

Mayor and Council Communication

DATE: 06/22/21

M&C FILE NUMBER: M&C 21-0463

LOG NAME: 60EMWSPSWPENCLCLOSURES-CDM

SUBJECT

(CD 3 and CD 7) Authorize Execution of an Engineering Agreement with CDM Smith, Inc., in the Amount of \$439,445.00, for the Eagle Mountain and Westside Water Treatment Plants Weatherproof Enclosures Project, Adopt Attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Attached Appropriation Ordinance

RECOMMENDATION:

It is recommended that City Council:

1. Authorize execution of an Engineering Agreement with CDM Smith, Inc. in the amount of \$439,445.00, for the Eagle Mountain and Westside Water Treatment Plants Weatherproof Enclosures project;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Eagle Mountain and Westside Water Treatment Plants Weatherproof Enclosures project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund in the amount of \$504,445.00, by increasing appropriations in the Eagle Mountain and Westside Water Treatment Plants Weatherproof Enclosures Project (City Project No. 103335) and decreasing appropriations in the Unspecified project (City Project No. UNSPEC) by the same amount.

DISCUSSION:

The February 2021 Ice Storm caused power failures to Eagle Mountain Water Treatment Plant (EMWTPA), the Westside Water Treatment Plant (WSWTP) and affected the North and South Holly Water Treatment Plants, along with power and freezing issues at some High Service Pump Stations. In response to the power outage, the Water Department is implementing a series of projects to minimize the effects of power failures and/or freezing problems on Water Facilities. In addition, the State of Texas has adopted Senate Bill 3 (SB3) requiring that an Emergency Preparedness Plan be submitted by March 1, 2022.

The proposed scope of service for this project consists of the enclosure (in prefabricated metal buildings) of three high service pump stations and associated piping located at the Eagle Mountain (two pumps) and Westside Water Treatment (one pump) Plants.

CDM Smith, Inc. proposes to perform the necessary services for a fee not to exceed \$439,445.00. Staff considers the fee to be fair and reasonable for the services proposed.

In addition to the contract amount, \$65,000.00 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 Eagle Mountain and Westside Water Treatment Plants Weatherproof Enclosures project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper - Fund 56020	\$0.00	\$504,445.00	\$504,445.00
Project Total	\$0.00	\$504,445.00	\$504,445.00

*Numbers rounded for presentation purposes.

Business Equity -CDM Smith Inc. is in compliance with the City's Business Equity Ordinance by committing to 8 percent Business Equity participation on this project. The City's Business Equity goal on this project is 8 percent.

The project is located in Council Districts 3 and 7.

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 EM & WS Weatherproof Enclosure project to support the approval of the above recommendation and execution of the contract. Prior to any expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by: Dana Burghdoff 8018

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: Dena Johnson 7866

Expedited