

**City of Pompano Beach
UTILITIES ADMINISTRATION**

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MEMORANDUM NO. 19-01

DATE: October 9, 2018

TO: Greg Harrison, City Manager

C: Brian Donovan, Assistant City Manager
Suzette Sibble, Assistant City Manager
Mark Berman, City Attorney
John Sfiropoulos, City Engineer

FROM: A. Randolph Brown, Utilities Director

SUBJECT: Emergency Purchase of Deep Well Drilling Services – Youngquist Brothers, Inc.

During the past year we have tried unsuccessfully to reline our deep well and the well had to be abandoned. This has placed us in a situation that requires this emergency contract for several reasons:

1. Without being able to run the membrane treatment plant at 100% capacity, we have been at risk of exceeding our consumptive use permit (CUP) with the South Florida Water Management District (SFWMD) in the past year. We are about to enter the dry season and we will be pushing the limits of our CUP permit once again.
2. Our finished water quality to the residents is impacted by not being able to have the proper blend of lime softening and membrane waters, since the membrane plant's production is restricted. We have had difficulty meeting regulatory compliance for color in the past months. This could also carry over to other regulatory compliance standards. Violations of standards could be subject to public notification.
3. We are discharging and paying for the disposal of the concentrate waste from the membrane plant to the sanitary sewer system instead of the well. We are being charged for about a million gallons a day for treatment at the Broward County wastewater treatment plant, at an annual cost of \$339,840. The discharge to the sanitary sewer, causes higher electrical costs and additional wear and tear on our equipment in the membrane plant. Broward County treatment costs have increased 27% for this FY.
4. Our chemical costs for lime increased by \$195,000, \$350,000 to \$545,000 this year, due to running the lime plant more.
5. Our consultant has recently provided opinions of cost for similar deep wells to clients including SFWMD. The budgetary cost estimate for a new deep well that was provided to SFWMD and others is \$7.2 million each. The market for deep wells is changing quickly. There are scheduled tariffs due to take effect in February of 2019 on Chinese steel this will significantly increase the cost.

In summary, in order to not violate our consumptive use permit with SFWMD, continue to meet regulatory compliance standards, and reduce the inordinate, continual expenditures currently being incurred, it is urgent that we enter into this contract with Youngquist Brothers, Inc. It is our consultant's opinion that there are only two companies in the State that can do this work and we just ended working with the other on the abandonment. The not to exceed price is \$6,999,995. The current Commission is familiar with our issues with the deep well. Funding is available in the Utility Reserves for this expenditure. In addition, Engineering design and permitting (\$100,000 estimated) and Construction Management Services (CMS) (\$600,000 estimated) will be required on this agenda. Our current consultant, Stantec, has all the information necessary to begin work immediately on the design and expedited permitting.