

ORDINANCE NO. 128, 2025
OF THE COUNCIL OF THE CITY OF FORT COLLINS
MAKING SUPPLEMENTAL APPROPRIATIONS AND
APPROPRIATING PRIOR YEAR RESERVES IN THE WATER
UTILITY FUND FOR THE LEMAY WATER LINE REPLACEMENT
PROJECT AND TO SUPPLEMENT THE 2025 WATER MAIN
OPERATING BUDGET AND RELATED ART IN PUBLIC PLACES

A. The City owns and operates a Water Utility, which includes a water main in Lemay Avenue between Harmony Road and Harbor Walk Drive ("Lemay Water Line"). The Lemay Water Line Replacement Project ("Project") resulted from an unexpected infrastructure failure.

B. The Lemay Water Line conveys treated water to Water Utility customers. From April through mid-June 2025, the Lemay Water Line has suffered seven unanticipated and continuous water leaks resulting in a cost to the Water Utility in the amount of \$200,000 to respond to these leaks. Each leak required the closure of Lemay Avenue for 18-24 hours, negatively impacting neighboring residents and motorists.

C. The Lemay Water Line, constructed in 1977, is comprised of 2,800 linear feet of 20-inch ductile iron pipe that is corroding and needs to be replaced with new polyvinyl chloride (PVC) pipe. Total Project costs for the design and construction of the replacement, including appropriate contingency, is estimated at \$3,200,000.

D. This appropriation benefits the public health, safety, and welfare of the residents of Fort Collins and serves the public purpose of: delivering treated water to customers of the Water Utility and Fort Collins residents; ensuring that such water delivery is done in an efficient manner for the benefit of the Water Utility's ratepayers; and ensuring that such delivery is done pursuant to all applicable water quality regulations and permits so as to protect the health, safety, and welfare of Fort Collins and its residents.

E. Article V, Section 9 of the City Charter permits the City Council, upon the recommendation of the City Manager, to make supplemental appropriations by ordinance at any time during the fiscal year from such revenues and funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated.

F. The City Manager has recommended the appropriation described herein and determined that the funds to be appropriated are available and previously unappropriated from the Water Fund and that this appropriation will not cause the total amount appropriated in the Water Fund to exceed the current estimate of actual and anticipated revenues and all other funds to be received in this Fund during this fiscal year.

G. Article V, Section 10 of the City Charter authorizes the City Council, upon recommendation by the City Manager, to transfer by ordinance any unexpended and unencumbered appropriated amount or portion thereof from one fund or capital project to

another fund or capital project, provided that the purpose for which the transferred funds are to be expended remains unchanged, the purpose for which the funds were initially appropriated no longer exists, or the proposed transfer is from a fund or capital project in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance.

H. The City Manager has recommended the transfer of \$200,000 from the Water Fund operating budget to the Water Fund water main repairs operating budget and determined that the purpose for which the transferred funds are to be expended remains unchanged.

I. This Project involves construction estimated to cost more than \$250,000 and, as such, City Code Section 23-304 requires one percent of these appropriations to be transferred to the Cultural Services and Facilities Fund for a contribution to the Art in Public Places program ("APP Program").

J. The total Project cost of \$3,200,000 has been used to calculate the contribution to the APP Program.

K. The amount to be contributed in this Ordinance to the APP Program will be \$32,000.

L. In accordance with Article V, Section 10 of the City Charter, the appropriation for the Project from the Water Fund and the transfer of a portion of those unexpended and unencumbered appropriated funds to the APP Program as provided in City Code Section 23-304(a) will be used for Water Fund purposes and improvements in connection with the Project that provide a betterment to the Utility or provide a specific utility purpose that is beneficial to the Utility's ratepayer.

M. Article V, Section 11 of the City Charter authorizes the City Council to designate in the ordinance when appropriating funds for a capital, that such appropriation shall not lapse at the end of the fiscal year in which the appropriation is made, but continue until the completion of the capital project.

N. The City Council wishes to designate the appropriation herein for the Lemay Water Line Replacement capital project and/or federal, state or private grant or donation as an appropriation that shall not lapse until the completion of the Project.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. There is hereby appropriated from prior year reserves in the Water Fund the sum of THREE MILLION TWO HUNDRED THOUSAND DOLLARS (\$3,200,000) to be expended in the Water Fund for the Lemay Water Line Replacement Project.

Section 2. The unexpended and unencumbered appropriated amount of TWO HUNDRED THOUSAND DOLLARS (\$200,000) is authorized for transfer from the Water Fund Operating Budget to the Water Fund Water Line Replacement Operating Budget and appropriated therein to be expended for the Lemay Water Line Replacement Project.

Section 3. The unexpended and unencumbered appropriated amount of TWENTY-FOUR THOUSAND NINE HUNDRED SIXTY DOLLARS (\$24,960) in the Water Fund is hereby authorized for transfer to the Water Fund APP Artwork Budget and appropriated and expended therein to fund art projects under the APP Program.

Section 4. The unexpended and unencumbered appropriated amount of SEVEN THOUSAND FORTY DOLLARS (\$7,040) in the Water Fund is hereby authorized for transfer to the Cultural Services and Facilities Fund and appropriated and expended therein for the operation and maintenance costs of the APP Program.

Introduced, considered favorably on first reading on August 19, 2025, and approved on second reading for final passage on September 2, 2025.

Mayor

ATTEST:

City Clerk

Effective Date: September 12, 2025

Approving Attorney: Eric Potyondy

Exhibit: None