

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 02/27/24M&C FILE NUMBER: M&C 24-0179

LOG NAME: 60VCWRFBIOGSS-B&W

SUBJECT

(CD 5) Authorize Execution of an Engineering Agreement with Bartlett & West, Inc. in the Amount of \$247,609.00 for Village Creek Water Reclamation Facility Biogas Storage System Project, Provide for Project Costs for a Total Project Amount of \$287,609.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures and Proceeds of Future Debt and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2024-2028 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of an Engineering Agreement with Bartlett & West, Inc., in the amount of \$247,609.00 for Village Creek Water Reclamation Facility Biogas Storage System project;
2. Adopt the attached resolution expressing Official Intent to Reimburse expenditures with proceeds of future debt for Village Creek Water Reclamation Facility Biogas Storage System project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the Village Creek Water Reclamation Facility Biogas Storage System project (City Project No. 104941) in the amount of \$287,609.00 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 2024-2028 Capital Improvement Program.

DISCUSSION:

This Mayor and Council Communication (M&C) is to authorize engineering services for the evaluation and design of a digester bio-gas storage system (temporary or permanent). This project provides for investigation of bio-gas storage to maximize beneficial usage of the bio-gas and minimize bio-gas waste. At the Village Creek Water Reclamation Facility (VCWRF), digester bio-gas is captured, routed to bio-gas compressors and dryers, conveyed to a third party for treatment and purification, and then utilized through the EPA Renewable Fuel Standard Program. During times when bio-gas cannot be conveyed, the bio-gas is “flared” (burned off) at the VCWRF. The goal of this project is to minimize biogas flaring at VCWRF by incorporating biogas storage into the plant process which should result in additional revenues from the increased amount of biogas that can be sold. Bartlett & West, Inc., proposes to provide the necessary services for a fee not to exceed \$247,609.00. Staff considers the proposed fee to be fair and reasonable for the scope of services proposed. In addition to the contract amount, \$40,000.00 is required for material testing.

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.

This project will have no impact on the Water Department's operating budget when complete.

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 Department’s portion of the City of Fort Worth’s Fiscal Years 2024-2028 Capital Improvement Program.

Funding is budgeted in the Commercial Paper project within the W&S Commercial Paper Fund.

Funding for the Village Creek Water Reclamation Facility Biogas Storage System project is depicted below:

60VCWRFBIOGSS-B&W

Capital Fund Name	Project Name	FY2024 CIP Appropriations	Authority	Budget Change (Increase/ Decrease)	Revised FY2024 Budget
56022 – W&S Commercial Paper	104941 – VCWRF Biogas	\$0.00	This M&C	\$287,609.00	\$287,609.00

	Storage				
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Funding for the Village Creek Water Reclamation Facility Biogas Storage System project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper– Fund 56022	\$0.00	\$287,609.00	\$287,609.00
Project Total	\$0.00	\$287,609.00	\$287,609.00

*Numbers rounded for presentation purposes.

Business Equity: Bartlett and West, Inc., is in compliance with City’s Business Equity Ordinance by committing to five percent Business Equity participation. The City’s Business Equity goal on this project is five percent.

The project is located in COUNCIL DISTRICT 5.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the 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 VCWRF Biogas Storage project to support 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.

Submitted for City Manager's Office by: Fernando Costa 6122

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: Pradip Chakraborti 4925