

Mayor and Council Communication

DATE: 06/22/21

M&C FILE NUMBER: M&C 21-0478

LOG NAME: 60WCREEKSSE-DUNAWAY

SUBJECT

(CD 3) Authorize Execution of an Engineering Agreement with Dunaway Associates, LLC for \$662,656.00 for Design of the Walnut Creek Sanitary Sewer Extension, Provide for Project Costs for a Total Project Amount of \$2,154,511.00, Adopt Attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Attached Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of an Engineering Agreement with Dunaway Associates, LLC in the amount of \$662,656.00 for the Walnut Creek Sanitary Sewer Extension;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Walnut Creek Sanitary Sewer Extension; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund by increasing appropriations in the amount of \$2,154,511.00 in the Walnut Creek Sanitary Sewer Extension Project (City Project No. 103414) and decreasing appropriations in the Unspecified project (City Project No. UNSPEC) by the same amount.

DISCUSSION:

This Mayor and Council Communication is to authorize the preparation of plans and specifications for the construction of the existing sanitary sewer main located south of the Walnut Creek Sanitary Sewer Extension from the Aledo Road/Farm-to-Market (FM) 2871 intersection westerly to the east boundary line of Walsh Ranch property. The proposed extension will provide sanitary sewer service for future development to the City's Certificate of Convenience and Necessity located north and south of Aledo Road west of FM 2871.

The proposed scope of services include field surveys, design for the sewer main, design survey, environmental confirmation, easement preparation, subsurface utility engineering, geotechnical investigation, coordination and permitting with various agencies.

Dunaway Associates, LLC proposes to provide all the necessary design and construction administration services for a fee of \$662,656.00. Staff considers the proposed fee to be fair and reasonable for the scope of services proposed.

In addition to the contract amount, \$1,491,855.00 is required for project management, real property acquisitions, utility coordination and material testing. This project will have no impact on the Water Department Operating budget when complete.

Appropriations for the Walnut Creek Sanitary Sewer Extension are as depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper Fund 56020	\$0.00	\$2,154,511.00	\$2,154,511.00
Project Total	\$0.00	\$2,154,511.00	\$2,154,511.00

* Numbers rounded for presentation.

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 to reimburse itself from tax-exempt bond proceeds.

Business Equity: Dunaway Associates, Inc is in compliance with the City's Business Equity Ordinance by committing to 13% Business Equity participation on this project. The City's Business Equity goal on this project is 10%.

The project is located in COUNCIL DISTRICT 3.

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 Walnut Creek SS Extension 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.

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Expedited