

DAKOTA COUNTY BOARD OF COMMISSIONERS

Authorization To Amend 2021 Byllesby Dam Capital Improvement Program Budget To Utilize American Rescue Plan Coronavirus Local Fiscal Recovery Funds For Phase 2 Byllesby Dam Water-To-Wire Development Project Construction

Meeting Date: 10/5/2021
Item Type: Consent-Action
Division: Physical Development
Department: Environmental Resources
Contact: Fischer, Georg
Contact Phone: (952) 891-7554
Prepared by: Petersen, Joshua

Fiscal/FTE Impact:
 None Other
 Current budget Amendment requested
 New FTE(s) requested
Board Goal: A great place to live
Public Engagement Level: N/A

PURPOSE/ACTION REQUESTED

Authorize amendment of the 2021 Byllesby Dam Capital Improvement Program Budget to Utilize American Rescue Plan (ARP) Coronavirus Local Fiscal Recovery Funds (FRF) for Phase 2 Byllesby Dam Water-To-Wire Development Project construction.

SUMMARY

Dakota County owns the Byllesby Dam and operates its high-hazard hydroelectric facility under the Federal Energy Regulatory Commission (FERC) safety regulations. The County is in the process of completing turbine and powerhouse upgrades for the Byllesby Dam Water-to-Wire Redevelopment Project to modernize and maximize production of clean energy from the Dam.

To complete this project, County staff developed a team including an engineering consultant to provide project design, a turbine manufacturer to provide turbine and generation equipment in a complete package (e.g., water-to-wire equipment), and a general contractor for redevelopment of the site with installation of the equipment and modification to the powerhouse structure. By Resolution No. 18-538 (October 23, 2018), in accordance with the authority granted in Minn. Stat. 130G.535, the County Board approved utilizing a special type of contractor relationship that provides both construction management and general contractor services on the project and allows staff to develop and solicit a request for qualification for services.

By Resolution No. 19-773 (October 29, 2019), the Dakota County Board of Commissioners authorized execution of a contract with Boldt Construction, LLC to perform Construction Manager/General Contractor Services related to the redevelopment of the site for the project. By Resolution No. 20-319 (July 14, 2020), the Dakota County Board of Commissioners authorized execution of a contract with Boldt Construction, LLC to perform Construction Manager/General Contractor Services for Phase 1. By Resolution No. 21-368 (July 20, 2021), the Dakota County Board of Commissioners authorized execution of a contract with Boldt Construction, LLC to perform Construction Manager/General Contractor Services for Phase 2. The contract will be executed for work to commence on Phase 2 later in 2021.

Based on review of APR-FRF eligibility requirements for clean water projects, the Byllesby Dam Water-to-Wire Redevelopment Project is an eligible expense. Under Treasury reporting guidance for Interim Rule, 31 CFR Part 35, Subp. A, Section 35.6 (e)(1), definitions for the Clean Water: Energy Conservation include “costs associated with the production of renewable energy.”

RECOMMENDATION

At the September 21, 2021 workshop, the County Board of Commissioners recommended amending the 2021 Byllesby Dam Capital Improvement Program (CIP) budget to utilize ARP-FRF for the \$17,124,830 Phase 2 Construction expense.

EXPLANATION OF FISCAL/FTE IMPACTS

The amended 2021 Byllesby Dam Capital Improvement Program (CIP) budgets for the Turbine Upgrade Project to utilize ARP-FRF for the \$17,124,830 Phase 2 Contract with Boldt Company, LLC to complete Construction Management, General Contractor services. This amendment will reduce the utilization of the General Fund for the project.

Supporting Documents:

Attachment A: Budget and Project Financial Summary

Attachment B: Cost Estimate Summary

Previous Board Action(s):

15-532; 10/20/15

18-538; 10/23/18

19-773; 10/29/19

20-319; 07/14/20

21-368; 07/20/21

RESOLUTION

WHEREAS, Dakota County owns the Lake Byllesby Dam and operates its hydroelectric facility under the Federal Energy Regulatory Commission (FERC) safety regulations; and

WHEREAS, the County is in the process of completing turbine and powerhouse upgrades for the Byllesby Dam Water-to-Wire Redevelopment Project to modernize and maximize the production of clean energy from the Dam; and

WHEREAS, by Resolution No. 18-538 (October 23, 2018), the County Board in accordance with the authority granted in Minn. Stat. 130G.535, approved utilizing a special type of contractor relationship that provides both construction management and general contractor services on the project and authorized staff to develop and solicit a request for qualification for services; and

WHEREAS, by Resolution No. 19-773 (October 29, 2019), the Dakota County Board of Commissioners authorized execution of a contract with Boldt Construction, LLC to perform Construction Manager/General Contractor Services related to the redevelopment of the site for the project; and

WHEREAS, construction of the project has proceeded in two phases; and

WHEREAS, by Resolution No. 20-319 (July 14, 2020), the Dakota County Board of Commissioners authorized execution of a contract with Boldt Construction, LLC to perform Construction Manager/General Contractor Services for Phase 1; and

WHEREAS, by Resolution No. 21-368 (July 20, 2021), the Dakota County Board of Commissioners authorized execution of a contract with Boldt Construction, LLC to perform Construction Manager/General Contractor Services for Phase 2; and

WHEREAS, the contract will be executed for work to commence on Phase 2 later in 2021; and

WHEREAS, based on review of American Rescue Plan (ARP) Coronavirus Local Fiscal Recovery Funds (FRF) eligibility requirements for clean water projects, the Byllesby Dam Water-to-Wire Redevelopment Project is an eligible expense; and

WHEREAS, under Treasury reporting guidance for Interim Rule, 31 CFR Part 35, Subp. A, Section 35.6 (e)(1), definitions for the Clean Water: Energy Conservation include costs associated with the production of renewable energy; and

WHEREAS, at the September 21, 2021 workshop, the County Board of Commissioners recommended amending 2021 Byllesby Dam Capital Improvement Program (CIP) budgets to utilize ARP-FRF for the \$17,124,830 Phase 2 Construction Manager/General Contractor Services expenses.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby amend the 2021 Byllesby Dam Capital Improvement Program Budget is hereby amended as follows:

Revenue	
American Rescue Plan Funding	\$17,124,830
Use of General Fund	<u>(\$17,124,830)</u>
Total Revenue	\$0

County Manager's Comments:

- Recommend Action
- Do Not Recommend Action
- Reviewed---No Recommendation
- Reviewed---Information Only
- Submitted at Commissioner Request



County Manager

Reviewed by (if required):

- County Attorney's Office
- Financial Services
- Risk Management
- Employee Relations
- Information Technology
- Facilities Management

**BOARD OF COUNTY COMMISSIONERS
DAKOTA COUNTY, MINNESOTA**

October 5, 2021

Resolution No. 21-480

Motion by Commissioner Mike Slavik

Second by Commissioner Laurie Halverson

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STATE OF MINNESOTA
County of Dakota

	YES		NO
Slavik	<u> X </u>	Slavik	_____
Gaylord	<u> X </u>	Gaylord	_____
Halverson	<u> X </u>	Halverson	_____
Atkins	<u> X </u>	Atkins	_____
Workman	<u> X </u>	Workman	_____
Holberg	<u> X </u>	Holberg	_____
Hamann-Roland	<u> X </u>	Hamann-Roland	_____

I, Jeni Reynolds, Clerk to the Board of the County of Dakota, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Dakota County, Minnesota, at their session held on the 5th day of October 2021, now on file in the County Administration Department, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal of Dakota County this 5th day of October 2021.

Jeni Reynolds

Clerk to the Board

WHEREAS, under Treasury reporting guidance for Interim Rule, 31 CFR Part 35, Subp. A, Section 35.6 (e)(1), definitions for the Clean Water: Energy Conservation include costs associated with the production of renewable energy; and

WHEREAS, at the September 21, 2021 workshop, the County Board of Commissioners recommended amending 2021 Byllesby Dam Capital Improvement Program (CIP) budgets to utilize ARP-FRF for the \$17,124,830 Phase 2 Construction Manager/General Contractor Services expenses.

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Revenue	
American Rescue Plan Funding	\$17,124,830
Use of General Fund	<u>(\$17,124,830)</u>
Total Revenue	\$0

STATE OF MINNESOTA
County of Dakota

	YES		NO
Slavik	<u> X </u>	Slavik	_____
Gaylord	<u> X </u>	Gaylord	_____
Halverson	<u> X </u>	Halverson	_____
Atkins	<u> X </u>	Atkins	_____
Workman	<u> X </u>	Workman	_____
Holberg	<u> X </u>	Holberg	_____
Hamann-Roland	<u> X </u>	Hamann-Roland	_____

I, Jeni Reynolds, Clerk to the Board of the County of Dakota, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Dakota County, Minnesota, at their session held on the 5th day of October 2021, now on file in the County Administration Department, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal of Dakota County this 5th day of October 2021.



Clerk to the Board