

TO: Myla Kelly
FROM: Kevin B. Smith
Copy: Mike Abrahamson
Mike Suplee
DATE: December 4, 2020

SUBJECT: Manhattan HAC Compliance Schedule – Update to August 13, 2019 Memo

Myla,

Mike Suplee asked for a review and update of the August 2019 memo where we laid out a typical design and construction schedule for an infrastructure improvement project for a community such as Manhattan. Our assumptions and estimated timeline as described in that memo remain the same, for the purposes of ensuring that there is an adequate timeline for the community to meet HAC. Please see the discussion below supporting this opinion.

The community of Manhattan is actively moving forward with efforts to implement modifications to their wastewater treatment system. Mike Abrahamson from our office provided the information below that the engineering firm, TD&H, submitted this September outlining their estimated project schedule.

Proposed Implementation Schedule
Task Estimated / Completion Date

- Submit Final PER May 2020
- DNRC Grant Application June 2020
- TSEP Grant Application June 2020
- WRDA Grant Application July 2020
- SRF Funding Application July 2020
- Funding Secured May 2021
- Start Engineering Design July 2021
- Preliminary Construction Plans and Specifications Complete October 2021
- Agency Comments on Construction Plans and Specifications December 2021
- Final Construction Plans and Specifications Complete January 2022
- Advertise for Construction Bids February 2022
- Award Construction Contract April 2022

- Begin Construction May 2022
- Construction Complete October 2022
- One-Year Warranty Inspection October 2023

While TD&H's proposed implementation schedule is two years shorter than our estimate for Manhattan to complete their project, our estimated schedule is more appropriate for planning purposes to account for unknowns, such as:

- Funding. Should Manhattan not obtain the anticipated funding sources, they may need to reconsider options and reapply for funding.

The TD&H schedule assumes funding is approved and available by July 2021. Two of the funding sources, DNRC and TSEP, are contingent on approval by the State Legislature and availability of funds. This accounts for approximately \$900,000 of their proposed budget.

The WRDA Grant funds are contingent on Federal approval. We are not aware of the status of this application.

Manhattan is approved for approximately \$7 Million from the WPCSRF loan program. Should other sources of funding fail, Manhattan has the option of applying for an increase and stay on their schedule. However, this is a loan program, therefore any increase results in higher rates for the end users for repayment.

- Design Review and Approval Timeline. The timeline proposed are within statutory requirements. However, this reflects minimal design review and approval issues from the State. It is not unusual for this process to take 30 or 60 days longer than shown.
- Notice of Award / Proceed and the Contractor's start date timeline. While possible, this is optimistic. For planning, scheduling, and obtaining necessary materials to conduct the work, it has been our observations that if a project is awarded in the spring, contractors would typically be scheduled to mobilize and start work the following later summer or fall. Again, the timeline proposed is possible, but typically, when schedules are compressed, contractors take on more risk and the resulting project costs reflect that risk.
- Bid / Construction Costs. TD&H has no allowances in their proposed schedule to accommodate re-bidding the project should there be poor contractor turnout or excessively high bids due to demand.

As stated, it is our opinion that the assumptions stated in the August 2019 Memo still apply.

Please let us know if we can be of further assistance.