

Mayor and Council Communication

DATE: 04/07/20

M&C FILE NUMBER: M&C 20-0159

LOG NAME: 60VCWRF GRIT REMOVAL – AMEND 3

SUBJECT

Authorize Execution of Amendment No. 3 in the Amount of \$114,939.00 to an Engineering Agreement with CDM Smith, Inc., for the Process Evaluation and Engineering Design of the Village Creek Water Reclamation Facility Grit Facility & South Influent Pump Station project, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt and Adopt Appropriation Ordinance (COUNCIL DISTRICT 5)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of Amendment No. 3 to City Secretary Contract No. 49049 with CDM Smith, Inc., in the amount of \$114,939.00 for process evaluation and engineering design of the Village Creek Water Reclamation Facility Grit Facility & South Influent Pump Station project for a revised contract amount of \$2,643,652.00 (City Project No. 100075);
2. Adopt the attached Appropriation Ordinance increasing estimated receipts and appropriations in the Water and Sewer Commercial Paper Fund in the amount of \$130,000.00 for the Village Creek Water Reclamation Facility Grit Facility & South Influent Pump Station; and
3. Adopt the attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt for the Village Creek Water Reclamation Facility Grit Facility & South Influent Pump Station.

DISCUSSION:

On May 2, 2017 (M&C C-28213), the City Council authorized an engineering agreement with CDM Smith, Inc., (CSC No. 49049) in the amount of \$1,570,965.00 to evaluate and design the Grit Removal Process at the Village Creek Water Reclamation Facility (CPN 100075). On September 8, 2018 (M&C C-28857), Amendment No. 1 (CSC No. 49049-A1) was executed in the amount of \$885,755.00 for the design of the South Influent Pump Station (PS). On February 7, 2019, Amendment No. 2 (CSC No. 49049-A2) was executed administratively, in the amount of \$71,993.00.

This Amendment No. 3 includes the additional scope and fee to complete the detailed design, including plans and specifications, for the proposed/new Grit Facility and South Influent Pump Station and associated force main. Specifically, this Amendment will include the additional work to hydraulically model the proposed South Influent Pump Station, to evaluate and design additional odor control measures at the existing biofilters, and to design a water jet system to improve the proposed grit facility performance and decrease future maintenance.

CDM Smith, Inc., is proposing to perform the necessary design engineering work for a fee not to exceed \$114,939.00. In addition to the contract amount, \$15,061.00 is required for project contingency, management and associated Water Department staff time.

Funding for the Village Creek Water Reclamation Facility Grit Facility & South Influent PS Project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
Water & Sewer Bond 2017A Fund 56011	\$1,870,965.00	\$0.00	\$1,870,965.00
W&S Commercial Paper Fund 56016	\$1,035,755.00	\$0.00	\$1,035,755.00
W&S Commercial Paper Fund 56017	\$0.00	\$130,000.00	\$130,000.00
Project Total	\$2,906,720.00	\$130,000.00	\$3,036,720.00

*Numbers rounded for presentation.

This project will have no impact on the Water Department's annual operating budget when completed.

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 the debt is issued. To the extent resources other than the Water and Sewer portfolio are used to provide interim financing, the Water and Sewer Fund will be charged interest that is equivalent to the overall rate of return being earned by the City portfolio (currently approximately one-percent annually). Should the City's portfolio not support the liquidity needed to provide an interim short-term financing source, another funding source will be required, which could mean issuance of securities under the CP Program or earlier issuance of Water and Sewer revenue bonds than is currently planned. 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.

The City Council adopted the Water Department's Fiscal Year 2020-2024 Five-Year Capital Improvement Plan on September 17, 2019. This City Council adopted plan includes this specific project, with funding identified through the CP program to be reimbursed with future revenue bonds. In accordance with the provisions of the Financial Management Policy Statements, Staff anticipates presenting revenue-supported debt issuances to the City Council for consideration within the next three years. This debt must be issued within approximately three years to provide reimbursement for these expenses. If that does not occur, the costs will no longer be reimbursable by issuing tax-exempt debt and the funding source will have to be made whole through other budgetary methods. Adoption of this resolution does not obligate the City to sell bonds but preserves the ability to reimburse the City from tax-exempt bond proceeds.

M/WBE OFFICE: A waiver of the goal for MBE/SBE subcontracting requirements was requested by the Department and approved by the MWBE Office, in accordance with the BDE Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible.

This project serves the entire City and is located in COUNCIL DISTRICT 5, Mapsco 90J, 90Q and 90S.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the Water & Sewer Commercial Paper Fund for the Process Evaluation and Engineering Design for the future growth of the Village Creek Water Reclamation Facility Grit Facility & South Influent PS project. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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