

# Mayor and Council Communication

DATE: 09/21/21

M&C FILE NUMBER: M&C 21-0727

LOG NAME: 60VCWRF EMERFMEDIAREPLACE FUNDING

## **SUBJECT**

(CD 5) Adopt the Attached Appropriation Ordinance in the Amount of \$581,100.00 for Project Costs for the Emergency Sewer Work and Engineering Design for the Removal and Replacement of the Filter Media at the Village Creek Water Reclamation Facility, and Adopt the Attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund in the amount of \$581,100.00 by increasing appropriations in the Emergency Filter Media Replacement at the Village Creek Water Reclamation Facility project (City Project No. 103617) and decreasing appropriations in the Unspecified project (City Project No. UNSPEC) by the same amount; and
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Emergency Filter Media Replacement at the Village Creek Water Reclamation Facility.

## **DISCUSSION:**

Additional funding is necessary for the following emergency sewer work and engineering design that was conducted for the Filter Media Replacement at the Village Creek Water Reclamation Facility (VCWRF).

The winter storm that occurred the week of February 15<sup>th</sup> damaged solids handling equipment resulting in a solids process upset event at the Village Creek Water Reclamation Facility. One treatment process that was significantly impacted was the traveling bridge effluent filters. During the event, unusually high concentrations of solids from the final clarifiers flowed into the traveling bridge filters, rendering them inoperable. It was determined that the best way to restore the operation of the traveling bridge effluent filters was to completely remove the existing media that was inundated by solids with new media installed in the filter boxes.

To address the emergency situation, Eagle Contracting L.P., was engaged to work on repairing the mains (City Secretary Contract No. 55600) in the amount of \$561,100.00 and Carolo Engineers, Inc. was engaged to provide the necessary design (City Secretary Contract No 56020) in the amount of \$20,000.00.

Construction is underway, however, due to supply scarcities created by COVID-19, the contractor has been unable to continuously procure materials to complete the replacement of the media in the filter boxes. This Mayor and Council Communication (M&C) will appropriate the funds for this emergency project until the work can be completed, the actual costs reconciled and the project closed out.

This project is anticipated to be included in a future revenue bond issue for the Water and 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 debt is issued. Once debt associated with this project is sold, bond proceeds 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.

Funding for the Emergency Filter Media Replacement at the VCWRF project, are as depicted below.

Fund	Existing Appropriations	Additional Appropriations	Project Total
W&S Commercial Paper Fund - 56020	\$0.00	\$581,100.00	\$581,100.00
Project Total	\$0.00	\$581,100.00	\$581,100.00

This action will have no effect on the Water Department's operating budget when complete.

The project is located in COUNCIL DISTRICT 5.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the Unspecified All Funds 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 VC Filter Median Replace Costs project to support the above recommendations. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

**Submitted for City Manager's Office by:** Dana Burghdoff 8018

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