



To: Mountain Regional Water Administrative Control Board Members

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

Date: August 20, 2026

Re: 2026 Capital Project Mid-Year Update

Background

This report provides a mid-year update on Mountain Regional Water Special Service District's (MRW or the District) 2026 capital projects. The 2026 program is centered on three major construction projects—the Signal Hill Water Treatment Plant Optimization, Canyons Tank Replacement, and Old Ranch Well No. 17—along with internally managed well improvements. Together, these projects advance source development and system resilience.

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 quarterly Board updates at a minimum.
- **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.

The projects included in this report fall within Tiers 1 and 3. The following updates summarize current scope, budgets, schedules, and completed work through July 2026:

Tier 1 Projects:

Signal Hill Water Treatment Plant (SHWTP) Optimization Project

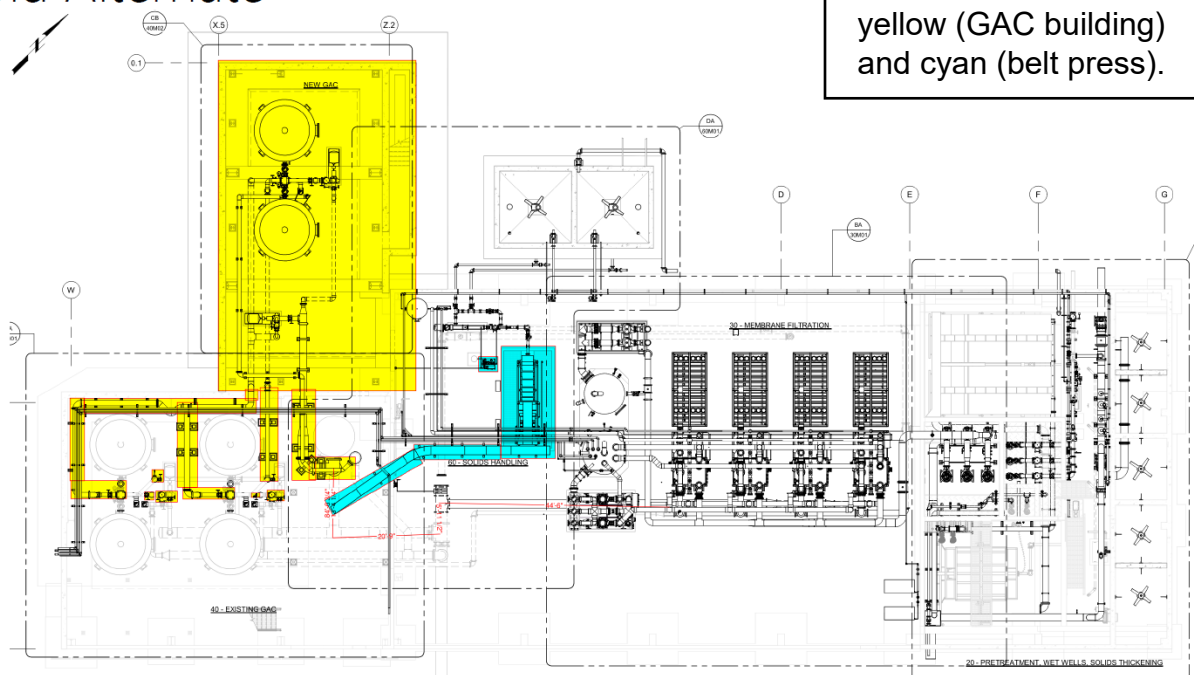
Since the July 27 special Board meeting, the project has continued toward the 100% design milestone. Consistent with Board direction, the GAC expansion and mechanical dewatering improvements will be included as an additive bid alternate, preserving multiple options after construction bids are received. Staff is also coordinating with the Summit County Council regarding potential additional funding.

Budget: Current 90% construction estimate is approximately \$50.2 million, including a \$42.9 million base bid and \$7.3 million additive bid alternate.

Schedule: 100% design is anticipated in late August, with bid opening in mid-October and contract award anticipated in late November 2026.

Status: Contractor prequalification, electrical equipment pre-purchase, final design, and construction management scope development are underway.

Bid Alternate



Canyons Tank Replacement

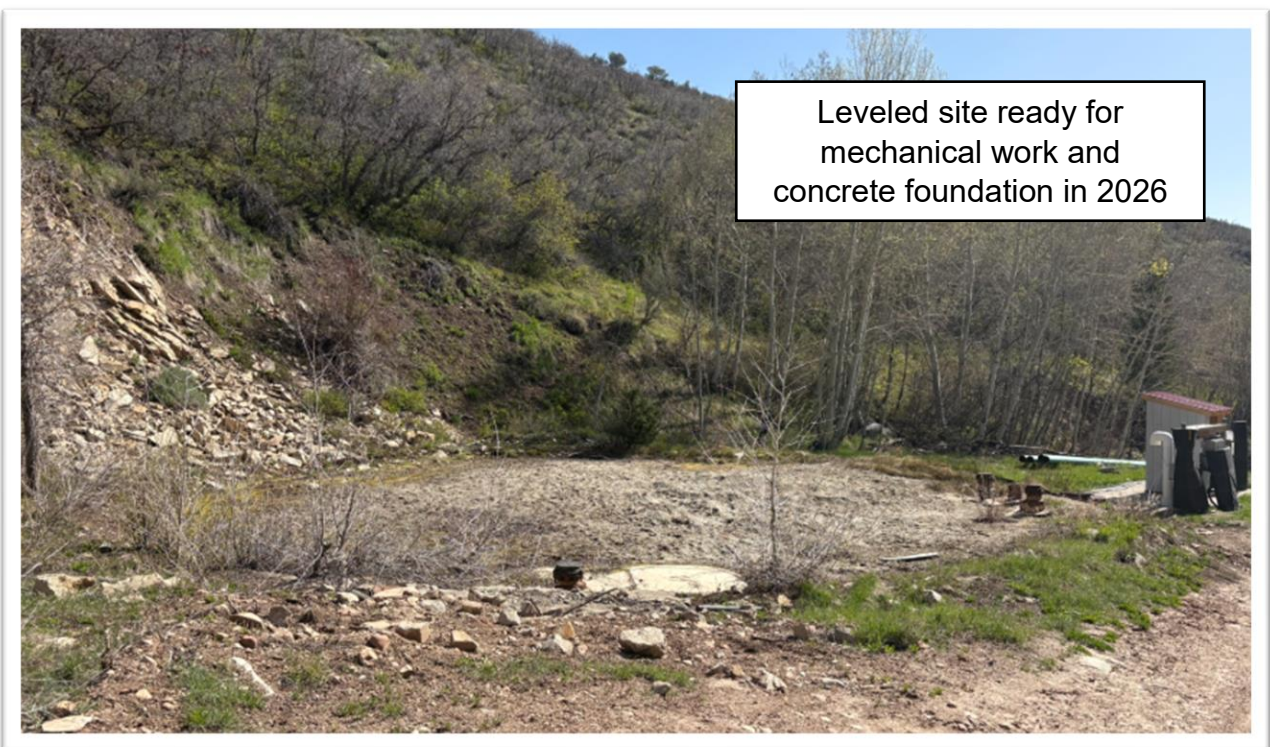
The project will replace the deteriorated steel tank in Willow Draw with a new 400,000-gallon tank that will supplement the White Pine Tank Zone while also serving as the source/suction tank for the Canyons-area lodges. The replacement is needed to restore storage capacity and reduce the risk of failure at this critical site. The project will also allow the District to utilize two small groundwater sources in Willow Draw: Gulch Well and Wagon Trail Well 2.

Following the January 2026 building permit submittal by MRW's contractor, FX Construction, Summit County required a separate Low Impact Permit and variances for the tank height and side setback. The variance process was not completed until late July, resulting in an approximately 175-day permitting delay and eliminating the planned 2026 steel erection window. The required variances were approved July 27, followed by approval of the Low Impact Permit.

Budget: \$1,447,310 original construction contract. Additional costs are anticipated for revised 2027 steel tank installation pricing.

Schedule: Foundation, underground piping, and mechanical work in 2026. The contract will pause over the winter, with steel tank erection deferred to 2027.

Status: Staff is finalizing the building permit and coordinating the revised schedule with FX Construction and GBI, the steel tank subcontractor.



Old Ranch Well No. 17

Construction of Old Ranch Well No. 17 began in March 2026 and is now substantially complete. Lamb Drilling advanced the borehole to approximately 1,000 feet to capture the Twin Creek Limestone formation. The well includes 10-inch production casing extending to approximately 980 feet below ground surface (BGS). Approximately 300 feet of louvered well screen was installed in multiple intervals between 570 and 970 feet BGS.

Following completion of drilling, casing, screening, and well development, a 24-hour constant-rate test was completed July 21–22 at 600 gallons per minute (gpm). MRW was alerted to a potential effect on the nearby Bailey Spring in Quarry Mountain, which stopped flowing during the test. The well will remain offline for the remainder of the summer while equipping design moves forward. MRW will collect additional groundwater-level data and review any spring-flow data provided by Quarry Mountain HOA.

Budget: \$1,423,000 project budget, including the \$767,810 Lamb Drilling construction contract. Additional monitoring, hydrogeologic, and legal costs are being evaluated.

Schedule: The well is targeted to be placed into service for the 2027 irrigation season.

Status: Well construction, development, and initial pump testing are complete. Permanent equipping design is being finalized.



Tier 2 Projects:

No Tier 2 Projects in 2026.

Tier 3 Projects:

Lake Well Rehabilitation

Work planned for October 2026 includes pulling the pump and motor, brushing and bailing the well, and completing a downhole video inspection.

The existing SCADA system and variable-frequency drive were evaluated as part of project planning. Based on their current condition, staff elected not to replace either system at this time. The existing VFD will remain in service, with a spare unit available in inventory if needed. This approach avoids unnecessary equipment replacement and reduces short-term capital costs.

Budget: \$108,750, internal MRW estimate.

Schedule: Well rehabilitation planned for October 2026.

Status: Rehabilitation is being scheduled.

Blackhawk Well 2R

The motor control panel at Blackhawk Well 2R was replaced in 2026 to improve electrical reliability. The existing SCADA system was evaluated, and staff determined that an upgrade was not required.

Budget: Project costs were covered within the \$108,750 combined Lake Well Rehabilitation and Blackhawk Well 2R budget shown above.

Schedule: Completed in 2026.

Status: Complete.

Atkinson Well 2 Aquifer Storage and Recovery (ASR)

Atkinson Well 2 is being retrofitted to support a three-year aquifer storage and recovery pilot. Rehabilitation of the well included removal of approximately 100 feet of accumulated pea-gravel sediment from the bottom of the well using air-lift methods, removal of the existing injection piping, and installation of a replacement pump and downhole equipment.

Nickerson installed the new pump, dedicated sounder tube, and 220-foot injection line. District staff completed the remaining mechanical modifications in-house to allow treated surface water to be injected into the well during low-demand months.

The District has received the required Underground Injection Control permit from the Division of Water Quality and verbal concurrence from the Division of Drinking Water on the design. Final approval from the Division of Water Rights remains outstanding. The reviewing engineer indicated that he was finalizing his analysis and advancing a recommendation to the State Engineer.

Budget: \$150,000 MRW internal estimate. Current project costs total approximately \$158,000, primarily due to the additional well rehabilitation and sediment-removal work required before the new equipment could be installed.

Schedule: Pilot recharge is targeted to begin following the 2026 irrigation season, subject to final Division of Water Rights approval.

Status: Well rehabilitation, pump replacement, injection piping, sounder tube installation, and in-house mechanical modifications are complete. The project is awaiting final regulatory approval.



Mechanical piping with modifications to inject treated surface water into the well.