

Council Agenda Report

Date: February 27, 2017
Prepared by: Ginger Heatwole
Submitted by: Sandra Tripp-Jones
SUBJECT: Appropriation of Sewer reserves

Recommendation: That Council appropriate \$156,250 of Reserves into the Sewer Fund Revenue and \$156,250 to the Sewer Fund budget.

Discussion:

In November 2016, a utility company caused a rupture in a sewer line at the intersection of Rt. 50 and Woods Rd which resulted in a large sinkhole. The associated cost to make the necessary repairs was \$156,250 which was not budgeted. We are recommending these expenses be paid from the Sewer Fund reserves.

Public Works has filed an insurance claim with LGIT. While we have limited coverage on underground pipes, we will only recover a portion of these costs. LGIT is reviewing the claim to determine if they will pursue reimbursement of our costs from the utility company which caused the rupture. Unfortunately, this could take several years. In the meantime, the city needs to pay the contractor for their services, therefore resulting in the utilization of the Sewer Fund reserves.

Fiscal Impact: Sewer Reserves will be used to cover the costs of the repair.

Approved: 