

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 05/13/25 M&C FILE NUMBER: M&C 25-0413

LOG NAME: 60HOLLY TO EASTSIDEII PS AND GST-KHA

SUBJECT

(CD 2) Authorize Execution of an Engineering Agreement with Kimley-Horn and Associates, Inc. in the Amount of \$1,702,260.00 for the Holly to Eastside II Booster Pump Station and Ground Storage Tank-Project, Adopt Resolution Expressing Official Intent to Reimburse Expenditures from Proceeds of Future Debt Project and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to Fiscal Years 2025-2029 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 \$1,702,260.00 for Holly to Eastside II Booster Pump Station and Ground Storage Tank project;
2. Adopt the attached resolution expressing Official Intent to Reimburse expenditures with proceeds of future enterprise fund debt for the Holly to Eastside II Booster Pump Station and Ground Storage Tank project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the Holly to Eastside II Booster Pump Station and Ground Storage Tank project (City Project No. 105718) in the amount of \$2,213,710.00 and decreasing appropriations in the Commercial Paper project (City Project No. UCMLPR) by the same amount, to effect a portion of Water’s contribution to the Fiscal Years 2025-2029 Capital Improvement Program.

DISCUSSION:

This Mayor and Council Communication (M&C) is to authorize a contract with Kimley-Horn and Associates, Inc. in the amount of \$1,702,260.00 for the preparation of plans and specifications for Holly to Eastside II Booster Pump Station and Ground Storage Tank project. The City and its wholesale customers within Fort Worth’s Water Service area in North Tarrant County and South Denton County have experienced significant growth and will require additional water infrastructure in the near future to allow the available existing water treatment capacity at the Holly Water Treatment Plants to be transferred to the Eastside II Pressure Plane and Northside Pressure Planes.

In addition to the contract amount, \$511,450.00 is required for project management, real property acquisitions, utility coordination, and material testing. This project will have no impact on the Water Department’s operating budget when completed.

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.

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. The actions in the M&C will appropriate funds in support of the Water’s portion of the City of Fort Worth’s Fiscal Years 2025-2029 Capital Improvement Program, as follows:

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Capital Fund Name	Project Name	FY2025 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2025 Budget
Fund 56026 - W&S Commercial Paper	105718-Holly to ES2 Booster PS & GS	\$0.00	This M&C	\$2,213,710.00	\$2,213,710.00

Funding is budgeted in the Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the Holly to Eastside II Booster PS & GST project.

Funding for the Holly to Eastside II Booster Pump Station and Ground Storage Tank project depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
Fund 56026 - W&S Commercial Paper	\$0.00	\$2,213,710.00	\$2,213,710.00
Project Total	\$0.00	\$2,213,710.00	\$2,213,710.00

*Numbers rounded for presentation purposes.

BUSINESS EQUITY OFFICE: The Business Equity Division placed a 12.53 percent business equity goal on this solicitation/contract. Kimley-Horn and Associates, Inc., will be exceeding the goal at 23.70 percent, meeting the City’s Business Equity Ordinance. Any changes in subcontractors will be reviewed by the Business Equity Division.

The project is located in COUNCIL DISTRICT 2.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are 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 Holly to ES2 Booster PS & GT project to support the above recommendations and execution of the agreement. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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Expedited