

Mayor and Council Communication

DATE: 12/17/19

M&C FILE NUMBER: M&C 19-0387

LOG NAME: 60CDWRWSSA6-KHA

SUBJECT

Authorize Execution of Amendment No. 6 in the Amount of \$228,865.00 to an Engineering Agreement with Kimley-Horn and Associates, Inc., for the Cultural District/Will Rogers Area Water and Sanitary Sewer Improvements for a Revised Contract Amount of \$2,692,580.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt and Adopt Appropriation Ordinance (COUNCIL DISTRICTS 7 AND 9)

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt for the Cultural District/Will Rogers Water and Sanitary Sewer Improvements Project;
 2. Adopt the attached Appropriation Ordinance increasing receipts and appropriations in the Water and Sewer Commercial Paper Fund in the amount of \$253,865.00 for the Cultural District/Will Rogers Water and Sanitary Sewer Improvements Project; and
 3. Authorize the execution of Amendment No. 6 in the amount of \$228,865.00 to City Secretary Contract No. 39975, an Engineering Agreement with Kimley-Horn and Associates, Inc., for Cultural District/Will Rogers Area Water and Sanitary Sewer Improvements project for a Revised Contract Amount of \$2,692,580.00 (City Project No. C01468).
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DISCUSSION:

On February 9, 2010, Mayor and Council Communication (M&C C-24094) the City Council authorized an Engineering Agreement with Kimley-Horn and Associates, Inc., in the amount of \$1,072,250.00 for the Cultural District/Will Rogers Area Water and Sanitary Sewer Improvements. The Agreement was subsequently revised by Amendment No. 1 in the amount of \$46,995.00 administratively authorized March 17, 2014, Amendment No. 2 in the amount of \$261,070.00 authorized August 5, 2014 (M&C C-26903), Amendment No. 3 in the amount of \$570,100.00 authorized September 20, 2016 (M&C C-27934), Amendment No. 4 in the amount of \$269,000.00 authorized August 15, 2017, which added the Westside 2 pressure plane to the scope of the contract (M&C C-28331) and Amendment No. 5 in the amount of \$244,300.00 authorized January 29, 2019 (M&C C-29011).

Amendment No. 6 will provide for additional engineering services on the Westside 2 to Westside 3 Pressure Plane segment of the Project. The amendment will allow for the necessary design to alleviate complaints of low water pressure from customers located in the western part of the Westside 2 Pressure Plane, south and east of the Western Hills North neighborhood to increase water pressure in the area. It is necessary to transfer a portion of the existing Westside 2 Pressure Plane to the adjacent Westside 3 Pressure Plane which has a higher operating pressure.

The proposed pressure plane transfer and system improvements in the western part of the Westside 2 Pressure Plane will necessitate the installation of water mains on Chapin Road east of I.H. 820, Camp Bowie Boulevard east of I.H. 820.

In addition to the contract cost, \$25,000.00 is required for project management, inspection, land costs, easement acquisition, and material testing.

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 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 Statement, 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 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.

The Water and Sewer Commercial Paper Fund includes authority of \$150,000,000.00 for the purpose of providing interim funding for Water and Sewer Capital Projects. After this transfer, the balance \$31,861,475.00 for future capital projects.

Funding for the Cultural District/Will Rogers Area Water and Sanitary Sewer Improvements.

Fund	Existing Appropriations	Additional Appropriations	Project Total*
Water Capital Fund 59601	\$6,794,511.00	\$0.00	\$6,794,511.00
Sewer Capital Fund - Legacy 59607	\$3,234,652.00	\$0.00	\$3,234,652.00
Water & Sewer 2015A Bond Fund 56007	\$1,772,417.00	\$0.00	\$1,772,417.00
Water & Sewer 2017A Bond Fund 56011	\$695,000.00	\$0.00	\$695,000.00
Water & Sewer Commercial Paper Fund 56016	\$2,492,498.00	\$0.00	\$2,492,498.00
Water & Sewer Commercial Paper Fund 56017	\$0.00	\$253,865.00	\$253,865.00
Project Total	\$14,989,078.00	\$253,865.00	\$15,242,943.00

*Numbers rounded for presentation.

M/WBE Office - Kimley-Horn and Associates, Inc. is in compliance with the City's M/WBE Ordinance by committing to 23 percent M/WBE participation on this amendment. The City's M/WBE goal on this amendment is 16 percent.

The project is located in COUNCIL DISTRICTS 7 AND 9

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 (W&S Commercial Paper) to provide engineering services for the future growth in the Cultural District/Will Rogers Water and Sanitary Sewer Improvements Project. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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