

Mayor and Council Communication

DATE: 10/27/20

M&C FILE NUMBER: M&C 20-0808

LOG NAME: 60VCWRF BIOSOLIDS MGMT NATURAL GAS SERVICE - ATMOS

SUBJECT

(CD 5) Authorize Execution of a Reimbursement Agreement with Atmos Energy Corporation in the Amount of \$932,270.00 to Design and Install a Gas Service Extension to the Village Creek Water Reclamation Facility Biosolids Management and Beneficial Reuse Project and Adopt Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of a reimbursement agreement with Atmos Energy Corporation in the amount of \$932,270.00 to extend gas service to the Village Creek Water Reclamation Facility Biosolids Management and Beneficial Reuse project; and
2. Adopt the attached Appropriation Ordinance increasing receipts and appropriations in the Village Creek Water Reclamation Facility Biosolids Management and Beneficial Reuse project (City Project No. 101961) in the amount of \$1,112,000.00 from available funds in the Water and Sewer Capital Projects Fund, and reducing the balance of the Unspecified project (City Project No. UNSPEC) by the same amount.

DISCUSSION:

On December 10, 2019 Mayor and Council Communication (M&C 19-0381), the City Council authorized the execution of a design-build-operate-maintain (DBOM) contract with Synagro of Texas-CDR, Inc. (City Secretary Contract No. 53332) for short-term management of the current biosolids dewatering/land application process, simultaneous design and construction of the biosolids drum drying facility, and long-term management of the new facility including disposal of the biosolids end product. The new drum dryer will require natural gas service. By the terms of the contract with Synagro, natural gas connection is the responsibility of the City.

Atmos Energy Corporation proposes to extend gas service to the biosolids facility for a fee of \$932,270.00. The fee includes design, real property acquisition, and construction costs for the installation of the gas line. The natural gas service line connection cost is based on an estimate. The funds will be deposited with Atmos. At the end of the project, the actual cost will be determined and any remaining funds will be refunded to the City. If the actual amount exceeds the connection cost estimate, the City will pay Atmos the additional cost.

In addition to the contract amount, \$179,730.00 is required for inspection and associated Water Department staff time.

Appropriations for VCWRF Biosolids Management and Beneficial Reuse Project, are as depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
WS Capital Project 2019 Fund 56016	\$245,461.00	\$0.00	\$245,461.00
WS Capital Project Fund 2020 Fund 56018	\$60,000,000.00	\$0.00	\$60,000,000.00
Water & Sewer Bond Fund 2020A Fund 56017	\$715,000.00	\$0.00	\$715,000.00
W&S Capital Projects Fund – Fund 56002	\$0.00	\$1,112,000.00	\$1,112,000.00
Project Total	\$60,960,461.00	\$1,112,000.00	\$62,072,461.00

* Numbers rounded for presentation purposes.

The project is located in COUNCIL DISTRICT 5.

A Form 1295 is not required because: This contract will be with a gas utility: Atmos

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the UNSPEC project within the W&S Capital Projects Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the W&S Capital Projects Fund for the VCWRF Biosolids Mgmt & Reuse project to support the approval of the above recommendations and execution of the reimbursement agreement. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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