

# Mayor and Council Communication

DATE: 02/10/26

M&amp;C FILE NUMBER: M&amp;C 26-0111

LOG NAME: 602024SSMHRBCACR1FUNDING

**SUBJECT**

(ALL) Adopt Appropriation Ordinance in the Amount of \$900,000.00 to Fund First Renewal of 2024 Miscellaneous Sanitary Sewer Manhole Repair Contract with BCAC Underground LLC, and 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 adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water and Sewer Capital Projects Fund in the amount of \$900,000.00, transferred from available PayGo funds within the Water and Sewer Fund, for the purpose of funding the first renewal of the 2024 Miscellaneous Sanitary Sewer Manhole Repair Contract (City Project No. 105359, City Secretary Contract No. 62454) and to effect a portion of Water's contribution to the Fiscal Years 2026-2030 Capital Improvement Program.

**DISCUSSION:**

On August 13, 2024, Mayor and Council Communication (M&C) 24-0674, the City Council authorized a contract in the amount of \$900,000.00 with BCAC Underground, LLC (City Secretary Contract No. 62454) for the 2024 Miscellaneous Sanitary Sewer Manhole Repair Contract with the option of three renewals. M&C 24-0674 also provided for an additional \$150,000.00 for project management and inspection.

The City and the Contractor desire to exercise the first renewal of the contract in the amount of \$750,000.00 and an additional \$150,000.00 for project management and inspection.

The work to be performed under this contract consists of sanitary sewer manhole repairs and the installation of interior epoxy manhole coatings as identified by the Water Department's Wastewater Field Operations staff. The Water Department is neither staffed nor equipped to perform sanitary sewer manhole interior epoxy coating. This contract is necessary to extend the useful life of deteriorated sanitary sewer manholes in the wastewater system in lieu of replacing them with new manholes.

This project will have no impact on the Water Department's operating budget when complete. It is the practice of the Water Department to appropriate its Capital Improvement Plan (CIP) program 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 currently available in the Transfer to Water/Sewer account of the Water and Sewer Fund for the purpose of funding the 2024 Miscellaneous Sanitary Sewer Manhole Repair Contract 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	(\$26,164,777.00)	(\$900,000.00)	\$74,025,305.00

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

Appropriations for the 2024 Miscellaneous Sanitary Sewer Manhole Repair Contract project are as depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Projects Fund 56002	\$900,000.00	\$900,000.00	\$1,800,000.00
<b>Project Total</b>	<b>\$900,000.00</b>	<b>\$900,000.00</b>	<b>\$1,800,000.00</b>

\*Numbers rounded for presentation purposes.

The project is located in ALL COUNCIL DISTRICTS.

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 funds are currently available in the Water & Sewer Fund and upon approval of the above recommendation and adoption of the attached appropriation ordinance, funds will be available in the W&S Capital Projects Fund for the 2024 Misc SS Manhole Repr Contr project to support the contract renewal. Prior to any expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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

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

**Additional Information Contact:** David Munoz 2629