

Mayor and Council Communication

DATE: 01/13/26

M&C FILE NUMBER: M&C 26-0017

LOG NAME: 60WMMAINREPL2022R2-CIRCLEC

SUBJECT

(ALL) Adopt Appropriation Ordinance in the Amount of \$1,300,000.00 to Fund the Second Renewal of Water Main Replacements Contract 2022, with William J. Schultz, Inc. dba Circle C Construction Company 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 Fund in the amount of \$1,300,000.00, transferred from available PayGo funds within the Water and Sewer Fund, for the purpose of funding the Second Renewal of the Miscellaneous Water Main Replacements Contract 2022 (City Project No. 104265) and effect a portion of Water's contribution to the Fiscal Years 2026-2030 Capital Improvement Program.

DISCUSSION:

On February 14, 2023, Mayor and Council Communication (M&C) 23-0130, the City Council authorized execution of a contract in the amount of \$1,000,000.00, for the Water Main Replacements Contract 2022 (City Secretary Contract No. 59064) and provided for the option of two renewals. M&C 23-0130 also provided for an additional \$300,000.00 for project management, land acquisition, material testing and inspection.

Funding for the first renewal of the contract was authorized on December 10, 2024 (M&C 24-1138) in the amount of \$1,000,000.00 with an additional \$300,000.00 for project management, land acquisition, material testing, and inspection. The City and the contractor desire to exercise the second renewal of the contract in the amount of \$1,000,000.00 and an additional \$300,000.00 for project management, land acquisition, material testing, and inspection.

The work to be performed under this contract consists of extending, replacing and/or relocating water mains, service lines, and other pertinent construction required to replace existing water mains or as required to provide water service to individual customer or developers. While funding for this project comes from the Water and Sewer Capital Projects Fund, the Water Department issues work orders to the contractor after payment of applicable estimated costs by the customer and/or developer.

It is the practice of the Water Department to appropriate its Capital Improvement 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 available in the Transfer to Water/Sewer account of the Water and Sewer operating budget for the purpose of funding the Water Main Replacements Contract 2022.

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	(\$24,864,777.00)	(\$1,300,000.00)	\$74,925,305.00

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

Appropriations for Water Main Replacements Contract 2022 for various locations throughout the City are depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Project - Fund 56002	\$2,600,000.00	\$1,300,000.00	\$3,900,000.00
Project Total	\$2,600,000.00	\$1,300,000.00	\$3,900,000.00

*Numbers rounded for presentation purposes.

This project is located in ALL COUNCIL DISTRICTS.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Water and 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 Misc 2022 Water Main Repl project. Prior to any expenditures 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: Scott Lafferty 8213