

Mayor and Council Communication

DATE: 03/10/26

M&C FILE NUMBER: M&C 26-0180

LOG NAME: 60FWCCP14SSRCO2-SJLOUIS

SUBJECT

(CD 2 and CD 9) Authorize Execution of Change Order No. 2 in the Amount of \$3,526,707.28 to a Contract with S.J. Louis Construction of Texas, Ltd., for the Fort Worth Central City Part 14 - Channel Segment C, Sanitary Sewer Relocation, Adopt a Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2026-2030 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of Change Order No. 2 in the amount of \$3,526,707.28 to City Secretary No. 59847 a contract with S.J. Louis Construction of Texas, Ltd. for the Fort Worth Central City Part 14 - Channel Segment C, Sanitary Sewer Relocation for a revised contract amount of \$38,595,019.61;
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 and Sewer Relocations project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund by increasing appropriations in the Fort Worth Central City Water and Sanitary Sewer Relocations project (City Project No. 104484) in the amount of \$3,526,708.00 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 2026-2030 Capital Improvement Program.

DISCUSSION:

On June 27, 2023 by Mayor and Council Communication (M&C) 23-0542, the City Council authorized a construction contract with S.J. Louis Construction of Texas, Ltd. in the amount of \$34,824,041.30 for Fort Worth Central City Part 14 - Channel Segment C, Sanitary Sewer project. The contract was subsequently revised by Change Order No. 1 in the amount of \$244,271.03 authorized by the City Council on March 25, 2025 (M&C 25-0268) that provided for sanitary sewer main and manhole rim elevation adjustments between stations 1+00 and 7+00 to accommodate future Channel grading by the United States Army Corps of Engineers (USACE).

Change Order No. 2 primarily provides for the following: Adjustments to the sanitary sewer pipe alignment on the downstream end of the project to mitigate potential future settlement (from any analysis conducted by the consultant USACE for additional fill area due to the USACE’s revisions to its bypass channel design; A 164 foot 30-inch pipe cradle to support the sanitary sewer pipe and 30-inch pier for siphon structure B-1 due to the additional fill; Pier foundations for siphon structures C1 and C2 to accommodate unstable and unusable soil material that was encountered during excavation; Additional dewatering, site preparation and shoring for the installation of siphon structures C1 and C2 due to unstable and unusable soil material that was encountered during construction; Additional subgrade stabilization for junction structures A and D due to unstable and unusable soil material that was encountered during excavation; Flowable fill material to replace unstable material that is encountered during construction and installation and removal of the concrete sidewalk detour requested by the Cowtown Marathon.

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 (FWCC) 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 (FY), instead of within the annual budget ordinance, as projects commence, additional funding needs are identified, and to comply with bond covenants.

Funding for the Fort Worth Central City Part 14 - Channel Segment C, Sanitary Sewer Relocations in the FWCC Water and Sewer Relocations Project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper – Fund 56026	\$28,420,939.77	\$3,526,708.00	\$31,947,647.77

W&S Capital Projects – Fund 56002	\$28,017,620.49	\$0.00	\$28,017,620.49
Project Total	\$56,438,560.26	\$3,526,708.00	\$59,965,268.26

Note: This table includes the actions considered in M&C 26-0112 on the February 10, 2026 City Council Agenda.

The sanitary sewer \$3,526,707.28 amount of this Change Order is considered Trinity River Vision Authority (TRVA)-relocated work, which are eligible for funding from Tax Increment Reinvestment Zone No. 9 pursuant to the TRVA Project Plan. Having met its \$26.6 million commitment to the TRVA project, the City will be reimbursed the sanitary sewer amount of \$3,526,707.28 by TRWD, in accordance with provisions of the executed Interlocal Agreement between the City and the TRWD (City Secretary Contract No. 43425 as amended). The TRVA Program Manager in the FW Lab Department will be responsible for collecting the full reimbursement from TRWD at the end of each fiscal year.

Funding is available within the W&S Commercial Paper Fund for the Water Department for the purpose of funding the FWCC Water & Sewer Relocations project.

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 to support execution of the change order. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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