

FOR IMMEDIATE RELEASE

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CITY WATER TREATMENT PLANT UPDATE

Last night, Newport City Manager Jim Voetberg reported to the City Council that “he was informed mid last week that the guaranteed maximum price #2 for the water treatment plant appears to have overrun the budget by three million dollars.” He added that “the Public Works Department is looking at the cost breakdown and reducing the scope of work, but in all likelihood, the project will exceed the budget by two and a half to three million dollars unless there is a change in the scope of work.” He noted that “his first priority is solving the problem, and the Finance Department is looking at financing options to develop a solution.” Voetberg plans to have recommendations at the November 1, 2010 City Council meeting.

Voetberg also reported that “the second issue is to determine how we got to this point and deal with it.” Voetberg inherited the water treatment plant project, which began in 2008, when he came to the city in June of 2009. The project had been discussed and defined by a task force, city staff and engineers, and ground was broken earlier this year.

Voetberg has also placed the Public Works Director on administrative leave while an investigation into the cost overrun is conducted. Voetberg stated that “the magnitude of this cost overrun, and the timing of recognizing the overrun are not acceptable.”

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