

# Mayor and Council Communication

DATE: 12/13/22

M&C FILE NUMBER: M&C 22-1052

LOG NAME: 60WWCMPU-FNI

**SUBJECT**

(ALL) Authorize Execution of an Engineering Agreement with Freese and Nichols, Inc., in the Amount of \$2,250,000.00, for the Wastewater Master Plan Update, Adopt a Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2023-2027 Capital Improvement Program

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize execution of an Agreement with Freese and Nichols, Inc., in the amount of \$2,250,000.00 to update the City of Fort Worth’s Wastewater Master Plan Update Project (City Project No. 104126);
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds of future debt for the Wastewater Master Plan Update project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the Wastewater Master Plan Update project (City Project No. 104126) in the amount of \$2,250,000.00 and decreasing appropriations in the W&S Commercial Paper project (City Project No. UCMLPR) by the same amount to effect a portion of Water’s Contribution to the Fiscal Years 2023-2027 Capital Improvement Program.

**DISCUSSION:**

On August 26, 2008, Mayor and Council Communication (M&C C-22997), the City Council authorized the execution of an Engineering Agreement with Freese and Nichols, Inc., to prepare the Wastewater Collection System Master Plan to evaluate the capability of the collection system to meet growth projections through 2030. This evaluation included an updated Wastewater Collection System Capital Improvements Plan with cost estimates and implementation schedule, identified additional wastewater treatment capacity requirements, interceptors, and lift stations.

Since the previous Wastewater Collection System Master Plan, the City and its wholesale customers within Fort Worth’s wastewater service area have experienced significant growth and will require additional wastewater infrastructure in the near future. Reassessment of the existing available treatment capacity to serve these areas of the Fort Worth collection system and other future Capital Improvements Program (CIP) considerations are required. In addition, the existing collection system lacks the conveyance and pumping capacities to meet long-term demands in the wastewater service area.

Freese and Nichols, Inc., will identify future population and wastewater flows for each of the sewer basins, conduct wastewater collection system modeling and capacity assessment for various scenarios, evaluate needed infrastructure improvements, and recommend an updated wastewater CIP, which will include triggers for implementation of projects and budgetary planning level costs.

The proposed wastewater master plan update is scheduled to be completed by the end of June 2024, while the related water master plan is expected to be completed by July 2023.

This project is anticipated to be included in a future revenue bond issue for the Water & 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.

**60WWCMPU-FNI**

| Capital Fund Name            | Project Name                   | FY 2023 CIP Appropriations | Authority | Budget Change (Increase/ Decrease) | Revised FY 2023 Budget |
|------------------------------|--------------------------------|----------------------------|-----------|------------------------------------|------------------------|
| 56021 – W&S Commercial Paper | 104126 – WW Master Plan Update | \$0.00                     | This M&C  | \$2,250,000.00                     | \$2,250,000.00         |

Funding for the Wastewater Collection Master Plan Update project is depicted below:

| <b>Fund</b>                       | <b>Existing Appropriations</b> | <b>Additional Appropriations</b> | <b>Project Total*</b> |
|-----------------------------------|--------------------------------|----------------------------------|-----------------------|
| W&S Commercial Paper - Fund 56021 | \$0.00                         | \$2,250,000.00                   | \$2,250,000.00        |
| <b>Project Total</b>              | <b>\$0.00</b>                  | <b>\$2,250,000.00</b>            | <b>\$2,250,000.00</b> |

\*Numbers rounded for presentation.

Funding is currently available in the W&S Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the WW Master Plan Update project.

Business Equity: Freese and Nichols, Inc., is in compliance with the City's Business Equity Ordinance by committing to 11 percent Business Equity participation on this project. The City's Business Equity goal on this project is 10 percent.

The project is located in ALL COUNCIL DISTRICTS.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the W&S 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 WW Master Plan Update project to support the approval of the above recommendations and execution of the contract. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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