

AGENDA ITEM BRIEFING

Submitted by: Michael K. Young, President
Texas A&M University

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Domestic Water System Improvements Project, Texas A&M University, College Station, Texas (Project No. 03-2016)

Background and Prior Actions:

The Domestic Water System Improvements Project was included as a project on the A&M System FY 2018-FY 2022 Capital Plan approved by the Board of Regents at the August 2017 meeting.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$8,606,250 for construction services and related project costs. \$956,000 has been previously appropriated.
- (3) Approve construction of the Domestic Water System Improvements Project at Texas A&M University (Texas A&M).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Budget Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	<u>\$9,562,250</u>	\$742,639	Utility Revenue
Total Project Funds	<u>\$9,562,250</u>		

Project Justification:

This project will replace aging water transmission lines near the end of their useful life to eliminate potential leaks and failures. The reliability and capacity of water transmission service to campus will be increased. The new high density polyethylene (HDPE) pipe has a long life (100+years) and better flow characteristics than the existing pipe.

Agenda Item No. 3.5
Agenda Item Briefing

Scope:

This project will replace approximately six miles of existing 18-inch and 24-inch water lines from the wellfield to campus, with two 24-inch water lines in the existing 50 foot easement.

Construction on this project is scheduled to start in May 2018, with substantial completion scheduled for October 2019. The total project budget is \$9,562,250.

Other Major Fiscal Impacts:

None.

Agenda Item No. 3.5

TEXAS A&M UNIVERSITY

Office of the President

March 7, 2018

Members, Board of Regents
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Domestic Water System Improvements Project, Texas A&M University, College Station, Texas (Project No. 03-2016)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$9,562,250 for the Domestic Water System Improvements Project is approved.

The amount of \$8,606,250 is appropriated from Account No. 01-083540, Revenue Financing System Debt Proceeds (Utility Revenue), for construction services and related project costs.

The Domestic Water System Improvements Project, Texas A&M University, College Station, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

[ORIGINAL SIGNED BY]

Michael K. Young, President
Texas A&M University

Approval Recommended:

[ORIGINAL SIGNED BY]

John Sharp
Chancellor

Approved for Legal Sufficiency:

[ORIGINAL SIGNED BY]

Ray Bonilla
General Counsel

[ORIGINAL SIGNED BY]

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

DOMESTIC WATER SYSTEM IMPROVEMENTS	PROJECT BUDGET
TEXAS A&M UNIVERSITY	
PROJECT NO. 03-2016	

1.	Amount Available for Construction Contract.....	\$7,454,519
2.	Owner Contingencies	912,450
3.	A/E Fees & Project Management	<u>\$1,195,281</u>
4.	TOTAL ESTIMATED COST OF PROJECT.....	<u>\$9,562,250</u>

DOMESTIC WATER SYSTEM IMPROVEMENTS	PROJECT SCHEDULE
TEXAS A&M UNIVERSITY	
PROJECT NO. 03-2016	

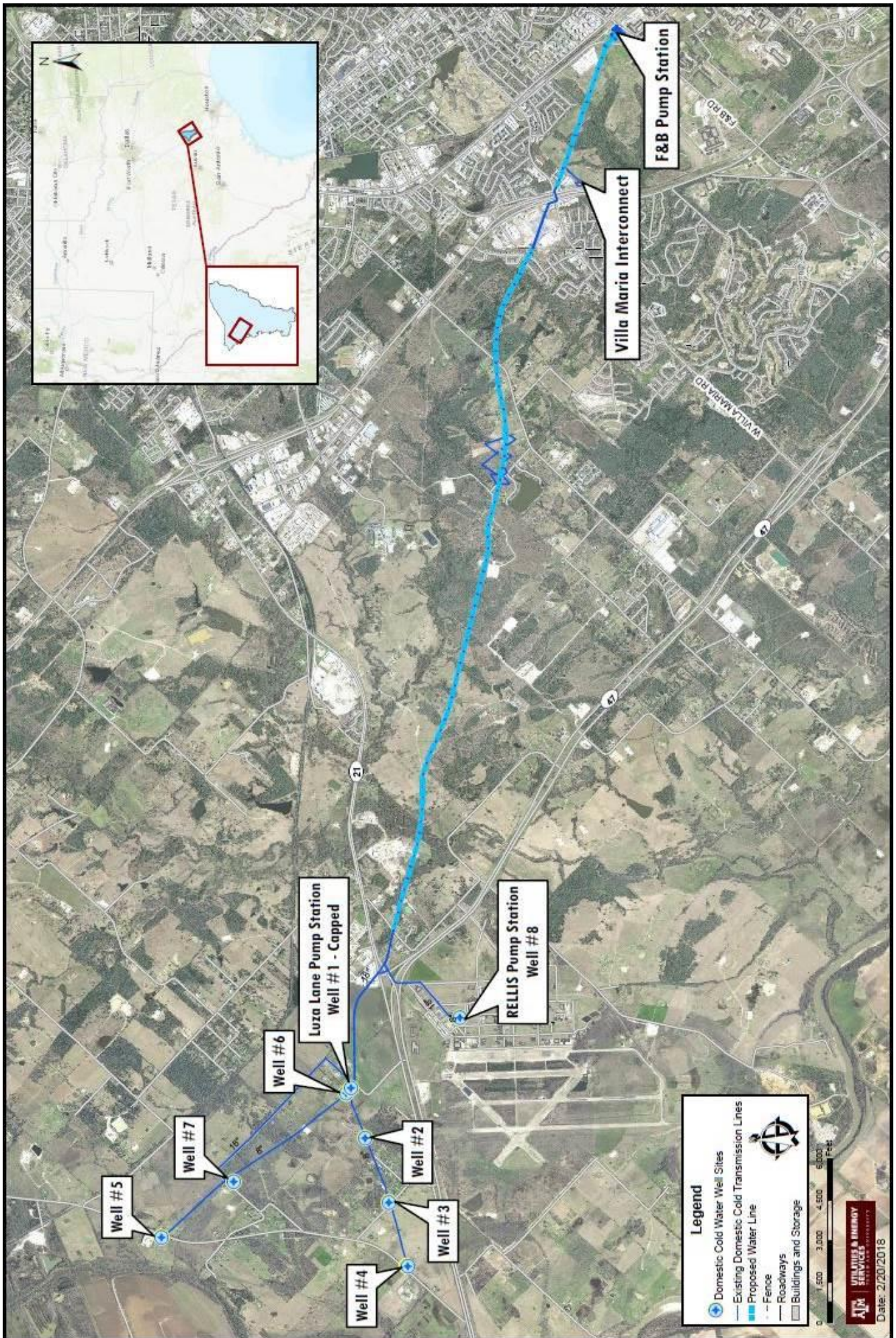
1. Complete Construction Documents..... February 14, 2018
2. Advertise for Competitive Sealed Proposals (CSP) February 16, 2018
3. Receive CSPs..... March 23, 2018
4. Complete CSP Evaluation March 30, 2018
5. Board of Regents Approval for Construction..... April 19, 2018
6. Notice to Proceed with Construction.....May 15, 2018
7. Substantial Completion/Start Up October 11, 2019

**TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
Campus Domestic Water System Improvements
Utility Revenue**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	9,660,000.00				
YEAR 1	9,350,000.00	310,000.00	434,700.00	744,700.00	856,405.00
YEAR 2	9,030,000.00	320,000.00	420,750.00	740,750.00	851,862.50
YEAR 3	8,695,000.00	335,000.00	406,350.00	741,350.00	852,552.50
YEAR 4	8,345,000.00	350,000.00	391,275.00	741,275.00	852,466.25
YEAR 5	7,980,000.00	365,000.00	375,525.00	740,525.00	851,603.75
YEAR 6	7,595,000.00	385,000.00	359,100.00	744,100.00	855,715.00
YEAR 7	7,195,000.00	400,000.00	341,775.00	741,775.00	853,041.25
YEAR 8	6,775,000.00	420,000.00	323,775.00	743,775.00	855,341.25
YEAR 9	6,335,000.00	440,000.00	304,875.00	744,875.00	856,606.25
YEAR 10	5,875,000.00	460,000.00	285,075.00	745,075.00	856,836.25
YEAR 11	5,395,000.00	480,000.00	264,375.00	744,375.00	856,031.25
YEAR 12	4,895,000.00	500,000.00	242,775.00	742,775.00	854,191.25
YEAR 13	4,375,000.00	520,000.00	220,275.00	740,275.00	851,316.25
YEAR 14	3,830,000.00	545,000.00	196,875.00	741,875.00	853,156.25
YEAR 15	3,260,000.00	570,000.00	172,350.00	742,350.00	853,702.50
YEAR 16	2,665,000.00	595,000.00	146,700.00	741,700.00	852,955.00
YEAR 17	2,040,000.00	625,000.00	119,925.00	744,925.00	856,663.75
YEAR 18	1,390,000.00	650,000.00	91,800.00	741,800.00	853,070.00
YEAR 19	710,000.00	680,000.00	62,550.00	742,550.00	853,932.50
YEAR 20	-	710,000.00	31,950.00	741,950.00	853,242.50
		<u>\$ 9,660,000.00</u>	<u>\$ 5,192,775.00</u>	<u>\$ 14,852,775.00</u>	<u>\$ 17,080,691.25</u>

Estimated issuance costs and rounding of \$97,750 are included in this schedule.
 Long-term rates are assumed to be 4.50%. Rates are subject to market change.
 Prepared by the Office of the Treasurer - Treasury Services 2/15/18

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.



TAMU Water Production & Transmission System