MOUNTAIN REGIONAL WATER

To: Mountain Regional Water Administrative Control Board Members

From: Sam Grenlie, District Engineer
Jessica DiCaprio, Staff Engineer

Date: November 19, 2026

Re: 2026 Capital Project Year End Update

Background

The 2026 capital improvements advanced treatment plant expansion, source development, and replacement of drinking water storage for the District. This report summarizes progress through early November and the work carrying into 2027.

Overall, the non-plant capital program has experienced cost increases concentrated in the Canyons Tank and Atkinson ASR projects. The tank construction contract is 12.9% above the original award, while Atkinson costs exceeded its original budget by 11.5%. **Together, these increases total approximately $207,000 (about 6.3% of the $3.28 million combined budget)**. Remaining construction and well equipping costs will determine whether the overall program finishes above budget.

Projects are grouped by tier based on size and complexity to ensure appropriate oversight:

- **Tier 1:** Large-scale construction projects with a total project budget equal to or greater than 5% of the District's annual operating budget. These projects receive at least three Board updates annually.
- **Tier 2:** Moderate-sized, bid construction projects with partial external management support. These projects receive an annual Board summary at a minimum.
- **Tier 3:** Internally managed system upgrades and construction. These projects receive Board updates as pertinent.

Tier 1 Projects:

Signal Hill Water Treatment Plant (SHWTP) Optimization Project

The project will replace the membrane filtration equipment, improve pretreatment and chemical facilities, and upgrade electrical and site systems. The full scope includes granular activated carbon (GAC) expansion and mechanical dewatering, supporting a firm treatment capacity target of 5.4 million gallons per day. Carollo completed final design, and all four prequalified contractors submitted bids on October 22.

Budget: Archer Western's recommended construction award is $46,973,172.72, including the additive alternate and asphalt unit-price allowance. Engineering and other owner costs are tracked separately.

The bid is approximately $3.23 million (6.4%) below the revised 90% estimate.

Schedule: Notice of Award issued October 26. Contract execution and Notice to Proceed (NTP) coordination are the next milestones**.** NTP execution starts the 2-year period to Substantial Completion.

Status: Staff is completing agreement review with Carollo and County legal counsel and coordinating state and federal funding requirements. Staff seeks Board authorization for the General Manager to execute the construction agreement.

Canyons Tank Replacement

The new 400,000-gallon tank will restore emergency storage in the White Pine Tank Zone, supply the Canyons-area customers, and equalize Gulch Well and Wagon Trail Well 2 flows. Permitting delays moved steel erection to 2027 as previously discussed. FX Construction completed the foundation and underground work in October, including additional excavation to bedrock, engineered backfill, and various water line relocations.

Budget: The original contract was $1,447,310. Approved Change Orders 1–5 total $186,119, bringing the current contract to $1,633,429, an increase of 12.9% given permitting delays and changed field conditions stemming from poor record information.

Current investment is $616,787.58 through October 31, 2026. The MRW 2027 budget is $1,700,000.

Schedule: The foundation, underground piping, and mechanical work are complete. The contract will pause over the winter, with steel tank erection deferred to 2027.

Status: Work has finished for 2026.



Concrete pour before sunrise at the Canyons Tank

Old Ranch Well No. 17

Lamb Drilling completed the approximately 1,000-foot well, development, and initial testing at 600 gallons per minute. Permanent equipping design has advanced to Utah Division of Drinking Water (DDW) plan review, and the source protection plan was submitted October 14. Staff continue to coordinate with counsel regarding potential effects on Bailey Spring.

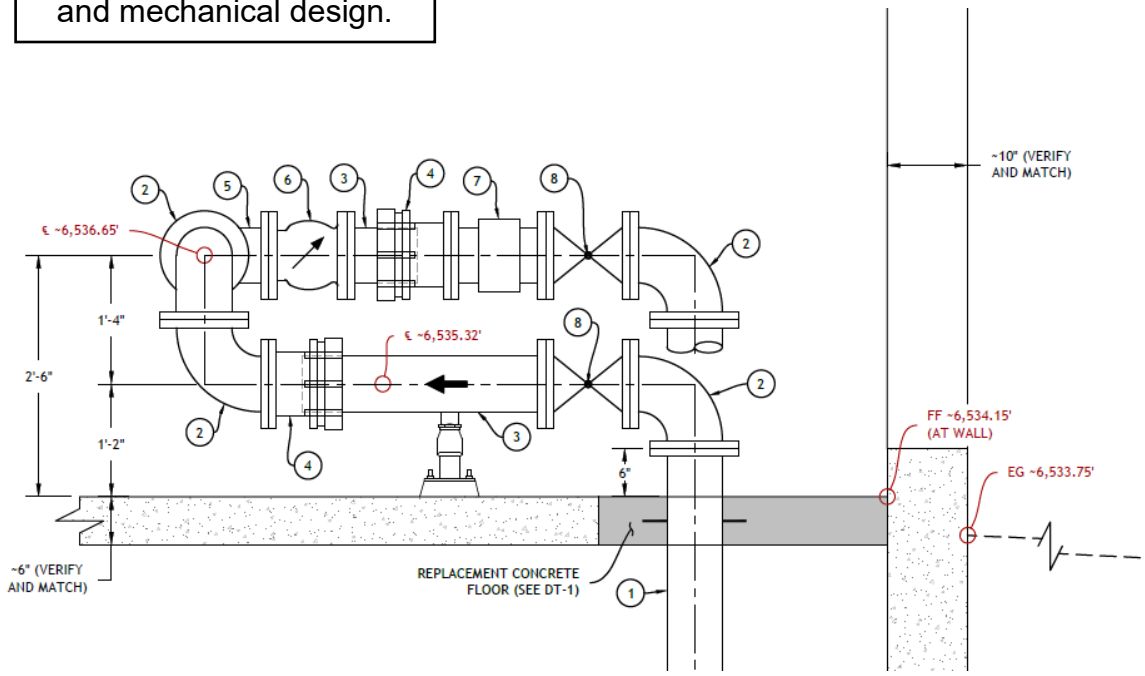
Budget: $969,821.89 has been invested through October 31, 2026.

Well drilling and initial testing are complete. Permanent equipping costs remain to be finalized, and the 2027 budget is $1,291,500.

Schedule: Permanent equipping and service are targeted for the 2027 irrigation season.

Status: Well drilling and testing are complete. Plan approval and equipping procurement will take place over the winter.

Finalized well equipping and mechanical design.



Tier 2 Projects:

No Tier 2 Projects in 2026.

Tier 3 Projects:

Lake Well Rehabilitation and Blackhawk Well 2R

Lake Well Rehabilitation is currently underway and includes pulling the pump and motor, brushing the well, and completing a downhole video inspection. Staff evaluated the existing SCADA system and variable-frequency drive and elected to retain them, with a spare drive available in inventory.

Blackhawk Well 2R's motor control panel was replaced in 2026 to improve electrical reliability. Evaluation of the existing SCADA system determined that replacement was unnecessary.

Budget: The combined budget is $109,000. There is no Lake Well investment posted through October 31, 2026. Blackhawk Well 2R investment totals $14,335 through the same date.

Schedule: Lake Well rehabilitation is targeted for completion by the end of 2026.

Status: Lake Well has been brushed and is awaiting installation of the new pump.



Atkinson Well 2 Aquifer Storage and Recovery (ASR)

The well was rehabilitated and retrofitted for a three-year aquifer storage and recovery pilot. Work included sediment removal, pump replacement, a dedicated sounder tube, a 220-foot injection line, and mechanical modifications completed by District crews. The pilot will evaluate storage of treated surface water during low-demand periods for later recovery.

Budget: Total investment through October 31, 2026, is $205,164.04, exceeding the original budget of $183,969 by $21,195.04 (11.5%).

Additional well rehabilitation and sediment removal increased the work required. Finance is processing a budget adjustment for the overage for 2027.

Schedule: Begin pilot recharge during a low-demand period after final regulatory approval.

Status: Mechanical improvements are complete. The Underground Injection Control permit is in place; final Division of Water Rights approval remains pending.