

# AGENDA ITEM SUMMARY

August 18, 2015

City Council

---

## STAFF

Jon Haukaas, Water Engr Field Operations Mgr  
Phil Ladd, Utilities Customer Accounts Supervisor  
Carol Webb, Water Resources/Treatmnt Opns Mgr

---

## SUBJECT

Second Reading of Ordinance No. 085, 2015, Authorizing the Transfer of Previously Appropriated Funds in the Wastewater Fund from the Collection System Replacement Project to the Water Reclamation Replacement Project.

---

## EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on July 21, 2015, transfers \$350,000 in the Wastewater Fund from the Collection System Replacement Project to the Water Reclamation Replacement Project. This transfer would be used for unanticipated equipment replacement at the Drake Water Reclamation Facility.

---

## STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

---

## ATTACHMENTS

1. First Reading Agenda Item Summary, July 21, 2015 (w/o attachments) (PDF)
2. Ordinance No. 085, 2015 (PDF)

## AGENDA ITEM SUMMARY

July 21, 2015

City Council

---

### STAFF

Jon Haukaas, Water Engr Field Operations Mgr  
Phil Ladd, Utilities Customer Accounts Supervisor  
Carol Webb, Water Resources/Treatmnt Opns Mgr

---

### SUBJECT

First Reading of Ordinance No. 085, 2015, Authorizing the Transfer of Previously Appropriated Funds in the Wastewater Fund from the Collection System Replacement Project to the Water Reclamation Replacement Project.

---

### EXECUTIVE SUMMARY

The purpose of this item is to transfer \$350,000 in the Wastewater Fund from the Collection System Replacement Project to the Water Reclamation Replacement Project. This transfer would be used for unanticipated equipment replacement at the Drake Water Reclamation Facility.

---

### STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

---

### BACKGROUND / DISCUSSION

The original funding request for the Water Reclamation Replacement Project for equipment replacements at the Drake Water Reclamation Facility has been found to be inadequate to cover all immediate needs. As Utilities has instituted the use of trenchless technologies on more and more projects, "per project" costs have been reduced, resulting in a surplus in the Collection System Replacement Project over what had been expected to be needed for such replacements. The anticipated shortfall in the Water Reclamation Replacement Project is approximately \$350,000 and will be used for such items as Odor Control Fans and miscellaneous pumps.

Utilities' 2015 program under the Collection System Replacement Project has a mix of traditional excavation replacement projects and trenchless projects totaling approximately \$1.6M, which is less than the budgeted \$2.5M. The transfer of funds from the Collection System Replacement Project to the Water Reclamation Replacement Project will not impact Utilities' ability to deliver on the asset replacement plan.

All revenues of a specific utility must remain within the respective utility's fund and may be expended only for improvements and services to be beneficial to the ratepayers of that utility. This transfer of funds between projects within the Wastewater Fund ensures that the uses of these collected revenues remain compatible with their original purpose.

Approval of the proposed ordinance will allow for the implementation of these projects and continuation of Utilities' asset replacement programs.

---

### CITY FINANCIAL IMPACTS

The Collection System Replacement Project budget is at approximately \$2.5M and current replacement plans

only total \$1.6M in 2015. The proposed transfer of \$350,000 will not adversely affect the Collection System Replacement Project. Sufficient funds exist to provide for both needs.

All revenues of a specific utility must remain within the respective utility's fund and may be expended only for improvements and services to be beneficial to the ratepayers of that utility. This transfer of funds between projects within the Wastewater Enterprise Fund ensures that the uses of these collected revenues remain compatible with their original purpose.

Wastewater Enterprise funds will continue to be spent in alignment with the Wastewater Enterprise requirements and projects approved through the BFO process.

**BOARD / COMMISSION RECOMMENDATION**

---

The specifics of this transfer proposal were discussed with the Water Board at its June 4 work session and approved at the June 18, 2015 regular meeting.

**ATTACHMENTS**

---

1. Water Board minutes (draft), June 18, 2015 (PDF)

COPY

ORDINANCE NO. 085, 2015  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AUTHORIZING THE TRANSFER OF PREVIOUSLY APPROPRIATED FUNDS IN THE  
WASTEWATER FUND FROM THE COLLECTION SYSTEM REPLACEMENT PROJECT  
TO THE WATER RECLAMATION REPLACEMENT PROJECT

WHEREAS, the original funding request for the Water Reclamation Replacement Project for equipment replacements at the Drake Water Reclamation Facility has been found to be inadequate to cover all immediate needs, including unanticipated equipment replacement; and

WHEREAS, as Utilities has instituted the use of trenchless technologies on more and more collection system replacement projects, “per project” costs have been reduced resulting in a surplus in the Collection System Replacement Project over what had expected to need for such replacements; and

WHEREAS, this Ordinance transfers \$350,000 in the Wastewater Fund from the Collection System Replacement Project to the Water Reclamation Replacement Project; and

WHEREAS, the specifics of this transfer were discussed with the Water Board at its June 4, 2015, work session and the Water Board voted to recommend Council approval at the June 18, 2015 regular meeting; and

WHEREAS, this Ordinance does not appropriate any new funding; and

WHEREAS, these funds will continue to be used for capital improvements to the City’s wastewater system, consistent with the purpose of the original appropriation; and

WHEREAS, Article V, Section 10, of the City Charter authorizes the City Council to transfer by ordinance any unexpended and unencumbered appropriated amount or portion thereof from one fund (project) to another fund (project), provided that the purpose for which the transferred funds are to be expended remains unchanged.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that the unexpended and unencumbered appropriated amount of THREE HUNDRED AND FIFTY THOUSAND DOLLARS (\$350,000) is hereby authorized for transfer in the Wastewater Fund from the Collection System Replacement Project to the Water Reclamation Replacement Project.

Introduced, considered favorably on first reading, and ordered published this 21st day of July, A.D. 2015, and to be presented for final passage on the 18th day of August, A.D. 2015.

---

Mayor

ATTEST:

---

Chief Deputy City Clerk

Passed and adopted on final reading on the 18th day of August, A.D. 2015.

---

Mayor

ATTEST:

---

City Clerk