

## Council Meeting Staff Report

April 2, 2019

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<b>Agenda No.:</b>	A.
<b>Indexes (Council Goals):</b>	* 2019 Council Goal - Investing in Infrastructure
<b>Presenters:</b>	James Alarid
<b>Legislative File:</b>	AGR0618-19

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### Title

Approval of Services Agreement No. AGR19-39 with Wagner Equipment in the amount of \$748,075.00, plus Applicable Gross Receipts Tax, for the Purpose of Pajarito Well No. 4 Natural Gas Engine Replacement and Consideration of Budget Revision 2019-33.

### Recommended Action

**I move that Council approve Services Agreement No. AGR19-39 with Wagner Equipment in the amount of \$748,075.00 and a contingency in the amount of \$50,000.00, for a total of \$798,075.00, plus applicable gross receipts tax, for the purpose of the Pajarito Well No. 4 Natural Gas Engine Replacement Project. I further move that Council approve Budget Revision 2019-33 and that it be included in the minutes.**

### Utilities Manager Recommendation

The Utilities Manager recommends that Council approve the motion as presented.

### Board, Commission or Committee Recommendation

The Board of Public Utilities recommends that Council approve the motion as presented.

### Body

In late summer 2018 the existing gas engine at Pajarito Well No. 4 failed. After assessing the engine and consulting with the engine manufacturer it was determined that repair of the engine was not an option, parts to rebuild the antiquated engine being no longer available. The existing engine has been in service since 1981 and received a major overhaul in 2002. RFP19-39 was advertised on February 3, 2019 and Wagner Equipment was the only vendor who submitted a proposal. A new Caterpillar G3508J natural gas engine rated at 690 Horse Power will be supplied and installed along with the required controls, cooling and exhaust equipment to deliver a fully functional replacement engine. The engine is scheduled to be installed and operational by late fall 2019.

Pajarito Well No. 4 is one of the County's highest yielding water supply wells and is the only natural gas powered well. The well provides economic and operational advantages in meeting seasonal peak demands since it can be operated continuously, day and night, and operational costs are not affected by peak electric power demand charges.

### Alternatives

If the project is not approved, the well will remain offline for an additional 3 months while another RFP is solicited.

### Fiscal and Staff Impact

The project has not been budgeted. Budget Revision 2019-33 will authorize the budget to proceed with the project. The funding for this project is from existing water production reserves.

### Attachments

A - AGR19-39

B - Budget Revision 2019-33

