

Mayor and Council Communication

DATE: 01/13/26

M&C FILE NUMBER: M&C 26-0009

LOG NAME: 60WSSRLANCASTERP2A1-FNI

SUBJECT

(CD 11) Authorize Execution of Amendment No. 1 in the Amount of \$179,833.00 to an Engineering Agreement with Freese and Nichols Inc. for the Cast Iron Water Main and Sanitary Sewer Replacement in Lancaster Avenue Part 2 Project and Adopt Appropriation Ordinance to Effect a Portion of Water's Contribution to the Fiscal Years 2026-2030 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of Amendment No. 1 in the amount of \$179,833.00, to City Secretary Contract No. 63963, an engineering agreement with Freese and Nichols Inc. for the Cast Iron Water Main and Sanitary Sewer Replacement in Lancaster Avenue Part 2 project for a revised contract amount of \$1,560,639.00; and
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water and Sewer Capital Projects Fund in the amount of \$179,833.00, transferred from available PayGo funds within the Water and Sewer Fund, for the purpose of funding the Lancaster Avenue Water and Sanitary Sewer Replacements Part 2 project (City Project No. 106071) and to effect a portion of Water's contribution to the Fiscal Years 2026-2030 Capital Improvement Program.

DISCUSSION:

On August 12, 2025 Mayor and Council Communication (M&C) 25-0734, the City Council authorized an engineering agreement in the amount of \$1,380,806.00 with Freese and Nichols Inc. (City Secretary Contract No. 63963) for the Cast Iron Water Main and Sanitary Sewer Replacement in Lancaster Avenue Part 2 project.

Amendment No. 1 will provide for the preparation of additional plans, specifications and easement preparation for cast iron water main and sanitary sewer replacements on the following streets:

Street	From	To	Scope of Work
Craig Street	Stark Street	Putnam Street	Water/ Sewer
Tackett Court	Stark Street	Cravens Road	Water
Meaders Avenue	Tackett Court	Craig Street	Water
Rich Street	Craig Street	Mel Street	Water, Sewer
Mel Street	E Lancaster Avenue	Rich Street	Water
Cravens/E Loop 820	E Lancaster Avenue	Rich Street	Water

It is the practice of the Water Department to appropriate its Capital Improvement Program (CIP) plan throughout the Fiscal Year (FY), instead of within the annual budget ordinance, as projects commence, additional funding needs are identified, and to comply with bond covenants.

Funding is budgeted in the Transfer to Water/Sewer account of the Water and Sewer operating budget for the purpose of funding the Lancaster Avenue Water Main and Sanitary Sewer Replacement Part 2 project.

FY2026 – Water PAYGO Appropriations per City Ordinance 27979-09-2025

FY2026 Original Adopted PayGo	FY2026 Amended PayGo (includes any council actions subsequent to budget adoption)	YTD PayGo Approved for/Moved to Capital Projects	This M&C	FY2026 Remaining PayGo Balance
\$101,090,082.00	\$101,090,082.00	(\$23,578,678.00)	(\$179,833.00)	\$77,331,571.00

Note: There may be other pending actions or recently approved actions that are not reflected in the table due to timing.

Appropriations for Lancaster Ave Water/Sanitary Sewer Replacement project are as depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Projects - Fund 56002	\$1,750,605.00	\$179,833.00	\$1,930,438.00
Project Total	\$1,750,605.00	\$179,833.00	\$1,930,438.00

*Numbers rounded for presentation purposes.

This project is located in COUNCIL DISTRICT 11.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Water & Sewer Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the W&S Capital Projects Fund for the Lancaster Ave W/SS Repl Part 2 project to support the execution of the amendment. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Jesica McEachern 5804

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: Parvathi Sreekumaran Unnithan 7803