



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** January 23, 2017

SUBJECT: Adopt Resolution No. 2017-001 authorizing execution of the First Amendment to the Wastewater Transportation Contract (Walker-Calloway System) with the Trinity River Authority of Texas.

PRESENTER: Mike Curtis, Managing Director

SUMMARY:

Council is being asked to adopt Resolution No. 2017-001 which authorizes approval of Amendment No. 1 to the Wastewater Transportation Contract (Walker-Calloway System) with the Trinity River Authority of Texas. This amendment will allow TRA to issue bonds on behalf of the cities of North Richland Hills and Hurst in order to make repairs and improvements to the Walker-Calloway Sewer System.

GENERAL DESCRIPTION:

The Walker-Calloway Branch outfall lines were constructed in the early 1970's to serve the cities of North Richland Hills (NRH) and Hurst. The outfall line is owned and operated by the Trinity River Authority of Texas (TRA). It consists of two separate 24" and 27" diameter sewer lines labeled Walker Branch and Calloway Branch serving different areas and connecting into a single 42" line labeled Walker-Calloway Branch which transports the wastewater to an existing 96" Fort Worth Trunk line (see Exhibit 2 attached). The cities of North Richland Hills and Hurst are contracted with TRA to maintain and operate this outfall system. For naming purposes the entire system is called the Walker-Calloway Branch Outfall System but will be referenced as the "System." TRA has informed the cities that the system is in very poor condition and needs several sections repaired and some sections replaced. The estimated cost to perform these improvements is approximately \$18.4 million.

TRA has made this determination through an assessment study performed by one of their engineering consultants. In December of 2011 the System experienced a line collapse which required an emergency repair. Additional failures occurred in 1991, 2006 and 2008. These failures and TRA's concern over the integrity of the System resulted in TRA retaining the RJN Group Inc. to conduct a condition and a preliminary capacity assessment. The results of the assessment indicated that most of the System had less than 10 years of remaining useful life and some segments did not have the capacity to handle the projected peak wet weather flows.



Based on the Evaluation/Capacity Report and the Preliminary Design Study, TRA is recommending that the project be constructed in 7 phases. The table below is a summary of each phase and estimated total cost per phase. The total cost estimate does factor in a 4% annual escalation to account for the inflation during the phasing, which is estimated to continue through 2023. The cost also includes design, easement and construction costs estimated for the total project.

| Walker-Calloway Branch Outfall System Recommended Improvements | | | |
|--|------------|--|------------------------------|
| Construction Phase | Begin Date | Summary of Recommended Improvements | Total Estimated Capital Cost |
| 1 | 10/2017 | Install 2,785 LF of 42" pipe, 1356 LF of 36" pipe, and 176 LF of CIPP liner in existing 42" pipe | \$ 5,5515,000.00 |
| 2 | 5/2018 | Install 1,986 LF of CIPP liner in existing 42" pipe | \$ 1,992,000.00 |
| 3 | 8/2019 | Install 2,217 LF of CIPP liner in existing 27" pipe and install 1,786 LF of 30" pipe | \$ 3,079,000.00 |
| 4 | 9/2020 | Install 4,042 LF of CIPP liner in existing 27" pipe | \$ 1,823,000.00 |
| 5 | 10/2021 | Install 1,847 LF of CIPP liner in existing 33" pipe, install 262 LF of 33" pipe, and install 1,974 Lf of CIPP liner in existing 27" pipe | \$ 2,116,000.00 |
| 6 | 9/2022 | Install 1,130 LF of CIPP liner in existing 24" pipe and install 1,218 LF of 24" pipe | \$ 2,236,000.00 |
| 7 | 10/2023 | Install 2,915 LF of CIPP liner in existing 24" pipe | \$ 1,634,000.00 |
| Total Phased Cost | | | \$ 18,395,000.00 |

As shown in the above table the improvements will be spread out over several years.

The current agreement does not permit TRA to require NRH and Hurst to make the significant repairs that are necessary and does not allow TRA to issue debt on behalf of the two cities for these repairs. Since this level of repair would fall outside what would be considered "routine" Operation & Maintenance (O&M), an amendment to the original agreement is necessary.

Currently the two cities split ordinary O&M costs 50-50 but extraordinary maintenance and repair is split by flow. NRH contributes approximately 79% of the total flow. By the definition in the agreement Design and Land Acquisition falls under the O&M category and is split equally and construction falls under the "extraordinary maintenance" and the cost is split by percentages of flow. Based on the estimates shown above NRH would be required to pay 79% of the \$18,395,000.

Although staff believes that there could be some flexibility in the phasing of the project, it is staff's position that the improvements are necessary.

RECOMMENDATION:

Approve Resolution No. 2017-001.