



MISSISSIPPI
WATERSHED
MANAGEMENT
ORGANIZATION

Request for Board Action

Attachment 6.1

Agenda Item: 5% Contingency Increase on Remaining Projects in the Upper Harbor REOA

Presenter: D. Kalmon

Meeting Date: 10 March 2026

Flexibility: Yes No

Estimated Time: Consent Agenda 10 Min. 15 Min. 30 Min. 45 Min. 1 Hour

Action Request: Information/Review Motion to approve Budget Change Other

Board Action: Approved Denied Tabled Accepted Report Other

Date of Action: 10 March 2026

Background

The current Upper Harbor Reciprocal Easement and Operating Agreement (REOA) was approved on 2/1/23. The REOA established a 10% contingency on the 13 capital projects that are a part of the Upper Harbor District System. Change order requests beyond 10% require Board approval for final payment.

The REOA's contingency was set aside to cover unexpected costs that arise after work begins. This is intended to cover things we can't fully predict during estimating. It's meant to accommodate items like:

- Hidden conditions (poor soil, unknown utilities)
- Design or scope changes (owner requests, code-required changes, plan corrections)
- Unforeseen site issues (weather delays, access constraints, extra excavation)

In short, contingency is a financial buffer that lets projects keep moving without constant reapprovals and construction delays, even in the face of surprises.

Staff reviewed contingency expenses on the following 4 projects under construction during the past 2 years (2024 -2026).

- MPRB Parcel 2 exceeded its contingency by 47%
- Southern Regional Treatment exceeded its contingency by 30%
- Northern Common Reuse (Used contingency but did not exceed the 10%)
- Parkway Phase 1 (Used contingency but did not exceed the 10%)

The following specific site conditions were identified after work started, and resulted in an exceedance of contingency:

- removal of remanent RR spurs
- dewatering and testing of polluted groundwater
- undetected clay soil lenses that require design and installation modifications from infiltration to filtration practices
- the testing, adding, and removal of soils
- redesign and repairs due to geology, soil conditions, vandalism

To avoid future project delays due to these newly discovered site conditions and costs, staff are requesting an increase in contingency from 10% up to 15% for each of the remaining individual projects listed in the REOA. This excludes the completed City Phase 1 Parkway and MPRB Parcel 2 Mass Grading and Shoreline projects.

The total increase in potential contingency expenditures across the 11 remaining projects would be \$580,853.00.

Mississippi Watershed Management Organization

RESOLUTION 2026-008

A RESOLUTION APPROVING AN INCREASE IN CONTINGENCY FROM 10% UP TO 15% FOR EACH OF THE REMAINING INDIVIDUAL PROJECTS LISTED IN THE UPPER HARBOR RECIPROCAL EASEMENT AND OPERATING AGREEMENT

WHEREAS, MWMO's 10-year Plan establishes a goal to protect and improve the Mississippi River by implementing stormwater management practices in highly urban settings that enhance habitat structure and ecosystem function; and

WHEREAS, The Upper Harbor District System treats stormwater runoff from the 50-acre site before it discharges into the Mississippi River; and

WHEREAS, The Upper Harbor Reciprocal Easement and Operating Agreement (REOA) established a 10% contingency for each of the 13 District System's capital project Phases; and

WHEREAS, The first two years of constructing the District System's projects revealed multiple site conditions and costs that could not have been predicted during estimating; and

WHEREAS, MWMO staff are requesting to add these known conditions and costs to each of the 11 remaining District System Phases which exclude the City Phase 1 Parkway and MPRB Parcel 2 Mass Grading and Shoreline; and

WHEREAS, Staff recommends the Board of Commissioners approve an increase in contingency from the existing 10% up to 15% for each of the 11 remaining individual District System Phases listed in The Upper Harbor Reciprocal Easement and Operating Agreement.

NOW THEREFORE BE IT RESOLVED, the MWMO Board of Commissioners approves the increase in contingency from the existing 10% up to 15% for each of the 11 remaining individual District System Phases listed in The Upper Harbor Reciprocal Easement and Operating Agreement and authorizes MWMO staff to take all necessary administrative actions to implement the resolution.

Adopted this on the 10th day of March, 2026.

Review for the Board: _____

Connie Buesgens, Chair

Review for Administration: _____

Kevin Reich, Executive Director