

AGENDA



Thursday, May 24, 2007

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION****Item No. 6**

Subject: Approve an ordinance authorizing negotiation and execution of an amendment to the existing Cost Reimbursement Agreement with Nalle Woods Ltd., to increase the amount of City cost reimbursement for construction of a 12 and 16-inch water main and appurtenances for the Nalle Woods Subdivision by \$126,360 for actual construction costs, with a maximum cost reimbursement amount not to exceed \$358,360.

Amount and Source of Funding: Funding in the amount of \$126,360 is available in the Fiscal Year 2006-2007 Capital Budget of the Austin Water Utility.

Fiscal Note: A fiscal note is attached.

For More Information: Seyed Miri, P.E. 972-0202; Denise Avery 972-0104

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

Prior Council Action: Originally approved by Council on 9-26-02, Ordinance No. 020926-60 and 020926-62, Resolution No. 020926-61

The Nalle Woods Subdivision is a multi-family development located at 4700 North Capital of Texas Highway (the "Property") inside the corporate limits of Austin. Nalle Woods Ltd., (the "Developer") previously submitted Service Extension Request Number 2161, requesting the extension of City water utility service to the Property, which is within the Drinking Water Protection Zone and the Lake Austin Watershed. The City Council approved the negotiation and execution of a cost reimbursement agreement with Nalle Woods Ltd., on September 26, 2002, with City cost reimbursement not to exceed \$232,000.00 for hard construction costs for construction of a 12-inch water main to serve Nalle Woods Subdivision and provide a second water feed to the area. The construction cost for the 12-inch water main was developed on conceptual engineering and planning documents during the review of the Service Extension Request.

In early 2003 and during the design phase, the Austin Water Utility (AWU) determined that increasing the line size at the Loop 360 crossing would benefit the water system in the future. The design revision changed approximately 280 feet of 12-inch line to a 16-inch line in a 24-inch bore casing pipe under the main lanes of Loop 360. In addition, the actual length of line that was required to be constructed was determined to be 200 feet more than the conceptual plan. This was also incorporated in the construction plans.

This design change of the water main resulted in increased project costs. During construction of the water main, the City requested the contractor to change the construction method for the bore under North Capital of Texas Highway. This was primarily to address the method to restrain the water line inside the casing pipe. This change resulted in delays, changing of pipe material fees associated with the restocking of pipe, equipment downtime, and additional traffic control and trench protection. All of the changes requested by the City resulted in additional project costs in the amount of \$126,360.00, which have been confirmed by Utility staff, for which the Developer is seeking reimbursement.

The proposed amendment to the Water Cost Reimbursement Agreement would increase the maximum cost reimbursement from \$232,000.00 to \$358,360.00.