

City of Blaine
Request for Council Action
Meeting Date: August 08, 2022

Subject: Ordinance 22-2984, Amending 2022 Capital Improvement Plan (CIP)

Department: Finance/Public Works

Prepared By: _____
(Digital Signature)

Agenda Location: Consent Agenda Council Action Unfinished Business

Action Needed: City Council adopt Ordinance 22-2984 revising the 2022 Capital Improvement Plan

Attachments:

1. Draft Ordinance 22-2984
 2. Revised 2022-2027 Water CIP
 3. Force Majeure Notice for Chlorine by the vendor.
-

Background/Summary:

New Chlorine System (SU-9):

Public Works has been notified by the Jones Chemicals Inc. in June 2022 that one of the major raw material suppliers has declared systemwide force majeure for chlorine gas due to unanticipated failures of critical processing equipment. This supply-demand problem between producers and vendors made the City susceptible to lose chlorine gas supply. Public Works has been working with the consultants to design new chlorine system where we produce chlorine gas on-site and use it to treat Blaine’s drinking water. The supply-demand imbalance triggered the need to accelerate the project and move to bid and construction to the current year.

Public Works is requesting council to reallocate funds from 2022 CIP Water Tank Coating (ST-2) and 2022 CIP Harvey Tank Coating Replacement (ST-2) to the 2022 CIP New Chlorine System (SU-9) Project.

Well 4, 4.1 & 6 Rehabilitation and 220 Pressure Zone Upgrades:

The new developments in Blaine (both ongoing and proposed) have indicated the increasing trend in water demand. Public Works is working to update the Water Comprehensive Plan to address the water system improvements in the future and re-evaluated the City’s water system to identify ways to meet the demand. We are working with the consultants to rehabilitate existing wells and upgrade 220 pressure zone, to improve the water capacity and water reliability for the citizens of Blaine.

Public Works is requesting council to reallocate funds from 2022 CIP Water Line Replacement Project (which has same amount of money allocated in 2023 budget as well) to Well #4, #4.1 & #6 Rehabilitation Project and Pressure Zones Upgrade Project.

Budget Implications: Current Budget New Budget Request Non-Budgetary

There are existing funds allocated to the projects in current budget for 2022. Public Works is requesting to move funds to new projects which have been identified as critical for water capacity improvement and water system reliability.

Recommendation: Waive the second reading

Staff recommends that the City Council waive the second reading and adopt Ordinance 22-2984 to amend the 2022 Water Capital Improvement Plan.

Reviewed By:

City Manager _____ Finance Director _____ City Clerk _____
(Digital Signature) (Digital Signature) (Digital Signature)

ORDINANCE NO. 22-2984

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON,
AMENDING THE 2022 BUDGET AND CAPITAL FUND IMPROVEMENT PLAN**

WHEREAS, the 2022 Budget was passed and accepted by the City Council on November 22, 2022; and,

WHEREAS, the Capital Improvement Plan is part of the approved 2022 Budget; and,

WHEREAS, was amendment on June 27, 2022, Ordinance 22-2983; and,

WHEREAS, these City funds have sufficient revenues to cover the expenditures.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON, DOES
ORDAIN AND AMENDS THE 2022 BUDGET AS FOLLOWS:**

SECTION 1: The Water Capital Improvement plan will be amended to reallocate funds from 2022 CIP Water Tank Coating (ST-2) and 2022 CIP Harvey Tank Coating Replacement (ST-2) to the 2022 CIP New Chlorine System (SU-9) Project and to reallocate funds from 2022 CIP Water Line Replacement to Well #4, #4.1 & #6 Rehabilitation Project and Pressure Zones Upgrade Project.

SECTION 2: Should any section, clause or provision of this Ordinance be declared by the courts to be invalid or unconstitutional, the same shall not affect the validity of the Ordinance as a whole, or any part thereof, other than the part of the Ordinance declared to be invalid.

SECTION 3: This Ordinance shall take effect and be in force from and after its passage by the City Council and approval by the Mayor, if approved, otherwise, as provided by law and five days after the date of posting for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON on the 8th day of August, 2022, and approved by the Mayor on the same day.

CITY OF BLAINE, WASHINGTON

MARY LOU STEWARD, Mayor

ATTEST:

SAMUEL CRAWFORD, City Clerk



June 16, 2022

Dear Customer,

Last year we advised you of the serious shortage of ECU (Chlorine /Caustic Soda) supply in the United States due to producer plant shutdowns, both temporary and permanent. This continues to be in the case in 2022.

The attached letter from a major supplier of product, Westlake Chemical, is their notice sent to us declaring Force Majeure.

Due to their action, JCI has no choice but to also declare Force Majeure, effective immediately.

Though product remains on allocation, and is now under Force Majeure status, we do not anticipate an interruption in supply to our customers. We will continue to do everything in our power to secure supply of raw materials for our customers.

Please know that we, like you, are ill-effected by this continuing supply-demand problem with the producers. Unfortunately, producer operations are completely beyond our control.

We appreciate your business and your understanding.

Sincerely,

A handwritten signature in black ink, appearing to read 'RCJ', is written over a white background.

Ryan C. Jones
President, Chief Operating Officer
JCI Jones Chemicals Inc.

RC/sm



June 1, 2022

PLEASE SIGN AND RETURN BY 6/24/2022
TO AVOID POSSIBLE SHIPMENT DELAYS

City of Blaine
344 H. Street
Blaine, WA 98230

Dear Customer:

Raw material cost increases were recently issued by the Producers of chlorine. It is necessary for us to pass those increases on to our customers.

Effective **July 1, 2022** your CHLORINE price must increase to **\$470/cylinder.**

All other terms & conditions will remain the same (Deposit and Fuel Surcharge).

Please know that while we do everything in our power to keep increases to a minimum, we have no control over Producer operations or raw material cost increases.

Please also note that supply remains tight- we will do our best to maintain service of your full requirements.

Thank you for your cooperation and understanding.

Sincerely,

JCI Jones Chemicals, Inc

1919 Marine View Drive
Tacoma, WA98422

Please sign below and return via email to tacoma@jcichem.com or return via fax to (253) 274-0733.

Accepted by: _____ Date: _____