



FRUITA

COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: MARGARET SELL, CITY CLERK/FINANCE DIRECTOR

DATE: NOVEMBER 2, 2021

RE: RESOLUTION 2021-31 – PUBLIC HEARING - APPROVING AN AMENDMENT TO THE 2021 ANNUAL BUDGET WITH A SUPPLEMENTAL APPROPRIATION OF FUNDS FOR THE SH 6 EMERGENCY SEWER LINE REPLACEMENT PROJECT

BACKGROUND

The City experienced an overflow of the SH 6 sewer line due to a collapsed 8” concrete sewer line along SH 6. An emergency temporary by-pass has been installed along SH 6 from Peach to Mulberry to carry wastewater flows around the collapsed line. Additional investigation shows that there are multiple collapses in the top of the concrete sewer line resulting in rocks inside the pipe throughout the sewer line along SH 6 from Grand Avenue to Mesa Street.

There are challenges in determining the best alignment for the new sewer line. The existing line is located under the SH 6 sidewalk/trail in a number of locations. Options include 1) replacement of the line with its current alignment which involves removing and replacing the existing sidewalk along with working in a busy utility corridor, 2) re-alignment of the sewer line putting it behind the sidewalk which may require additional easements and possible soil issues, and 3) realignment of the sewer line within the paved area of SH 6 which would require permission from CDOT. Once the best solution is determined, the Engineering Department will design and go out to bid for replacement of the sewer line on an expedited basis.

Rough estimates for replacement of the sewer line range from \$800,000 to \$1,000,000 and depend on alignment, contractor availability and availability/cost of supplies (manholes, pipe, etc.).

Resolution 2021-31 appropriates \$842,300 in additional funds from various sources in the Sewer Fund for these emergency repairs. The remaining \$157,700 includes funds already appropriated for the postponed 2021 H2S mitigation project that will be transferred to this project.

FISCAL IMPACT

This budget amendment has a significant fiscal impact of \$800,000 to \$1,000,000. There is approximately \$432,700 in additional revenues and reallocated expenses and the remaining \$567,300 will result in a reduction of the unrestricted fund balance of \$3.0 million at 12/31/2020 to \$2.4 million at 12/31/2021. City staff is currently re-evaluating the DRAFT 2022 Annual Budget to determine if modifications are needed to offset some of the reduction in unrestricted funds.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The provision of wastewater collection and treatment is an essential core service of the City. This capital improvement project is necessary to ensure continuation of essential services and provide for the health and safety of the community.

OPTIONS AVAILABLE TO COUNCIL

- Approve the budget amendment as presented or with amendments
- Take no action

RECOMMENDATION

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

**ADOPT RESOLUTION 2021-31 AMENDING THE 2021 BUDGET TO APPROPRIATE
ADDITIONAL FUNDS IN THE SEWER FUND FROM THE SOURCES NOTED FOR
EMERGENCY SH 6 SEWER LINE REPAIRS**