

Mayor and Council Communication

DATE: 06/27/23

M&C FILE NUMBER: M&C 23-0522

LOG NAME: 60UNIFORM WATER CONTRACT AMENDMENT WITH VARIOUS CITY, TX

SUBJECT

(CD 6 and CD 8) Authorize Execution of an Amendment to each of the Wholesale Water Contracts with the City of Burleson, the City of Crowley and the Bethesda Water Supply Corporation to Provide for Increased Capacity from the Southside II Water System; Provide for Fort Worth's Cost Participation in an Amount Not to Exceed \$663,084.00 for Design Costs; Authorize Acceptance of Funds from The City of Burleson, The City of Crowley, and The Bethesda Water Supply Corporation for Design Costs, 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 Amendment No. 1 to the wholesale water contract with the City of Burleson, City Secretary Contract No. 41091, to provide for increased capacity and an additional future connection point to the City of Crowley to the Southside II water system with new 42", 36" transmission mains and oversizing of existing 16", 20", to 24" water line to existing wholesale water take points;
2. Authorize execution of Amendment No. 1 to the wholesale water contract with the City of Crowley, City Secretary Contract No. 41092, to provide for increased capacity and an additional future connection point to the City of Crowley to the Southside II water system with new 42", 36" transmission mains and oversizing of existing 16", 20", to 24" water line to existing wholesale water take points and new 24" water line to proposed new take point 3;
3. Authorize execution of Amendment No. 1 to the wholesale water contract with the Bethesda Water Supply Corporation, City Secretary Contract No. 41090 to provide for increased capacity and an additional future connection point to the City of Crowley to the Southside II water system with new 42", 36" transmission mains and oversizing of existing 16", 20", to 24" water line to existing wholesale water take points;
4. Authorize the acceptance of funds for design in the amount up to \$537,181.00 from the City of Crowley, \$651,211.00 from the City of Burleson, and \$496,925.00 from the Bethesda Water Supply Corporation for their participation in the 0-60% design for the South Side II Water Main Align Study project (City Project No. 103649); and
5. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water & Sewer Capital Projects Fund in the amount up to \$1,685,317.00, from future receipts for the wholesale customers' participation in the South Side II Water Main Align Study project (City Project No. 103649) to effect a portion of Water's contribution to the Fiscal years 2023-2027 Capital Improvement Program.

DISCUSSION:

The City of Burleson (Burleson), The City of Crowley (Crowley), and Bethesda Water Supply Cooperation (Bethesda) are wholesale water customers (City Secretary Nos. 41091, 41092, 41090, respectively) and are experiencing increased growth and demand for additional water. Pursuant to their respective contracts, Burleson, Crowley and Bethesda may request additional connection points and water supplies. The contract also provides that each city shall bear certain costs for such expansion. These Amendments will provide for design and construction of new 42" and 36" water segments and the upsizing of existing 16" and 20" mains to 24" to upgrade the Southside II water main system to provide such additional capacity at existing South Side II take points (Project). In addition, Crowley desires a new take point for its increased capacity.

The Project includes design, survey and construction cost participation by the cities as well as by Fort Worth. When the Project is complete, Fort Worth will deliver an additional 11 million gallons per day (MGD) to Burleson for a total of 13 MGD. Crowley will receive an additional 4.4 MGD at existing meter #1 for a total of 5.5 MGD and an additional 7.9 MGD at the future meter, when completed, for a total of 13.4 MGD. Bethesda will be taking an additional 6MGD for a total of 10MGD. When design is completed, Fort Worth will publicly procure the construction project. Under the wholesale contracts, Fort Worth will also participate in the construction costs. Fort Worth's financial participation is currently estimated to be \$16,533,560.00 just under 30% of the total costs to design, survey, acquire easement and construct the improvements. An M&C for funding and to let the construction contract will be brought forward at the appropriate time.

The City of Fort Worth entered into an Engineering Agreement with Kimley –Horn and Associates, Inc. (City Secretary Contract No. 58057, M&C 22-0652) in August, 2023 in the amount of \$2,348,401.00 for the 0-60% total design costs. The M&C authorized an additional \$1,266,688.00 to be used towards the real property acquisition, project management and material testing. This M&C is appropriating funds from each wholesale customer to be applied to the 0-60% design contract which makes the City of Fort Worth's share the amount of \$663,084.00. The resulting increased balance of the City of Fort Worth's original appropriation (\$2,952,005.00) will be used to cover the City's participation in a future amendment to achieve 60-100% design and easement acquisitions phases of this project with the appropriate contributions from the wholesale customers.

The table 1 below describes the anticipated capacity increases and Table 2 describes the associated design, easements, and construction proportional share of costs for future line segments.

Table 1:

City / Entity	Current Capacity	Future Capacity	Projects required to increase capacity
Crowley Meter #1	1.1 MGD	5.5 MGD	Segments A, B, D
Crowley future meter #3	--	7.9 MGD	Segments A, C, and new meter install
Bethesda #1	4 MGD	10 MGD	Segments A, B, E
Burleson (combined meter #1 and #2)	2 MGD	13 MGD	Segments A, B, F

Table 2

City / Entity	A	B	C	D	E	F
Crowley	29%	14.4%	61.9%	43.1%	0.0%	0.0%
Burleson	26%	36.0%	0.0%	0.0%	0.0%	100.0%
Bethesda	14%	19.6%	0.0%	0.0%	78.4%	0.0%
Fort Worth	30%	30.0%	38.1%	56.9%	21.6%	0.0%

*Numbers rounded for presentation purposes.

It is the practice of the Water Department to appropriate its CIP 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 2023-2027 Capital Improvement Program, as follows:

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Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
Water & Sewer Capital Projects – Fund 56002	103649 – SS 11 W Main Align Study	\$0.00	This M&C	\$1,685,317.00	\$1,685,317.00

Funding for this project will be collected from The City of Crowley, The City of Burleson, and the Bethesda Water Supply Corporation per the terms of their respective City Secretary Contracts, as amended.

Appropriations for the SS II W Main Align Study project are as depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
Fund 56021 – W&S Rev Bonds Series 2023	\$3,615,089.00	\$0.00	\$3,615,089.00

Fund 56002 – Water & Sewer Capital Projects	\$0.00	\$1,685,317.00	\$1,685,317.00
Project Total	\$3,615,089.00	\$1,685,317.00	\$5,300,406.00

This contract will be with a governmental entity, state agency or public institution of higher education: (the City of Burleson, City of Crowley and Bethesda Water Supply Corporation).

This development is located in Council Districts 6 and 8.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: City of Burleson, Bethesda Water Supply Corporation City of Crowley

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies funds are available in the current capital budget, as previously appropriated, of the W&S Rev Bonds Series 2023 Fund, and that upon approval of the above recommendations, execution of the amendments, and adoption of the attached appropriation ordinance, funds will be deposited into the W&S Capital Projects Fund as appropriated. The Water Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City. Prior to any expense being incurred, the Water Department has the responsibility to validate the availability of funds.

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