

Mayor and Council Communication

DATE: 03/10/26

M&C FILE NUMBER: M&C 26-0176

LOG NAME: 60M199CRWP1WFBFUNDING2

SUBJECT

(CD 7) Adopt Appropriation Ordinance in the Amount of \$700,000.00 for Increased Project Costs for the M-199 C-R Sanitary Sewer Parallel Interceptor Project 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 adjusting estimate receipts and appropriations in the Water & Sewer Revenue Bonds Series 2021 Fund by increasing estimated receipts and appropriations in the M-199C Parallel Sanitary Sewer Interceptor project (City Project No. 100836) in the amount of \$700,000.00, and decreasing estimated receipts and appropriations in the Unspecified All-Funds project (City Project No. UNSPEC) by the same amount, to effect a portion of Water’s contribution to the Fiscal Years 2026-2030 Capital Improvement Program.

DISCUSSION:

On November 7, 2017, Mayor and Council Communication (M&C) C-28461, the City Council authorized an engineering agreement in the amount of \$525,000.00 with RJN Group, Inc. (City Secretary Contract No. 50005) and an additional \$75,000.00 for related expenses for a project total of \$600,000.00 for the M-199 C-R Sanitary Sewer Parallel Interceptor project. The contract was subsequently revised by Amendment 1 in the amount of \$157,325.00, M&C C-29070, authorized March 19, 2019, that provided for route analysis, closed circuit television in section and manhole inspection and an additional \$50,000.00 for project management costs, and Amendment 2 in the amount \$287,175.00, authorized by M&C 23-0655 on August 8, 2023, that provided for structural engineering, special shoring, additional geotechnical investigation, additional design survey, additional easement preparation and additional permitting and an additional \$90,000.00 for project related costs.

On June 25, 2024, the City Council adopted an appropriation ordinance, M&C 24-0604, for increased project costs of \$600,000.00 for real property acquisition to compensate property owners from whom easements must be obtained for construction of the project.

The \$700,000.00 appropriation requested in this M&C will provide for additional real property acquisition costs to compensate property owners from whom easements must be obtained for construction of the project.

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) 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 currently available in the Unspecified All-Funds project within the Water & Sewer Revenue Bonds Series 2021 for the Water Department for the purpose of funding the M-199 C-R Sanitary Sewer Parallel Interceptor project.

Appropriations for the M-199 C-R Sanitary Sewer Parallel Interceptor project are as depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Projects – Fund 56002	\$584,500.00	\$0.00	\$584,500.00
W&S Capital Proj 2018 – Fund 56014	\$597,500.00	\$0.00	\$597,500.00
Water & Sewer Bond 2020A – Fund 56017	\$600,000.00	\$0.00	\$600,000.00
W&S Rev Bonds Series 2021 – Fund 56019	\$0.00	\$700,000.00	\$700,000.00
Project Total	\$1,782,000.00	\$700,000.00	\$2,482,000.00

*Numbers rounded for presentation purposes.

The project is located in COUNCIL DISTRICT 7.

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

