Legislation Text

File #: 19-1945, **Version:** 1

STRATEGIC PRIORITY:	Mobility Solutions, Infrastructure, and Sustainability
AGENDA DATE:	January 22, 2020
COUNCIL DISTRICT(S):	Outside City Limits
DEPARTMENT:	Water Utilities Department
EXECUTIVE:	Majed Al-Ghafry

SUBJECT

Authorize a Facilities Extension Agreement between the City and Oncor Electric Delivery Company LLC to expand the West Electrical Substation at the Elm Fork Water Treatment Plant - Not to exceed $1,312,051.00 - Financing: Water Construction Fund

BACKGROUND

The Elm Fork Water Treatment Plant located in Carrollton, Texas was originally constructed in the 1950s and is the second largest of three water treatment plants serving the customers of Dallas Water Utilities (DWU). The existing Pump Station No. 1 was constructed in 1952 and served as the plant's original raw water and potable water pump station. Due to its age, replacement of the facility is necessary to address aging infrastructure and bring the facility up to current standards and capacity requirements. On September 27, 2017, City Council authorized the construction of a new pump station, which is currently under construction.

The construction of this new pump station will require an expansion of the Oncor West Electrical Substation located inside the Elm Fork Water Treatment Plant. A preliminary agreement with Oncor Electric Delivery Company LLC (Oncor), called a Discretionary Service Agreement, was approved by City Council on August 28, 2019, in the amount of $871,192.00. That agreement provided funding for Oncor to proceed with design and materials procurement for the substation expansion in order to meet the pump station construction schedule for electrical service.

This council action approves a Facilities Extension Agreement (FEA) for the electrical substation expansion, which includes an increase in funding of $1,312,051.00 for a total not to exceed $2,183,243.00. The FEA authorizes Oncor to perform all work necessary to expand their Elm Fork West Electrical Substation. The FEA also authorizes the City to amend the existing substation easements to account for the expanded substation.

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Once the substation expansion is complete, the new pump station will need to meet electrical demand benchmarks drawn from the expanded substation. If all electrical demand benchmarks are met in accordance with the FEA, Oncor will refund the entire security deposit back to DWU. Failure to meet those demand benchmarks would result in penalties paid to Oncor, not to exceed the entire $2,106,162.00 security deposit plus a demand penalty not to exceed $11,850.00.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 28, 2019, City Council authorized a Discretionary Service Agreement between the City and Oncor Electric Delivery Company LLC for the preliminary design and procurement of materials to expand the West Electrical Substation at the Elm Fork Water Treatment Plant by Resolution No. 19-1284.

FISCAL INFORMATION

Fund	FY 2020	FY 2021	Future Years
Water Construction Fund	$1,312,051.00	$0.00	$0.00
Total	$1,312,051.00	$0.00	$0.00

Estimated Refund: Water Construction Fund $2,146,600.31

DWU will provide a security deposit to Oncor for $2,106,162.00. Oncor will refund the security deposit plus interest once DWU hits its benchmark numbers.

OWNER

Oncor Electric Delivery Company LLC

Allen Nye, Chief Executive Officer

MAP

Attached

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