



TO: FRUITA CITY COUNCIL AND MAYOR

FROM: MARGARET SELL, FINANCE DIRECTOR/CITY CLERK

DATE: DECEMBER 7, 2021

AGENDA TEXT: RESOLUTION 2021-37 – A request to approve a resolution amending the 2021 Budget and transferring funds from the Sewer Fund Contingency account for electrical repairs to the Wastewater Treatment facility

BACKGROUND

This budget amendment transfers the remaining \$17,300 from the Sewer Fund Contingency Account to the Wastewater Treatment program for repair and maintenance of electrical equipment and utility costs in excess of amounts budgeted.

Upon completion of preventative maintenance to the high power distribution 480-volt electrical equipment, two pieces of equipment were found to be in need of repair/replacement. The breaker contact resistance on the B & C phases did not meet specifications and needs to be replaced, and the automated transfer switch, whose purpose is to transfer power between the main line and generator power, did not function properly and also needs replaced. In addition, utility costs are expected to be in excess of amounts budgeted for lift stations and the wastewater treatment facility and the remaining contingency funds will be used to offset the increased costs.

FISCAL IMPACT

- The Sewer Fund contingency account was originally budgeted at \$72,800. Contingency funds have been transferred for non-potable pump repairs (\$7,500), variable frequency drives at the I-70 lift station (\$48,000), and the remaining \$17,300 for electrical equipment repairs and utility costs. With this resolution, all contingency funds in the Sewer Fund will be spent with less than one month remaining in the budget year.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

This contingency transfer assists with providing wastewater collection and treatment services, a core service provided by the City.

OPTIONS AVAILABLE TO THE COUNCIL

- Approve the budget amendment as presented or with amendments
- Take no action and postpone replacement until the 2022 budget cycle.

RECOMMENDATION

It is the recommendation of staff that the Council by motion:

**ADOPT RESOLUTION 2021-37 AMENDING THE 2021 BUDGET AND TRANSFERRING
\$17,300 FUNDS FROM THE SEWER FUND CONTINGENCY ACCOUNTS FOR ELECTRICAL
REPAIRS AND UTILITY COSTS**