

FOR IMMEDIATE RELEASE

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CITY WATER TREATMENT PLANT UPDATE

After extensive research and meetings with project engineers, contractors, and financial staff, Newport City Manager, Jim Voetberg has concluded that the water treatment plant project, as originally scoped, will exceed its budget as a result of changing costs and factors unknown at the time the Water Master Plan was developed. Voetberg is reconvening the Water Task Force on Thursday, October 14, to address these issues. City staff is working with the engineers and contractors to address all aspects of the project including reviewing cost savings.

In 2008, Newport voters passed a \$15.9 million bond issue to finance a new water treatment plant based on the Water Master Plan costs. Last week, it was reported that after receiving bids for construction, total project costs would exceed the budgeted amount by \$3 million. Through the investigation, it was determined that since 2008, many unknown factors contributed to the increased cost of construction including additional building space requirements, the inability to utilize the existing water treatment plant, soil stabilization difficulties, site problems, and wetland issues, among others.

Voetberg announced today that he has reinstated Public Works Director, Lee Ritzman. Last week, Voetberg placed Ritzman on paid administrative leave when it became known that the city's water treatment plant project would exceed its budget by \$3 million. Voetberg stated that he needed a short period of time independent of the Public Works Director to more fully understand the issues. Voetberg expects Ritzman to return to work on October 13, and assume a strong leadership role in the Public Works Department. He expressed confidence in Ritzman's ability to oversee the water treatment plant project and the Public Works Department.

Voetberg plans to update the City Council on the status of the plant at its regular meeting of October 18. He stated that he, "is increasing his oversight of the project, and will work closely with Ritzman."

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