

# Mayor and Council Communication

**DATE:** 06/08/21

**M&C FILE NUMBER:** M&C 21-0369

**LOG NAME:** 60WWDIVERSIONCO3-MOUNTAINC

**SUBJECT**

(CD 2 and CD 7) Authorize Execution of Change Order No. 3 in the Amount of \$200,000.00 and the Addition of 420 Calendar Days for the Wastewater Diversion from Eagle Mountain Lake Drainage Basin to Big Fossil Creek Drainage Basin Project, 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 Change Order No. 3 in the amount of \$200,000.00 and the addition of 420 additional calendar days to the City Secretary Contract No. 52094 with Mountain Cascade of Texas, LLC for the Wastewater Diversion from Eagle Mountain Lake Drainage Basin to Big Fossil Creek Drainage Basin Force Main and Gravity Main Sewer project for a revised contract amount of \$8,430,374.27;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Wastewater Diversion from Eagle Mountain Lake Drainage Basin to Big Fossil Creek Drainage Basin Force Main and Gravity Main Sewer project; and
3. Adopt the attached appropriation ordinance adjusting the appropriations in the Water and Sewer Commercial Paper Fund by increasing appropriations in the Wastewater Diversion from Eagle Mountain Lake Drainage Basin to Big Fossil Creek Drainage Mason Force Main and Gravity Main Sewer project (City Project No. C01309) for the amount of \$200,000.00 and decreasing appropriations in the Unspecified project (City Project No. UNSPEC) by the same amount.

**DISCUSSION:**

On March 5, 2019, Mayor and Council Communication (M&C C-29052) authorized a contract with Mountain Cascade of Texas, LLC for \$7,497,947.00 (City Secretary Contract No. 52094) for the Wastewater Diversion from Eagle Mountain Lake Drainage Basin to Big Fossil Creek Drainage Basin Force Main and Gravity Main Sewer project. The contract was subsequently revised by Change Order No.1, which provided for 50 additional calendar days on the project for additional work and administratively authorized December 5, 2019 and Change Order No. 2 in the amount of \$732,427.27 and an additional 100 calendar days on the project, authorized April 7, 2020 (M&C 20-0157) that provided for the reconstruction of a segment park drive after the installation of a project sewer main.

This M&C is to authorized the execution of Change Order No. 3 which provides compensation for railroad flagmen that are required during tunnel construction underneath the segments of the sewer gravity main that cross Union Pacific Railroad and Burlington Northern Railroad right-of-way. The additional time requested provides for the time it took to obtain the railroad permit and the time it will take to install the tunnel. This project is anticipated to be included in a future 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 debit 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 the federal law, debt must be issued within approximately three years in order for these expenses to be reimbursable. Adoption of attached resolution does not obligate the city to sell bonds, but preserves the ability to reimburse itself from tax-exempt proceeds.

Funding for the Wastewater Diversion from East of Eagle Mountain Lake Drainage Basin to Big Fossil Creek Drainage Basin project is as depicted in the table below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Project – Fund 56002	\$85,000.00	\$0.00	\$85,000.00
Water & Sewer Bond 2017A – Fund 56011	\$1,133,155.00	\$0.00	\$1,133,155.00
WS Capital Project 2019 –Fund 56016	\$8,403,638.00	\$0.00	\$8,403,638.00
W&S Community Facilities Agreement Fund 56008	\$165,635.00	\$0.00	\$165,635.00
Water Capital - Fund 59601	\$5,207.00	\$0.00	\$5,207.00
Sewer Capital Legacy – Fund 59607	\$266,426.00	\$0.00	\$266,426.00

Water & Sewer Bond 2020A Fund 56017	\$567,113.00	\$0.00	\$567,113.00
Commercial Paper Fund 56020	\$0.00	\$200,000.00	\$200,000.00
Project Total	\$10,626,174.00	\$200,000.00	\$10,826,174.00

\* Numbers rounded for presentation purposes.

DVIN: A waiver of the goal for Business Equity subcontracting requirements was requested, and approved by the DVIN, in accordance with the applicable Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible.

The project is located in COUNCIL DISTRICTS 2 and 7.

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**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 Eagle Mountain To Big Fossil C project to support the approval of the above recommendations and execution of the change order. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

**Submitted for City Manager's Office by:** Dana Burghdoff 8018

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

**Additional Information Contact:** Lawrence Hamilton 2626