



City of Pflugerville

Legislation Text

File #: RES-0929, **Version:** 1

Approving a resolution authorizing the filing of an application for assistance from the Texas Water Development Board (TWDB) Drinking Water State Revolving Fund (DWSRF) Loan Program for the Water Treatment Plant Expansion Project and authorizing a designated City representative for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the TWDB.

This agenda item is presented to inform City Council of the City's interest in securing funding from the Texas Water Development Board (TWDB) in an effort to apply for a low interest loan to fund projects through the Drinking Water State Revolving Fund (DWSRF) Program. The City is looking to submit an application for a TWDB DWSRF Loan to fund a portion of the Water Plant Expansion Project. The resolution is required by the TWDB to be attached to the funding application.

The City has been selected to apply for a State Fiscal Year 2022 (SFY 2022) DWSRF Loan after submitting a Project Information Form in March 2021 to the TWDB to be considered for the Program for assistance in funding the construction of the Water Treatment Plant Expansion Project. After the TWDB Board approved the SFY 2022 DWSRF Intended Use Plan which included Pflugerville's request for funding in the Initial Invited Projects List, the City received a formal invitation to apply. The Pflugerville project was one of 21 projects selected for the Program out of 171 projects submitted and was the largest community and largest project invited. The maximum low interest loan amount is currently set at \$24M and interest rates are provided at 30% - 35% reduction from the Thomson Reuters Municipal Market Data (MMD) rate adjusted for yield to maturity that is applicable to the entity's rating. With the total construction cost of the plant expansion currently estimated at \$90M, the \$24M will be combined with the WIFIA low interest loan of \$42M to provide a significant amount of funding for the project. City staff participated in a pre-application conference with TWDB to discuss the application and details about the loan process. In the conference, TWDB staff said that they will look into opportunities to increase the loan amount to support the gap in funding for the project and therefore the resolution allows the financial assistance in an amount not to exceed \$48M. Any remaining gap in funding after securing the WIFIA and TWDB DWSRF loans may be funded through City issued utility revenue bonds.

City staff are currently collaborating and coordinating together with Garver and the City's Bond Counsel and Financial Advisor in preparing the TWDB DWSRF application. The Finance Department and Financial Advisor are supportive and agree this funding method is a benefit to the City. The application is due to the TWDB no later than November 12, 2021.

The proposed resolution also requires the identification of an Authorized Representative of the City for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the TWDB. Amy Giannini, Assistant City Manager, is proposed to be the Authorized Representative of

the City.

Prior City Council Action

On March 10, 2020, City Council approved a professional services agreement with Garver in the amount of \$199,820 for owner's representative services associated with the Surface Water Treatment Plant Expansion Project. The services included an initial planning phase, in which Garver engaged with City Engineering and Operations staff to assess the suitability of the current treatment process technology, and performed a comparative analysis to determine the best path forward for the future expansion.

On October 27, 2020, City Council approved the selection of Ardurra for professional engineering services associated with the Water Treatment Plant Facility Expansion Project.

On December 16, 2020, City Council approved a Professional Services Agreement with Ardurra in the amount of \$1,947,512.00 for professional engineering services associated with the for the City of Pflugerville Water Treatment Plant Expansion Project. The services included Preliminary Design and 30% PS&E.

On August 25, 2020, City Council approved a professional services agreement with Garver in the amount of \$1,220,657.00 for owner's representative services associated with the Surface Water Treatment Plant Expansion Project. The Supplemental Agreement is for the design phase of the WTP Expansions project including consultant procurement and acting as the City's OR for preliminary engineering through 100% design and bid phase services.

On January 26, 2021, City Council approved the engagement of McCarthy & McCarthy LLP as Special Counsel for the City for the purpose of assisting staff with permits, contracts and negotiations related to obtaining additional water rights to support the future growth of Pflugerville.

On April 27, 2021, City Council approved a professional services supplemental agreement with Garver in the amount of \$311,132 for owner's representative services associated with the Surface Water Treatment Plant Expansion Project. The services included an initial planning phase, in which Garver engaged with City Engineering and Operations staff to assess the suitability of the current treatment process technology, and performed a comparative analysis to determine the best path forward for the future expansion.

On April 27, 2021, City Council approved a resolution authorizing the submission of an application and application fee in the amount of \$100,000 for financial assistance from the Water Infrastructure Finance and Innovation Act (WIFIA) for the Surface Water Treatment Plant Expansion project and authorizing a designated City representative for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the WIFIA program.

On July 13, 2021, City Council approved a professional services supplemental agreement with Ardurra Group, Inc. in the amount of \$5,203,529.00 for professional engineering services associated with the Water Treatment Plant Facility Expansion Project and authorizing the City Manager to

execute the same.

Deadline for City Council Action

Action is requested on October 26, 2021 so as to complete the submittal requirements for the application.

Funding Expected: Revenue Expenditure N/A

Budgeted Item: Yes No N/A

Amount: N/A

1295 Form Required? Yes No

Legal Review Required: N/A Required Date Completed: _____

Supporting documents attached:

TWDB State FY22 DWSRF Application Invitation

DWSRF Information Sheet

TWDB Resolution

Draft Slides

Recommended Action

Approve a resolution authorizing the filing of an application for assistance from the Texas Water Development Board (TWDB) Drinking Water State Revolving Fund (DWSRF) Loan Program for the Water Treatment Plant Expansion Project and authorizing a designated City representative for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the TWDB.