

# Mayor and Council Communication

DATE: 04/28/26

M&C FILE NUMBER: M&C 26-0298

LOG NAME: 60WATERFY2026 Q2 CAPITAL CLEANUP

## **SUBJECT**

(ALL) Adopt Appropriation Ordinances to Authorize Financial Transactions in Certain Capital Project Funds to Facilitate the Clean-Up and Close-Out of Capital Projects, and Effect a Portion of Water's Contribution to the Fiscal Years 2026-2030 Capital Improvement Program

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Lake Worth Gas Lease Capital Project Fund in the amount of \$3,400,566.00, from available gas lease royalties and interest earnings, for the purpose of funding the Bryant Irvin Westside II to Southside II Pressure Plane Transfer Phases 1 through 3 project (City Project No. 104881);
  2. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Water & Sewer Revenue Bonds Series 2023 Fund by decreasing estimated receipts and appropriations in the Bryant Irvin Westside II to Southside II Pressure Plane Transfer Phases 1 through 3 project (City Project No. 104881) in the amount of \$3,400,566.00, and increasing estimated receipts and appropriations in the Commercial Paper project (City Project No. UCMLPR) by the same amount;
  3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water & Sewer Capital Project Fund in the amount of \$1,571.27, from available funds, for the purpose of funding the Sanitary Sewer Rehabilitation, Contract 98 project (City Project No. C02719);
  4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water & Sewer Capital Project Fund in the amount of \$437,960.56, from available collected reimbursements, for the purpose of funding the Southeast Connector project (City Project No. 104513);
  5. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water & Sewer Capital Project Fund in the amount of \$2,467.14, from available funds, for the purpose of funding the Sanitary Sewer Rehabilitation, Contract 111 project (City Project No. 102784);
  6. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water Impact Fee Fund in the amount of \$33,107,215.78, from available water impact fees and corresponding earned interest within the Water/Wastewater Wholesale Impact Fees project (City Project No. B20004) in the amount of \$8,276,803.95 and the Water/Wastewater Retail Impact Fees project (City Project No. B20005) in the amount of \$24,830,411.83 for the purpose of transferring to various capital projects;
  7. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water Impact Fee Fund in the amount of \$33,107,215.78, transferred from the Water/Wastewater Wholesale Impact Fees project (City Project No. B20004) and the Water/Wastewater Retail Impact Fees project (City Project No. B20005) for the purpose of funding the Northside III 54-Inch Water Transmission Main project (City Project No. 104940) in the amount of \$15,190,570.20, the Westside Water Treatment Plant Main and Plate Settlers project (City Project No. 102052) in the amount of \$16,041,406.18, the Holly to Eastside II Booster Pump Station and Ground Storage Tank project (City Project No. 105718) in the amount of \$323,429.40, and the New Sendera Ranch Ground Storage Tank project (City Project No. 105781) in the amount of \$1,551,810.00; and
  8. Adopt the attached appropriations ordinance adjusting estimated appropriations in the Water & Sewer Commercial Paper Fund by decreasing estimated appropriations in the Northside III 54-Inch Water Transmission Main project (City Project No. 104940) in the amount of \$15,190,570.20, the Westside Water Treatment Plant and Plate Settlers project (City Project No. 102052) in the amount of \$16,041,406.18, the Holly to Eastside II Booster Pump Station and Ground Storage Tank project (City Project No. 105718) in the amount of \$323,429.40, and the New Sendera Ranch Ground Storage Tank project (City Project No. 105781) in the amount of \$1,551,810.00 and increasing estimated appropriations in the Commercial Paper project (City Project No. UCMLPR) in the amount of \$33,107,215.78 to effect a portion of Water's Contribution to Fiscal Years 2026-2030 Capital Improvement Program.
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## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to provide for capital project clean-up as identified throughout the second quarter of Fiscal Year 2026. Items that need clean-up may include but are not limited to actions such as authorizing transfers, balancing receipts and appropriations for primarily completed projects to facilitate closing, providing correcting budget transfers and general ledger entries to prepare for project closure or to balance a project, moving additional or residual receipts and appropriations to the appropriate capital project fund, and other ancillary actions to fulfill capital obligations as needed.

**Items addressed in this M&C are as follows:**

### **Recommendations #1 and #2**

On August 12, 2025, Mayor and Council Communication (M&C) 25-0732, appropriated \$3,400,566.00 of Water & Sewer Revenue Bonds Series 2023 proceeds to fund the Marina Drive Water and Sewer Improvements within the Bryant Irvin Westside II and Southside II Pressure Plane Transfer P 1 through 3 project. It was later determined that this project was eligible to be funded with Lake Worth Gas Lease proceeds in

accordance with the City's Gas Related Revenue and Expense/Expenditure Policy, which designated these funds for qualified expenses under the 2007 Lake Worth Capital Improvement Implementation Plan. This recommendation will replace the current funding with Lake Worth Gas Lease proceeds to allow the revenue bond funds to be utilized for other eligible capital projects.

**Recommendation #3**

This recommendation will appropriate available funds in the amount of \$1,571.27 to fund the Sanitary Sewer Rehabilitation, Contract 98 project (City Project No. C02719) within the Water & Sewer Capital Projects Fund.

**Recommendation #4**

The Water Department received \$437,960.56 on 10/23/2025 from South-Point Constructors. Per M&C 23-0413, South-Point Constructors is to reimburse the city for constructions costs related to the Southeast Connector project (City Project No. 104513). This recommendation will appropriate funds in the Southeast Connector project within the Water & Sewer Capital Projects Fund.

**Recommendation #5**

This recommendation will appropriate available funds in the amount of \$2,467.14 to fund the Sanitary Sewer Rehabilitation, Contract 111 project (City Project No. 102784) within the Water & Sewer Capital Projects Fund.

**Recommendations #6, #7, and #8**

This recommendation will allow for the substitution of funding sources for projects identified as eligible for Water Impact Fee funding. A total of \$33,107,215.78 in Water Impact Fee proceeds will be used to replace the current Commercial Paper appropriations. The Northside III 54-Inch Water Transmission Main project (City Project No. 104940) in the amount of \$15,190,570.20, the Westside Water Treatment Plant and Plate Settlers project (City Project No. 102052) in the amount of \$16,041,406.18, the Holly to Eastside II Booster Pump Station and Ground Storage Tank project (City Project No. 105718) in the amount of \$323,429.40, and the New Sendera Ranch Ground Storage Tank project (City Project No. 105781) in the amount of \$1,551,810.00.

It is the practice of the Water Department to appropriate its Capital Improvement Program 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. 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 2026-2030 Capital Improvement Program.

Funding is available in the Unspecified All-Funds project within the Lake Worth Gas Lease Capital Project Fund and in various projects within the Water and Sewer Capital Projects Fund for the purpose of funding the SaniSewer Rehab Contract 98, Southeast Connector, SS Rehab Contract 111 and the Bryant Irvin Westside II to Southside II Pressure Plane Transfer Phases 1 through 3 projects. Additionally, funding is available in the Water/WasteWater Wholesale Impact Fees and Water/WasteWater Retail Impact Fees projects within the Water Impact Fee Fund for the purpose to support the swap of funding sources for these Water Impact Fee eligible projects.

Appropriations for Bryant Irvin Westside II to Southside II Pressure Plane Transfer Phases 1 through 3 project (City Project No. 104881) are as depicted below:

<b>Fund</b>	<b>Exiting Appropriations</b>	<b>Additional Appropriations</b>	<b>Project Total</b>
W&S Rev Bonds Series 2023 – Fund 56021	\$3,400,566.00	(\$3,400,566.00)	\$0.00
W&S Rev Bonds Series 2024 – Fund 56022	\$1,823,614.00	\$0.00	\$1,823,614.00
Lake worth Gas Lse Cap Project – Fund 33001	\$0.00	\$3,400,566.00	\$3,400,566.00
<b>Total</b>	<b>\$5,224,180.00</b>	<b>\$0.00</b>	<b>\$5,224,180.00</b>

Appropriations for Sanitary Sewer Rehabilitation, Contract 98 project (City Project No. C02719) are as depicted below:

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<b>Fund</b>	<b>Exiting Appropriations</b>	<b>Additional Appropriations</b>	<b>Project Total</b>
General Capital Projects – Fund 30100	\$951,382.76	\$0.00	\$951,382.76
W&S Capital Projects – Fund 56002	\$6,412,605.13	\$1,571.27	\$6,414,176.40
<b>Total</b>	<b>\$7,363,987.89</b>	<b>\$1,571.27</b>	<b>\$7,365,559.16</b>

Appropriations for Southeast Connector project (City Project No. 104513) are as depicted below:

<b>Fund</b>	<b>Exiting Appropriations</b>	<b>Additional Appropriations</b>	<b>Project Total</b>
W&S Capital Projects – Fund 56002	\$2,764,597.54	\$437,960.56	\$3,202,558.10
<b>Total</b>	<b>\$2,764,597.54</b>	<b>\$437,960.56</b>	<b>\$3,202,558.10</b>

Appropriations for Sanitary Sewer Rehabilitation Contract 111 project (City Project No. 102784) are as depicted below:

<b>Fund</b>	<b>Exiting Appropriations</b>	<b>Additional Appropriations</b>	<b>Project Total</b>
W&S Capital Projects – Fund 56002	\$6,732,248.00	\$2,467.14	\$6,734,715.14
<b>Total</b>	<b>\$6,732,248.00</b>	<b>\$2,467.14</b>	<b>\$6,734,715.14</b>

Appropriations for Northside III 54-Inch Water Transmission Main project (City Project No. 104940) are as depicted below:

<b>Fund</b>	<b>Exiting Appropriations</b>	<b>Additional Appropriations</b>	<b>Project Total</b>
Developer Contribution – Fund 30104	\$3,303,948.15	\$0.00	\$3,303,948.15
Transportation Impact Fee Cap – Fund 30108	\$324,702.15	\$0.00	\$324,702.15
W&S Rev Bonds Series 2023 – Fund 56021	\$313,365.00	\$0.00	\$313,365.00

W&S Rev Bonds Series 2024 – Fund 56022	\$4,871,617.00	\$0.00	\$4,871,617.00
W&S Rev Bonds Series 2025 – Fund 56023	\$30,479,731.00	\$0.00	\$30,479,731.00
W&S Commercial Paper – Fund 56026	\$26,273,961.00	(\$15,190,570.20)	\$11,083,390.80
Water Impact Fee – Fund 56003	\$0.00	\$15,190,570.20	\$15,190,570.20
<b>Total</b>	<b>\$65,567,324.30</b>	<b>\$0.00</b>	<b>\$65,567,324.30</b>

Appropriations for Westside Water Treatment Plant Plate Settlers project (City Project No. 102052) are as depicted below:

Fund	Exiting Appropriations	Additional Appropriations	Project Total
Water Impact Fee – Fund 56003	\$6,268,829.00	\$16,041,406.18	\$22,310,235.18
W&S Commercial Paper – Fund 56026	\$16,961,917.00	(\$16,041,406.18)	\$920,510.82
<b>Total</b>	<b>\$23,230,746.00</b>	<b>\$0.00</b>	<b>\$23,230,746.00</b>

Appropriations for Holly to Eastside II Booster Pump Station & Ground Storage Tank project (City Project No. 105718) are as depicted below:

Fund	Exiting Appropriations	Additional Appropriations	Project Total
W&S Commercial Paper – Fund 56026	\$2,213,710.00	(\$323,429.40)	\$1,890,280.60
Water Impact Fee – Fund 56003	\$0.00	\$323,429.40	\$323,429.40
<b>Total</b>	<b>\$2,213,710.00</b>	<b>\$0.00</b>	<b>\$2,213,710.00</b>

Appropriations for New Sendera Ranch Ground Storage Tank project (City Project No. 105781) are as depicted below:

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<b>Fund</b>	<b>Exiting Appropriations</b>	<b>Additional Appropriations</b>	<b>Project Total</b>
W&S Rev Bonds Series 2025 – Fund 56023	\$809,721.00	\$0.00	\$809,721.00
W&S Commercial Paper – Fund 56026	\$12,769,462.00	(\$1,551,810.00)	\$11,217,652.00
Water Impact Fee – Fund 56003	\$0.00	\$1,551,810.00	\$1,551,810.00
<b>Total</b>	<b>\$13,579,183.00</b>	<b>\$0.00</b>	<b>\$13,579,183.00</b>

This project is located in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the Unspecified All-Funds project within the Lake Worth Gas Lse Cap Project Fund; in the SaniSewer Rehab Contract 98, the Southeast Connector, and the SS Rehab Contract 111 projects within the W&S Capital Projects Fund; and in the W/WW WHOLESALE IMPACT FEES and the W/WW RETAIL IMPACT FEES projects within the Water Impact Fee Funds and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the Lake Worth Gas Lse Cap Project Fund, the W&S Capital Projects Fund and the Water Impact Fee Fund, for the B. Irvin WSII/SSII PPT P.1-3, the SaniSewer Rehab Contract 98, the Southeast Connector, the SS Rehab Contract 111, the NSIII54-inch WTM, the Westside WTP Plate Settlers, the Holly to ES2 Booster PS & GT, and the New Sendera Ranch GST projects. 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:**    Jessica McEachern    5804

**Originating Business Unit Head:**                    Chris Harder                    5020

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