

Mayor and Council Communication

DATE: 03/10/26

M&C FILE NUMBER: M&C 26-0167

LOG NAME: 60US287/HWY81BONDSR-KHA

SUBJECT

(CD 10) Authorize Execution of Engineering Agreement with Kimley-Horn and Associates Inc., in the Amount of \$649,605.00 for the US 287/Highway 81 at Bonds Ranch Road and Willow Springs Road Intersections Water and Sanitary Sewer Main Relocations Project, Adopt 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 an engineering agreement with Kimley-Horn and Associates, Inc. in the amount of \$649,605.00 for the US 287/Highway 81 at Bonds Ranch Road and Willow Springs Road Intersections Water and Sanitary Sewer Main Relocations project;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds of future debt for the US 287/Highway 81 at Bonds Ranch Road and Willow Springs Road Intersections Water and Sanitary Sewer Main Relocations project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund by increasing appropriations in the US 287/Highway 81 at Bonds Ranch Road and Willow Springs Road Intersections Water and Sanitary Sewer Main Relocations project (City Project No. 105815) in the amount of \$959,605.00 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:

The purpose of this Mayor and Council Communication is to authorize execution of an engineering agreement with Kimley-Horn and Associates Inc. for the US 287/Highway 81 at Bonds Ranch Road and Willow Springs Road Intersections Water and Sanitary Sewer Main Relocations project. The Texas Department of Transportation (TXDOT) proposes to reconstruct and widen US287/Highway 81 from Harmon Road to the Wise County Line. Due to conflicts with the proposed roadway, bridge, and drainage construction at Bonds Ranch Road and Willow Springs Road, it is necessary to relocate the existing 10-inch and 36-inch water mains along the 15-inch and 21-inch sanitary sewer main along the US 287/Highway 81 corridor. The project also provides final design of 48-inch water relocations at Farm to Market (FM) 156 and Harmon Road and FM 156 and Bailey Boswell due to TXDOT paving and drainage conflicts in FM 156.

Kimley-Horn & Associates, Inc., proposes to provide all the necessary design services for the US 287/Highway 81 at Harmon Road Water Main Relocations project, for a fee of \$649,605.00. Staff considers the proposed fee to be fair and reasonable for the scope of services proposed.

In addition to the contract amount, \$310,000.00 (\$190,000.00 water; \$120,000.00 sanitary sewer) is required for project management, easement negotiations, and land costs.

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

It is the practice of the Water Department to appropriate its Capital Improvement Program (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.

Funding for the W/WW Relo US287 at Bonds & WSpr project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper – Fund 56026	\$0.00	\$959,605.00	\$959,605.00
Project Total	\$0.00	\$959,605.00	\$959,605.00

***Numbers rounded for presentation purposes.**

This project is 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 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 to reimburse itself from tax-exempt bond proceeds.

This project is located in COUNCIL DISTRICT 10.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the UCMLPR 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 W/WW Relo US287 at Bonds & WSpr project to support the execution of the contract. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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