

Mayor and Council Communication

DATE: 03/26/24

M&C FILE NUMBER: M&C 24-0256

LOG NAME: 60FWCCWSSR-KHA

SUBJECT

(CD 2 and CD 9) Authorize Execution of an Engineering Agreement with Kimley-Horn Associates, Inc., in the Amount of \$2,448,100.00 for Fort Worth Central City Water and Sanitary Sewer Relocations, Adopt Resolution Expressing Official Intent to Reimburse Expenditures and Proceeds of Future Debt and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2024-2028 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of an engineering agreement with Kimley-Horn Associates, Inc., in the amount of \$2,448,100.00 for the Fort Worth Central City Water and Sanitary Sewer Relocations (City Project No. 104484);
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt and/or annual payments from the Tarrant Regional Water District for the Fort Worth Central City Water & Sewer Relocations project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in Fort Worth Central City Water and Sanitary Sewer Relocations, (City Project No. 104484) in the amount of \$3,181,450.00 and decreasing appropriations in the W&S Commercial Paper project (City Project No. UCMLPR) by the same amount, to effect a portion of Water’s contribution to the Fiscal Years 2024-2028 Capital Improvement Program.

DISCUSSION:

With the receipt of Federal funding, the United States Army Corps of Engineers (USACE) is in the process of finalizing plans for the construction of the north and south bypass channels for the Fort Worth Central City flood control project. It is necessary to relocate the conflicting existing public water and/or sanitary sewer mains as indicated on the following streets or easements:

| STREET | FROM | TO | SCOPE OF WORK | COUNCIL DISTRICT |
|--|---------------------------------------|---|---------------|------------------|
| N. University Drive | White Settlement Road | Jacksboro Highway | Water/Sewer | CD 2/CD 9 |
| Easement north of West Fork Trinity River | Jacksboro Highway | Fort Worth Western Railroad right-of-way | Sewer | CD 2 |
| Easement east of Henderson Street | North Bank of West Fort Trinity River | Southeasterly 1,700 feet, then easterly 850 feet, then Southeasterly 1,125 feet | Sewer | CD 9 |
| Easement south of south bank of Clear Fork Trinity River | 350 feet north of Henderson Street | Southwesterly 2,650 feet then Westerly 250 feet then Southwesterly 1325 feet | Water/Sewer | CD 9 |

The proposed scope of services consists of final design and advertise Part 13 Bypass Channel Segment D; Conceptual, preliminary, University Drive, bid phase services for Part 5; 13, construction phase services for Part 14 Bypass Channel Segment C; right-of-way/ easement services, design survey, subsurface utility exploration, permitting and program management for the Panther Island Development.

Staff will request City Council approval for additional phases via future amendments to this agreement as work progress on the Fort Worth Central City Water and Sanitary Sewer Relocations project.

Kimley-Horn and Associates, Inc., proposes to provide the negotiated services for a fee in the amount of \$2,448,100.00. Staff considers the fee to be fair and reasonable for the scope of services proposed.

In addition to the contract amount \$733,350.00 (Water: \$175,830.00; Sewer: \$557,520.00) is required for project management, utility coordination, real property acquisition and material testing.

This project will have no impact on the Water Department's operating budget when complete.

This project is anticipated to be repaid from a series of annual reimbursements from the Tarrant Regional Water District (TRWD) as part of the Fort Worth Central City Water & Sewer Relocations project. In the event any bond-eligible costs are not fully reimbursed by TRWD, those costs would be anticipated to be included in a future revenue bond issue for the Water & Sewer Fund. Available cash within the Water and Sewer portfolio and the City's portfolio along with the appropriation authority authorized under the Callable Commercial Paper Program (CP) will be used to provide interim financing for this project until the debt is issued. Once payment is received from TRWD and/or debt associated with the unreimbursed portions of this project is sold, those funds will be used to reimburse the Water and Sewer portfolio and the City's portfolio in accordance with the attached reimbursement resolution. Under federal law, debt must be issued within approximately three years in order for these expenses to be reimbursable. Adoption of the attached resolution does not obligate the City to sell bonds but preserves the ability of the City to reimburse itself from tax-exempt bond proceeds.

It is the practice of the Water Department to appropriate its CIP plan throughout the Fiscal Year, instead of within the annual budget ordinance, as projects commence, additional funding needs are identified, and to comply with bond covenants. The actions in the M&C will appropriate funds in support of the Water's portion of the City of Fort Worth's Fiscal Years 2024-2028 Capital Improvement Program, as follows:

Funding for the Fort Worth Central City Water and Sanitary Sewer Relocations is depicted below:

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| Capital Fund Name | Project Name | FY2024 CIP Appropriations | Authority | Budget Change (Increase/Decrease) | Revised FY2024 Budget |
|-----------------------------------|---|---------------------------|-----------|-----------------------------------|-----------------------|
| W&S Commercial Paper – Fund 56022 | 104484 - FWCC Water & Sewer Relocations | \$0.00 | This M&C | \$3,181,450.00 | \$3,181,450.00 |

Funding for the FWCC Water & Sewer Relocations Project is depicted below:

| Fund | Existing Appropriations | Additional Appropriations | Project Total* |
|-----------------------------------|-------------------------|---------------------------|------------------------|
| W&S Commercial Paper – Fund 56022 | \$35,830,946.00 | \$3,181,450.00 | \$39,012,396.00 |
| Project Total | \$35,830,946.00 | \$3,181,450.00 | \$39,012,396.00 |

***Numbers rounded for presentation purposes**

Funding is budgeted in the W&S Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the Fort Worth Central City Water and Sanitary Sewer Relocations project.

Out of the \$2,448,100.00 amount, \$2,029,780.00 (Water: \$407,945.00; Sewer \$1,621,835.00) is considered Trinity River Vision (TRV)-related work, which is eligible for funding from Tax Increment Reinvestment Zone No. 9 (TRVA TIF) pursuant to the TRVA Project Plan. Having met its \$26.6 million commitment to the TRV Project, the City will be reimbursed the amount of \$2,029,780.00 by the Tarrant Regional Water District (TRWD), in accordance with the provisions of the executed Interlocal Agreement between the City and the TRWD (City Secretary Contract No. 43425, as amended). Staff will record a receivable every month for reimbursable expenses and the FWCC Program Manager in the FW Lab Department will be responsible for collecting the full reimbursement from TRWD at the end of each fiscal year.

Business Equity: Kimley-Horn and Associates, Inc., is in compliance with the City's M/WBE Ordinance by committing to 10 percent M/WBE participation on this project. The City's M/WBE goal on this project is 10 percent.

This project is located in COUNCIL DISTRICTS 2 and 9

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Commercial Paper project within the W&S Commercial Paper Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the W&S Commercial Paper Fund, for the FWCC Water & Sewer Relocations project. Prior to an expenditure being incurred, the Water Department have the responsibility of verifying the availability of funds.

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