

# Mayor and Council Communication

DATE: 06/28/22

M&amp;C FILE NUMBER: M&amp;C 22-0482

LOG NAME: 60MYH2O SCRAPPED METERS PROCEEDS

**SUBJECT**

(ALL) Adopt the Attached Appropriation Ordinance in an Amount Up to \$1,200,000.00 for the Proceeds Related to the Sale of Scrapped Water Meters and Amend the Fiscal Year 2022 Adopted Budget

**RECOMMENDATION:**

It is recommended that City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water & Sewer Fund, in the amount of up to \$1,200,000.00, from available funds, for the purpose of transferring to the Water and Sewer Capital Projects Fund; and
2. Amend the Fiscal Year 2022 Adopted Budget.

**DISCUSSION:**

On May 17, 2016, Mayor and Council Communication (M&C) C-27726, the City Council authorized a contract with Aqua Metric Sales Company, a registered d/b/a of Thirkettle Corporation (Aqua Metric), in the amount of \$11,783,697.00 to implement planning and initial implementation of the MyH2O Program. On May 15, 2018, M&C C-28695, the City Council authorized an amendment to City Secretary Contract (CSC) No. 48301 in the amount of \$58,057,734.00 with Aqua Metric for the full City-wide deployment of advanced metering infrastructure for a revised contract amount of \$69,841,431.00. On June 22, 2021, M&C 21-0466, the City Council authorized an amendment in the amount of \$3,639,531.00 to CSC No. 48301 for a total revised contract amount of \$73,480,962.00.

This contract included the sale of scrap material that has been recognized by AquaMetric as a credit in their invoices. On January 11, 2022, M&C 22-0043 appropriated the proceeds of the sale of scrap directly into the capital project. This M&C will allow the city to properly recognize the proceeds of the sale of scrap meter into the operating fund to allow the funds to be formally transferred to the capital project. The amount of the contract (\$73,480,962.00) will not change and no additional funding is needed. The estimated amount of scrap meters proceeds is \$1,200,000.00.

The action in this M&C will amend the Fiscal Year 2022 Adopted Budget as approved in connection with Ordinance 25073-09-2021, Section 4. Enterprise Funds, as listed on page 18:

Fund / Department Budget Category	FY2022 Adopted Budget	Authority	Budget Adjustment	Revised FY2022 Budget
Water and Sewer Fund				
Revenues				
License and Permits	\$ 1,345,700.00			\$ 1,345,700.00
Charges for Services	\$ 459,626,060.00			\$ 459,626,060.00
Use of Money and Property	\$ 1,166,503.00			\$ 1,166,503.00
Other Revenue	\$ 9,885,000.00			\$ 9,885,000.00
Sale of Capital Asset	\$ 80,000.00	M&C 22-0043	\$ 493,028.00	\$ 573,028.00
Salvage Sales	\$ 25,000.00	This M&C	\$ 1,200,000.00	\$ 1,225,000.00
Transfer from Water Impact	\$ 11,500,000.00			\$ 11,500,000.00
Transfer from Sewer Impact	\$ 5,000,000.00			\$ 5,000,000.00
Transfer from Environ Protection Fund	\$ 452,726.00			\$ 452,726.00
Transfer from Stormwater Utility Fund	\$ 1,182,816.00			\$ 1,182,816.00
Transfer from Solid Waste Fund	\$ 1,318,236.00			\$ 1,318,236.00
COI Proceeds - Refunding Portion		M&C 22-0260	\$ 950,000.00	\$ 950,000.00
<b>Total Revenues</b>	<b>\$ 491,582,041.00</b>		<b>\$ 2,643,028.00</b>	<b>\$ 494,225,069.00</b>
Expenditures				
Water	\$ 181,248,103.00			\$ 181,248,103.00
Reclaimed Water Department	\$ 108,421.00			\$ 108,421.00
Wastewater Department	\$ 100,646,434.00			\$ 100,646,434.00
Transfer to Water Capital Fund	\$ 5,121,000.00	M&C 22-0043	\$ 493,028.00	\$ 5,614,028.00
Transfer to General Fund for Public Art	\$ 480,712.00			\$ 480,712.00

Transfer to General Fund for Position Expenses	\$	78,953.00		\$	78,953.00
Transfer to General Fund for Energy Savings Program	\$	27,116.00		\$	27,116.00
Transfer to Capital Fund	\$	120,000.00		\$	120,000.00
Transfer to Water/Sewer Capital Fund	\$	77,625,532.00	This M&C	\$	1,200,000.00
Payment in Lieu of Taxes	\$	5,355,686.00		\$	5,355,686.00
Street Rental	\$	23,549,018.00		\$	23,549,018.00
Transfer to Water Debt Funds	\$	97,221,066.00		\$	97,221,066.00
COI Proceeds			M&C 22-0260	\$	950,000.00
<b>Total Expenditures</b>	<b>\$</b>	<b>491,582,041.00</b>		<b>\$</b>	<b>2,643,028.00</b>
				<b>\$</b>	<b>494,225,069.00</b>

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the Water and Sewer Fund to be transferred to the Water & Sewer Capital Projects for the AMI - Advanced Metering Infrastructure project. The Water Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City. 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:** Dana Burghdoff 8018

**Originating Business Unit Head:** Chris Harder 5020

**Additional Information Contact:** Norma Naylor 2748