



MEMORANDUM

To: Mayor and Members of the City Council

From: Richard Hicks, Interim City Manager

Date: May 6, 2022

Subj: Consideration – Approval of Budget Amendment to Cover Increased Costs for Sludge Disposal at the Wastewater Treatment Plant

BACKGROUND:

The City has seen a significant increase in the cost to dispose of sludge at the Wastewater Treatment Plant, which has resulted in a significant over expenditure in the budget line item. The biggest reason for the increase was initiating a new contract that involved composting of the sludge, as opposed to land application, as we did in the past. Listed below is a summary of the contractors that we have used and the cost per firm over the past three years.

FY 19/20	JBS Contracted Services	\$100,035	
FY 20/21	JBS Contracted Services	56,250	
	Atlantic Sewage Control	35,938	1 st Invoice Sept. 20
	Synagro Central, LLC	553,972	1 st Invoice Feb. 21
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		\$646,160	
FY 21/22	Synagro Central, LLC	557,903	
	Atlantic Sewage Control	219,117	1 st Invoice Dec. 2021
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		\$777,020	

Even without the Synagro contract, we are still seeing a significant increase in sludge disposal costs. Staff is trying to determine the reasons for the increase in volume.

ANALYSIS:

The proposed budget increase for sludge disposal will cover the additional costs that have been incurred for FY 21/22.

STAFF RECOMMENDATION

By motion, approve the attached Water and Sewer Fund budget amendment to modify the original Budget Ordinance as approved by City Council on June 30, 2021.



BUDGET AMENDMENT

BE IT ORDAINED by the City Council of the City of Elizabeth City that the following amendment be made to the annual budget ordinance for fiscal year ending June 30, 2022:

Section 1: That the Water and Sewer Fund Public Utilities Wastewater Treatment Contracted Services Account (31-8200-4500) be Increased by \$350,000.

That the Water and Sewer Fund Public Utilities Wastewater Treatment Capital Outlay Account (31-8200-7300) be decreased by \$350,000.

Section 2: This budget transfer is to cover the significant increase in sludge disposal costs at the Wastewater Treatment Plant.

ADOPTED, this the 9th day of May, 2022.

Bettie J. Parker
Mayor

ATTEST:

April Onley, NCCMC
City Clerk