

TO: James L. App, City Manager
FROM: Doug Monn, Interim Public Works Director
SUBJECT: Authorization to Install Electric Pumps in Sulfur Spring Located in City Hall Parking Lot
DATE: March 15, 2005

Needs: For the City Council to consider awarding a bid to install two (2) electric pumps at the sulfur spring to replace the diesel pumps presently being used to remove the water.

Facts:

1. Since the December 24, 2003 earthquake, the City has been renting two (2) diesel powered pumps to remove water from the sulfur spring.
2. The City has been paying \$4,500.00 per month for pump rental and fuel. Additionally City Staff has been maintaining the pumps (checking/changing the oil, seals, etc.)
3. In November of this year one of the two pumps failed and had to be replaced. In the course of replacing the pump, the city was billed for approximately \$12,000.00 for excessive run time. It was discovered that the \$1,600.00 the City was being billed based on a run time of eight (8) hours per day, however, the city runs the pumps twenty-four (24) hours per day.
4. The City is currently paying \$11,250.00 per month for run time on the diesel pumps, plus fuel costs.
5. As a cost reducing measure, the City put out bids to convert the pumps from diesel to electric. The cost for two (2) electric pumps, wiring and installation is a onetime cost of \$17,000.00. Monthly electric costs are estimated to be between \$2,500.00 and \$3,000.00.
6. If approved, the monthly costs would be reduced \$8,250.00. It is estimated the pumps may be necessary for up to sixteen months. The total savings would be \$132,000.00.

**Analysis
and**

Conclusion: Conversion of the existing pumps from diesel to electric would reduce the monthly cost to the City to pump the spring water by \$8,250.00. The total potential savings could be as much as \$132,000.00. Additionally, the conversion would allow removal of the portable fuel tank, eliminate any possibility of a fuel spill, and reduce the noise associated with pumping.

Policy

Reference: None

Fiscal Impact: Conversion of the pumps from diesel to electric would impact the General Fund in an amount of \$17,000, but reduce monthly operating costs by \$8,250. While staff has filed for a Project Worksheet with FEMA to cover the cost of mitigating the sulfur spring

and repair of the parking lot, there is no guarantee as to when or if the cost will be reimbursed.

Since July 1, 2004, the Council has approved the following additional General Fund budget appropriations:

Approved Carry-over Requests	\$747,700
Local Hazard Mitigation Plan	52,000
Utility Billing Software Upgrade	9,000
FEMA Consultant	100,000
Tribune News Rack Settlement	110,500
Geo Thermo Study	<u>17,300</u>
Total YTD	<u>\$1,036,500</u>

This additional appropriation would increase the total to \$1,053,500.

Options:

- a. Allocate \$17,000.00 from General Fund Reserves and authorize the City Manager to enter into contracts to convert the diesel pumps associated with the sulfur spring to electric.
- b. Amend, modify, or reject the above option.

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROVING A BUDGET APPROPRIATION TO CHANGE THE PUMPS
ASSOCIATED WITH THE SULFER SPRING CAUSED BY THE DECEMBER 22,2003,
EARTHQUAKE FROM DIESEL TO ELECTRIC

WHEREAS, the City Council of the City of El Paso Robles has determined the need to remove the flow from a sulfer spring that resulted from the December 22, 2003, earthquake until such time as a permanent method of disposal can be implemented; and

WHEREAS, the conversion of the existing diesel pumps to electric will reduce the City's monthly cost by approximatley \$8,250.00; and

WHEREAS, it will cost \$17,000.00 to make the conversion.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles to approve a one time budget appropriation in the amount of \$17,000.00 to Budget Account No. 100-820-5212-260 to cover the cost of installing electric pumps in a sulfer spring.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 15th day of March 2005 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk