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## CITY COUNCIL CONSENT ITEM

### CITY OF FAIR OAKS RANCH, TEXAS

June 16, 2022

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AGENDA TOPIC: Approval of the second reading of an Ordinance Adopting Fiscal Year 2021-22 Budget Amendment for the Wastewater Treatment Plant Sludge Dewatering Project

DATE: June 16, 2022

DEPARTMENT: Finance

PRESENTED BY: Consent Agenda – Clayton Hoelscher, Procurement Manager

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#### **INTRODUCTION/BACKGROUND:**

The purpose of this agenda item is to bring forward for consideration and possible action to adopt a budget amendment for Fiscal Year 2021-22. This represents the second reading of the proposed ordinance adopting the budget amendment as discussed below.

The City initially budgeted \$920,210 from the Wastewater Capital Fund (25-504-102) for this project this fiscal year, inclusive of construction and engineering services. The budget was reduced to \$868,279 to cover the cost of the WWTP Feasibility Study (separate contract). After accounting for design and bid phase expenditures, the current balance is \$780,775. A breakdown of the funds required is shown below:

• Construction Agreement	\$1,041,276.66
• 5% Contingency	\$52,063.83
• Engineering Services (Malone/Wheeler)	\$34,797.93
• Engineering Support (GEC)	\$4,360.00
• Total	\$1,132,498.42

This project was originally considered to be funded by American Rescue Plan funds. Accordingly, additional funds in the amount of \$351,725 can be used to cover the cost of this construction agreement, 5% contingency and projected engineering costs.

The Construction Agreement and first reading of the Ordinance were approved at the June 2, 2022 Council meeting.

#### **POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

The ordinance provides for a total increase of \$351,725 for the FY 2021-22 Adopted Budget. The project supports the City's Strategic Action Plan items for Responsible Growth Management and Reliable and Sustainable Infrastructure and eliminates approximately \$300,000 - \$350,000 in annual wet sludge hauling costs, representing a return of investment of under 4 years.

#### **LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

This ordinance increases the fund balance to the SAP Fund for appropriation to the project as shown in **Exhibit A**.

**LEGAL ANALYSIS:**

Ordinance approved as to form.

**RECOMMENDATION/PROPOSED MOTION:**

Consent Agenda - I move to approve the second reading of the proposed Budget Amendment Ordinance.