

Thursday, February 01, 2007

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**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION**

ITEM No. 8

Subject: Approve an ordinance authorizing the negotiation and execution of an agreement between the City and Samsung Austin Semiconductor, L.L.C. reimbursing Samsung for the design and construction of a wastewater meter and appurtenances at the Samsung chip manufacturing facility on Parmer Lane for a total project amount not to exceed \$500,000, and waiving Sections 15-9-272, 15-9-273, 15-9-275 and 15-9-285 of the City Code relating to payment for and maintenance of meters.

Amount and Source of Funding: Funding is available in the Fiscal Year 2006-2007 Capital Improvement Budget of the Austin Water Utility

Fiscal Note: A fiscal note is attached

**Additional Backup
Material**

(click to open)

- ☐ [AWU Fiscal Note](#)
- ☐ [Ordinance](#)
- ☐ [Board and Commission Action](#)

For More Information: Jeff Taylor, 972-0119, Bart Jennings, 972-0118; Denise Avery, 972-0104

Boards and Commission Action: Recommended by the Water and Wastewater Commission.

The City of Austin ("City") will reimburse Samsung Austin Semiconductor, L.L.C. ("Samsung") in an amount not to exceed \$500,000.00 for the cost of constructing a new vault and replacing the meter. The \$500,000 not-to-exceed reimbursement amount includes reimbursement for engineering, design, and project management in an amount not to exceed 15% of the actual construction costs. The requirements of Sections 15-9-272 and 15-9-273 requiring the installation of a meter at the customer's sole expense are waived.

Samsung operates a dynamic random access memory computer chip manufacturing facility on Parmer Lane. The current operations make Samsung one of the Austin Water Utility's largest industrial users. Samsung recently began construction on a \$3.5 billion manufacturing facility ("FAB") at the Parmer Lane campus, and the new facility will increase its water usage from an average of 1,400,000 gallons per day to 2,624,000 gallons per day.

In 1998, Samsung constructed a wastewater meter and vault based on plans approved by the City. That meter and vault – along with the wastewater line downstream of the meter – were dedicated to the City. In 2001, it was discovered that there were issues with proper measuring of wastewater flows, and an alternative method of measuring industrial flow and estimating sanitary domestic flow was utilized. Samsung's new FAB construction will result in a significant increase of industrial flow from its facilities.

The existing wastewater meter owned by the City is not functional. Samsung has agreed to build a new meter facility and install a new wastewater meter to accurately measure all wastewater flows from the Samsung campus. The relocation of the meter and vault will allow the City to address the issues affecting the accuracy of the existing meter in a way that will ensure accurate measurement in the future. The City will own the meter vault, meter, and the wastewater main up to the property boundary from the new wastewater meter. Samsung will be responsible for operation and maintenance of the wastewater meter;

however, the City retains by ordinance the right of inspection and annual calibration by a third party of the wastewater meter

In order to accomodate the above considerations, the requirement of Section 15-9-275(A) prohibiting the customer from charging the City for the cost of the meter is waived. The requirement of Section 15-9-285 requiring the City to operate and maintain the meter is also waived.

CAPITAL IMPROVEMENT BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

02/01/07
Resolution
Austin Water Utility

DESCRIPTION:

SUBJECT Approve an ordinance authorizing the negotiation and execution of an agreement between the City and Samsung Austin Semiconductor, L L C reimbursing Samsung for the design and construction of a wastewater meter at the Samsung chip manufacturing facility on Parmer Lane for a total project amount not to exceed \$500,000, and waiving Sections 15-9-272, 15-9-273, 15-9-275 and 15-9-285 of the City Code relating to payment for and maintenance of meters

FINANCIAL INFORMATION:

Project Name	Samsung WW Meter Relocation
Fund	4570
Department	2307
Unit	8387

Current Appropriation	\$	500,000 00
Unencumbered Balance	\$	500,000 00
Less Outstanding Commitments		0 00
Amount of This Action		<u>(500,000 00)</u>
Remaining Balance	\$	<u><u>-</u></u>

Utility Finance



David Anders, Utilities Finance Manager

Date

1/23/07

ORDINANCE NO.

1 AN ORDINANCE AUTHORIZING THE CITY MANAGER TO NEGOTIATE
2 AND EXECUTE A COST REIMBURSEMENT AGREEMENT WITH SAMSUNG
3 AUSTIN SEMICONDUCTORS, L.L.C. FOR CONSTRUCTION OF A
4 WASTEWATER METER AND APPURTENANCES TO SERVE THE SAMSUNG
5 CHIP MANUFACTURING FACILITY ON PARMER LANE; AND WAIVING
6 CERTAIN REQUIREMENTS OF SECTIONS 15-9-272, 15-9-273, 15-9-275 AND
7 15-9-285 OF THE CITY CODE RELATING TO PAYMENT FOR AND
8 MAINTENANCE OF METERS AND ORDINANCE NUMBER 060911-004
9 RELATING TO INSPECTION FEES.

10
11 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

12
13 PART 1. This ordinance applies to cost reimbursement to Samsung Austin
14 Semiconductor, L.L.C. ("Samsung") for construction of a wastewater meter and
15 appurtenances to serve the Samsung chip manufacturing facility on Parmer Lane.

16 PART 2. The council authorizes the city manager to negotiate and execute a cost
17 reimbursement agreement with Samsung Austin Semiconductor, L.L.C. in accordance
18 with the following requirements:

- 19 (A) total cost reimbursement for construction of a wastewater meter and
20 appurtenances may not exceed \$500,000.00; and
21 (B) cost reimbursement for engineering, design, and project management may not
22 exceed 15 percent of the actual construction costs.

23 PART 3. The council waives:

- 24 (A) the requirement of Section 15-9-272 (*Installation of Wastewater Meter*
25 *Required*) of the City Code that a wastewater meter be installed at the
26 customer's expense;
27 (B) the requirement of Section 15-9-273 (*Installation of Data Logging and*
28 *Telemetry Equipment Required*) of the City Code that a data logger and
29 telemetry equipment be installed at the customer's sole expense;
30 (C) the requirement of Section 15-9-275 (*Dedication of Metering Facilities*) of the
31 City Code that the customer may not charge the City for a wastewater meter
32 dedicated to the City;

(D) the requirement of Section 15-9-285 (*Operation and Maintenance in Accordance with Manufacturer's Specifications*) of the City Code that the City operate and maintain a dedicated wastewater meter, data logging equipment or telemetry equipment; and

(E) the requirement for payment of the construction inspection and review fees established in Ordinance No. 060911-004, to allow reimbursement of the construction inspection and review fees of the wastewater meter and appurtenances.

PART 4. This ordinance takes effect on _____, 2007.

PASSED AND APPROVED

_____, 2007

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§
§

Will Wynn
Mayor

APPROVED:

David Allan Smith
City Attorney

ATTEST:

Shirley A. Gentry
City Clerk


No. 012407-B

**RECOMMEND APPROVAL OF AN ORDINANCE AUTHORIZING THE NEGOTIATION
AND EXECUTION OF AN AGREEMENT BETWEEN THE CITY OF AUSTIN
AND SAMSUNG AUSTIN SEMICONDUCTOR, L.L.C. REIMBURSING
SAMSUNG FOR THE DESIGN AND CONSTRUCTION OF A WASTEWATER
METER AT THE SAMSUNG CHIP MANUFACTURING FACILITY.**

**January 24, 2007
REGULAR MEETING
VOTE**

Motion Made By	Commissioner's Vote				
	Consenting	Dissenting	Abstaining	Absent	
Michael Warner (Chairperson)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chien Lee, P E., (Vice Chair)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ronnie Jones	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leslie Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Karen Friese, P E.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Laura Raun	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheryl Scott-Ryan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dale Gray	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Water and Wastewater Commission recommends approval of an ordinance authorizing the negotiation and execution of an agreement between the City of Austin and Samsung Austin Semiconductor, L.L.C. reimbursing Samsung for the design and construction of a wastewater meter at the Samsung chip manufacturing facility on Parmer Lane for a total project amount not to exceed \$500,000; waiving Sections 15-9-272, 15-9-273, 15-9-275 and 15-9-285 of the City Code relating to payment for and maintenance of meters; and, waiving the requirement for payment of the construction inspection and review fees established in Ordinance 20060911-004, to allow reimbursement of the construction inspection and review fees.


Michael Warner, Chairperson
Water and Wastewater Commission

1/24/07
Date