

Mayor and Council Communication

DATE: 09/28/21

M&C FILE NUMBER: M&C 21-0768

LOG NAME: 60VCWRFPIIIIELECTRICAL-GUPTA

SUBJECT

(CD 5) Authorize Execution of an Engineering Agreement with Gupta and Associates, Inc. in the amount of \$1,198,900.00 for the Design of Phase III Electrical Improvements at the Village Creek Water Reclamation Facility, Adopt Attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt and Adopt Attached Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of an engineering agreement with Gupta and Associates, Inc., in the amount of \$1,198,900.00 for the Design of Phase III Electrical Improvements at the Village Creek Water Reclamation Facility;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds of future debt for Village Creek Water Reclamation Facility Phase III Electrical Improvements (City Project No. 103323); and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water and sewer Commercial Paper Fund by increasing appropriations in the amount of \$1,375,650.00 in the Village Creek Water Reclamation Facility Phase III Electrical Improvements project (City Project No. 103323) and decreasing appropriations in the Unspecified project (City Project No. UNSPEC) by the same amount.

DISCUSSION:

The Village Creek Water Reclamation Facility (VCWRF) has a critical and complex electrical system. On September 24, 2013, Mayor and Council Communication (M&C) C-26477, the City Council awarded the execution of an engineering agreement to conduct a power study, which included an electrical equipment evaluation, short circuit study, protective device coordination study, arc flash analysis, and field labeling of arc flash hazards. That study also identified several areas of the plant needing investment to rehabilitate and/or replace aging electrical infrastructure. These improvements have been designed and implemented in a number of phases. The VCWRF Primary Area Switchgear Improvements (Phase I Electrical Improvements) were completed in December 2020. The VCWRF Phase II Electrical and Switchgear Improvements Project is currently in construction. This Phase III is a continuation of electrical upgrades needed at VCWRF and will include electrical, controls, and switchgear improvements in the following areas: Return Sludge Pump Stations 3, 5, and 8 (RS3, RS5, and RS8); Final Effluent Pump Station 1 & 3 (FE1 and FE3) areas; Backwash Area; and Sulphur Dioxide (SO2) area.

Gupta and Associates, Inc., proposes to perform the necessary work for a fee not to exceed \$1,198,900.00. In addition to the contract amount, \$176,750.00 is required for project management and material testing.

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 Village Creek Water Reclamation Facility Phase III Electrical Improvements project, are as depicted below:

Funding	Existing Appropriations	Additional Appropriations	Project Total
W&S Commercial Paper Fund 56020	\$0.00	\$1,375,650.00	\$1,375,650.00
Project Total	\$0.00	\$1,375,650.00	\$1,375,650.00

Business Equity: Gupta and Associates Inc. is in compliance with the City's Business Equity Ordinance by committing to a 10 percent Business Equity participation on this project. The City's Business Equity goal on this project is 10 percent.

This project serves the entire City and is physically located in COUNCIL DISTRICT 5.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the UNSPEC 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 PH3 Electric Switchgear Imp project to support the approval of the above recommendations and execution of the

agreement. Prior to any expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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Expedited