order

Recommendation

Consideration of WWTP Improvement project Phase 1, Change Order #1 for additional design or Return Activated Sludge (RAS) piping improvements for \$104,843.00. This brings the total authorization for the project to \$1,454,843.00.

Background

The wastewater treatment plant was originally constructed in 1984 and several of the major components at the wastewater treatment plant are near the end of their useful life, as well as updates to environmental regulations requiring the treatment plant to meet additional and more stringent effluent limitations.

In February, the City awarded a Design-Build contract for the WWTP Improvement Project to the Burns & McDonnell/Moltz construction team. Design has been progressing well and have identified improvements to the Return Activated Sludge (RAS) piping that will save project costs and allow the existing Screw Pump basin to be used as the pump station wetwell, saving construction cost of constructing a new wetwell.

The following summarized the proposed authorizations in Phase 1, Change Order #1, and Phase 2, Change Order #1:

Phase 1 design of RAS piping and pumping improvements	\$ 104,843.00
Current Contract with Burns & McDonnell/Moltz	\$1,273,255.00
Owner's Contingency	<u>\$ 76,745.00</u>
Original Design-Build Contract Authorization	\$1,350,000.00
Total Proposed Authorization	\$1,454,843.00

As the design progresses, staff is anticipating additional change orders to get started in the procurement process for the UV disinfection and aeration equipment as well as the backup generator in the next few months due to their long lead times.

Financial Impact

\$3 Million for the design phase of the project is included in the 2025 Sewer Fund budget. The proposed plan is to develop plans and finalize costs for completing the project and issue bonds or loans to fund the construction beginning in 2026.

PROJECT EXPENSE AUTHORIZATION

TO: Honorable Mayor and Members of the City Council
FROM: Scott Murphy, *City Engineer*
DATE: June 9, 2025
RE: Rio Grande Corridor Dry Utility Relocation and Installation



Recommendation

Consider the approval of \$818,251.41 in expenditures for construction of the Rio Grande Dry Utility Relocation and Installation Project. This includes the award of Change Order No. 2 to Williams Construction's Public Works Site Fill Contract in the amount of \$438,251.41, up to \$360,000 in expenditures to Delta-Montrose Electric Association for powerline relocation and street lighting, and up to \$20,000 in expenditures to Black Hills Energy for natural gas mainline relocation and extension.

Background and Project Driver

In anticipation of the upcoming projects to construct a roundabout at the intersection of Rio Grande and East Oak Grove, extend the first phase of Rio Grande southward, and in support of the upcoming public works facility construction, it will be necessary to relocate conflicting natural gas and overhead power utilities within the project areas. These utilities are planned to be relocated to run along the eastern side of the Rio Grande extension which also makes them available for use to service the new public works facility. Additionally, a communications corridor is also proposed for this area to service the public works facility and allow for future utility extensions as the Rio Grande corridor is built out towards the south. An excerpt from the utility relocation project plans is included as an attachment to this memo.

The dry utility relocation and extension work was originally planned to be constructed as part of the street projects in 2026 assuming that the public works fill project would extend into the late fall of 2025. With the fill project running well ahead of schedule and likely to be complete around the 4th of July, this creates a unique opportunity to complete the utility relocation and extension work now before FCI mobilizes to begin facility construction in September. Completion of the dry utility relocations now offers the following schedule and cost advantages to all three projects (roundabout, Rio Grande extension, and public works facility):

- The site fill contractor is still mobilized and available to perform the trenching required for the project.
- Relocating and extending utilities now reduces contractor overlap and conflict between the three projects.
- The work can be performed during the summer construction season and avoid winter construction conditions.
- With the Rio Grande utility work complete before facility construction begins, these utilities become available for temporary power and natural gas service during facility construction. This reduces facility project costs by eliminating sacrificial temporary power/gas services, temporary propane service, and the need for generators during construction.
- Dry utility relocations are typically one of the longer lead and critical path items on roundabout projects; completing these now before the road is closed for roundabout construction will reduce its eventual closure impacts.

Project Expenditures

The dry utility relocation and extension work includes the following expenditures:

1. **Williams Change Order No. 2.** With Williams Construction wrapping up the public works site fill project, they remain mobilized on site and are available to perform the trenching work. They are also under consideration as a competitive bidder to FCI to perform the public works facility interior site civil work (parking lot and utilities). Costs for the proposed trenching work were negotiated at 438,251.41 and unit rates are in-line with our expectations for the proposed scope of work.
2. **DMEA.** Costs for DMEA include new buried powerlines, sectionalizers (junction boxes), street lights, street light transformers, power feeds to the roundabout, a power stub to the future Uncompahgre Riverway Trail trailhead area, and removal of all abandoned overhead powerlines. It should be noted that these costs are for the Rio Grande corridor/roundabout area only and do not include any power service feeds or transformers for the new public works facility; these building expenditures are being funded separately as part of the facility's expense authorization. The total electrical costs were quoted by DMEA at \$430k; however, recognizing the benefit of undergrounding the power in this area, they have agreed to cover the costs of all mainline wire and sectionalizers. This reduces the City's cost to \$360k.
3. **Black Hills Energy.** Costs for the natural gas relocation and extension were quoted by Black Hills Energy at around \$240k in order to properly upgrade their system to support the anticipated loads for the public works facility and surrounding area and to relocate lines within the roundabout area. Also recognizing the benefits to their system beyond just this project, Black Hills Energy agreed to cover approximately \$150k of these costs, and \$70k of the balance can be attributed to the public works facility. This leaves \$20k of Black Hills' costs attributable to the roundabout and Rio Grande corridor.

Construction stakeout support from the project's civil designer (Del-Mont Consultants) will also be required for this project. However, the existing construction stakeout contract is trending well below budget and, as a result, no additional expenditure authorization will be necessary for that element of work.

A summary of project costs is included in Table 2 below.

TABLE 2
Summary of Project Costs

Work Element	Cost
Change Order No. 2 (Williams Construction)	\$438,251.41
Powerline Relocations, Street Lights, and Power Stubs (DMEA)	\$360,000.00
Natural Gas Relocations and Extensions (Black Hills Energy)	\$20,000.00
TOTAL	\$818,251.41

Project Schedule and Traffic Control

The dry utility relocation work is scheduled to be completed around September of 2025 ahead of mobilization for facility construction.

All utility work will take place outside of existing roadways with the exception of the three trench crossings shown in Figure 2. These road crossings will be constructed during a three-day closure and temporarily covered with steel trench plates. After utility installations are complete, Rio Grande will be closed for an additional 1 to 2 days for backfill and asphalt patching of the trench cuts. As work progresses into the existing trailhead area on the north side of East Oak Grove, the trailhead area will also be closed during trenching and backfill operations.

Contract Administration and Project Financials

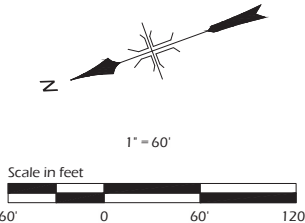
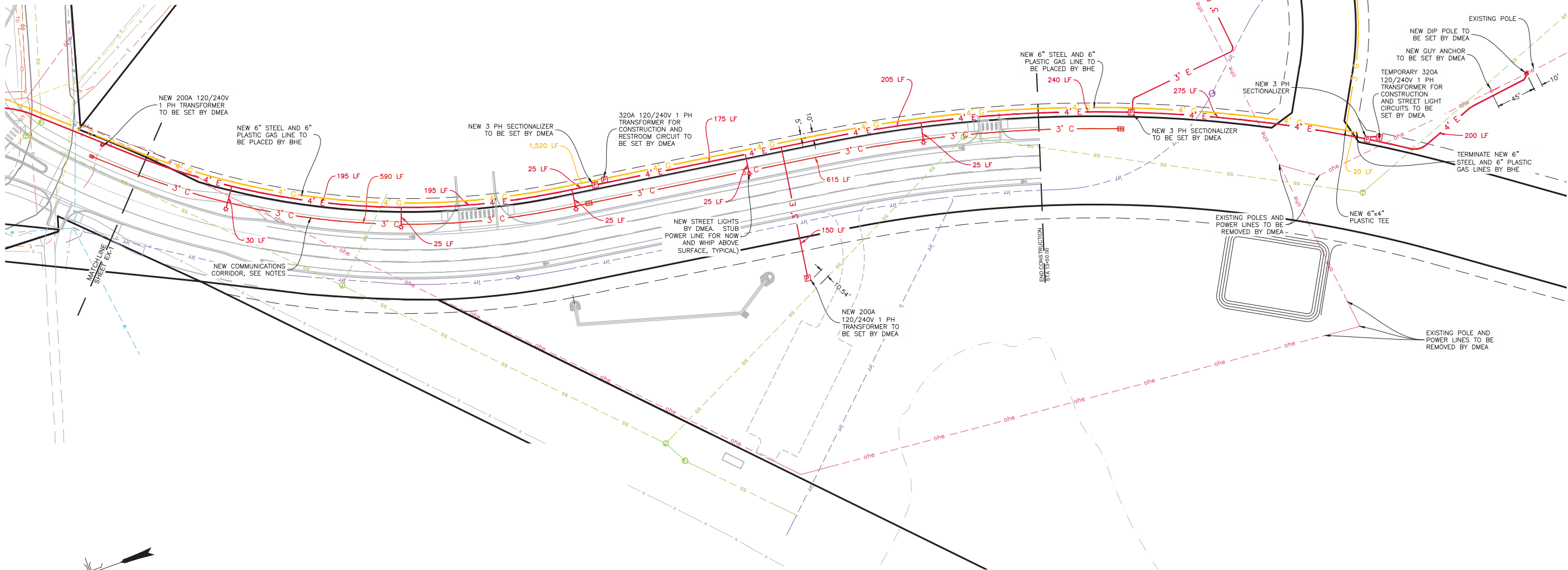
Contract administration, project management, and inspection will be performed by the City of Montrose engineering department with support from the design engineer as needed.

The dry utility work was intended for the 2026 budget as part of the roundabout and Rio Grande extension projects. Moving this to 2025 will require funding the work using general fund reserves and will reduce the proposed budget request for 2026. It is our understanding that adequate reserves currently exist to fund the work.

LEGEND

- EXISTING POWER LINE
- EXISTING OVERHEAD POWER LINE
- EXISTING COMMON UTILITY LINE
- EXISTING GAS LINE
- EXISTING TELEPHONE LINE
- EXISTING FIBER OPTIC LINE
- EXISTING WATER LINE
- EXISTING SEWER LINE
- EXISTING FORCE MAIN LINE
- EXISTING STORM SEWER LINE
- EXISTING IRRIGATION LINE
- EXISTING FENCE
- EXISTING CULVERT
- EXISTING POWER PEDESTAL
- EXISTING TELEPHONE PEDESTAL
- EXISTING FIBER OPTIC PEDESTAL
- EXISTING CABLE TV PEDESTAL
- EXISTING POWER METER
- EXISTING GAS METER
- EXISTING WATER METER
- EXISTING TELEPHONE VAULT
- EXISTING WATER VAULT
- EXISTING POWER VAULT
- EXISTING WATER VALVE
- EXISTING FIRE HYDRANT
- EXISTING WELL
- EXISTING SANITARY SEWER MANHOLE
- EXISTING STORM SEWER MANHOLE
- EXISTING UTILITY POLE

- PROPOSED POWER LINE IN 3' WIDE TRENCH
- PROPOSED POWER LINE IN 4' WIDE TRENCH
- PROPOSED POWER LINE DIRECTIONAL DRILLED
- PROPOSED COMMUNICATIONS CORRIDOR IN 3' TRENCH
- PROPOSED GAS LINE IN 3' WIDE TRENCH
- PROPOSED GAS LINE IN 4' WIDE TRENCH
- PROPOSED TELEPHONE LINE
- PROPOSED FIBER OPTIC LINE
- PROPOSED ELECTRICAL EQUIPMENT LOCATION
- PROPOSED TELEPHONE PEDESTAL
- PROPOSED FIBER OPTIC PEDESTAL
- PROPOSED CABLE TV PEDESTAL
- PROPOSED POWER METER
- PROPOSED TELEPHONE VAULT
- PROPOSED POWER VAULT
- PROPOSED UTILITY POLE
- PROPOSED STREET LIGHT
- PROPOSED GUY ANCHOR
- PROPOSED 24"x36" HANDOLE, 30" DEEP TO BE SUPPLIED BY CONTRACTOR



PRELIMINARY

NO	DATE	REVISIONS	BY



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ENGINEERING & SURVEYING
125 Colorado Ave. Montrose, CO 81401 (970) 249-2291
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SCALE: [blank] DATE: [blank]
FILE NAME: [blank]
RDD: [blank] DWS: [blank]
CITY: [blank] COUNTY: [blank]

CITY OF MONTROSE
RIO GRANDE AVENUE
NORTH ROAD EXTENSION

RIO GRANDE AVE
DRY UTILITY TRENCHING PLAN

DWG JOB NO: 24040

SHEET NO: EX-2

GE

SHEETS

PROJECT AUTHORIZATION

TO: Honorable Mayor and Montrose City Council
FROM: Jim Scheid, Public Works Director
DATE: June 16th, 2025
RE: Public Works Facility Overall Project Authorization
CC: William Bell, Ann Morgenthaler, Shani Wittenberg



Recommendation

Consider authorization of the remaining portion of the Public Works Facility Project in the amount of \$66,262,041.00

Background

Public Works Facility

Since 2016, City staff have been focused on the long-term planning and design of a new public works facility. The current facility, located at 1221 6450 Road, was constructed in the 1960s and is well beyond its useful life. Its layout and infrastructure no longer support the department's current operational requirements. Among the primary issues are inadequate space for both shop and administrative staff, limited accessibility for individuals with disabilities, insufficient restroom capacity, structural concerns with the building, potential environmental hazards like asbestos and lead, a lack of heated storage for vehicles sensitive to cold temperatures (such as vactors, sweepers, and water trucks), a subpar wash bay, poor traffic flow within the site, inadequate separation between the public and operational areas, and the absence of proper stormwater management for water quality and quantity, including for wash bay runoff.

Planning efforts for a new facility indicated that the existing site would not be large enough for the long-term growth needs of the public works department. The site shown here in orange <https://tinyurl.com/RioGrandeOverview> has been recently purchased for this purpose. The site is ideal for the new public works facility given its central location, large size, and fit with the surrounding area (surrounded by similar operational campuses for the BLM, USFS, BOR, WAPA, and Tri-State).

The City wishes to create a public works facility that accommodates both existing and anticipated operational needs into the foreseeable future. The site layout and building spaces will be situated and constructed such that future expansions (additional storage, shop space, office space, etc.) can be readily accommodated when the need arises 30+ years into the future.

Public Works operations are critical to the overall function of the community, especially in the event of an emergency or natural disaster. To that end, the facility will be designed and constructed with an eye towards durability, resiliency, emergency preparedness, and with an elevated importance factor for building loads and floodplain protection.

In order to promote safety for both the public and for employee operations, the City would like the public works facility to maintain separation between the two without overlap (i.e., public traffic is separate from employee work areas and traffic circulation). For public that visit the site, the intent is for them to have a safe, easy-to-navigate, and welcoming experience. The project is also designed to

ensure all public-facing elements are aesthetically pleasing and integrate well with the surrounding area.

Design

The Public Works Facility's planning and design efforts have been underway for approximately 10 years and kicked into high gear in 2021 with a Space and Needs Assessment, which led to property evaluations and the purchase of property in 2023 that would serve this facility and a road network extension. The contract for the formal design to Blythe Group for this facility was presented to the City Council in March 2024.

The Design Development (DD) was completed in April of 2025 and the project team has been utilizing that design to generate the final project budget shown below. As portions of the design are finalized, they continue through the design process into Construction Documents. Having this level of design and cost estimating completed allows the project team to carefully consider options presented as Value Engineering (VE). This allows the team to refine the overall costs of the project and recommend an overall budget. The following link has renderings of the current level of design.

<https://tinyurl.com/PWFacilityDesign>

Construction

FCI Constructors, Inc. (the CMGC for this project) has been working with the City and the Design Team to generate the current level of design (Design Development (DD)) and the cost estimates that go with it. From the cost estimates generated from the DD, the Guaranteed Maximum Price (GMP) Construction Contract amount has been generated and is included in the project budget below.

Project Budget

The City received Certificates of Participation (COP) borrowing totaling \$55M in May of 2025 after Ordinance 2679 was authorized in March of 2025. The overall project budget was based on the anticipated \$55M borrowing and \$22M of contribution by the City's General Fund, Enterprise Funds and Internal Funds for a total available budget just over \$77M.

Below is a breakdown of the current budget for this project.

	Total Costs	Previously Approved	Remaining to be Authorized
Construction Costs	\$59,260,000.00	\$150,000.00	\$59,110,000.00
Owner Expenses	\$1,620,500.00	\$0.00	\$1,620,500.00
Design/Consultants	\$3,797,219.00	\$2,413,878.00	\$1,383,341.00
Contingency	\$4,148,200.00	\$0.00	\$4,148,200.00
Site Preparation	\$5,833,427.31	\$5,833,427.31	\$0.00
Total Project Costs	\$74,659,346.31	\$8,397,305.31	\$66,262,041.00

Due to the project team efforts in strategic design and construction methods the overall project budget is almost \$2.5M under the original target budget set by the funding available. This savings will be recognized by the enterprise funds, public safety fund and the general fund by reducing the amounts that they are to contribute over the next two years' annual budgets. It should be noted that a roundabout project at the intersection of East Oak Grove and Rio Grande as well as the first phase of the Rio Grande Extension are planned capital projects for 2026. Although these projects support the public works facility, they are community-wide capital priorities and will be funded separately from this authorization.

Net Financial Result

As mentioned above, the City received \$55M in funding for this project from the issuance of COPs for the project. As part of this funding, the City will also receive premiums and interest on this borrowing throughout construction. Below is a breakdown of the funding sources for the project to support the project budget shown above.

Project Funding Sources	
COP Borrowing	\$55,000,000.00
Premiums and Interest on Borrowing	\$2,562,477.00
General Fund Reserves	\$6,000,000.00
Enterprise Funds	\$7,505,910.56
Fleet Fund Reserves	\$1,000,000.00
Montrose Police Department	\$2,590,958.75
Total Funding Sources	\$74,659,346.31