

AGENDA



Thursday, November 8, 2007

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION****Item No. 7**

Subject: Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement with The Vistas of Austin, Ltd., for construction of a 30-inch gravity wastewater main and appurtenances for the Vistas Subdivision located in the 10100 block of Old Lockhart Road with City cost reimbursement in an amount not to exceed \$4,239,360; and waiving the requirements of Sections 25-9-61, 25-9-63 and 25-9-67 of the City Code relating to cost reimbursement.

Amount and Source of Funding: Funding is available in the Fiscal Year 2007-2008 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.

The Vistas Subdivision is a proposed single-family development located on approximately 149 acres of land in the 10100 block of Old Lockhart Road (the "Property"), outside the full-purpose city limits. The Vistas of Austin, Ltd., (the "Developer") has submitted Service Extension Request 2518 requesting that the City provide wastewater utility service to the Property which is within the Council approved Impact Fee Boundary, Utility Service Area, City of Austin Wastewater Certificate of Convenience and Necessity (CCN) area and also within the Desired Development Zone and Rinard Creek Watershed.

Under the proposed cost reimbursement agreement, the Developer would construct approximately 3,100 feet of 30-inch gravity wastewater main from the terminus of the proposed 36-inch gravity wastewater main to be constructed by SER 2260 (Zachary Scott) at Bradshaw Road east of Rinard Creek, southwest along Bradshaw Road to the west side of Rinard Creek and southeast paralleling the west side of Rinard Creek through the Legend's Way Tract (SER 2612) to approximately the southwest corner of the Property, and then continue northeast back across Rinard Creek with a 12-inch gravity wastewater main for approximately 350 feet to the Property. The 350 feet of 12-inch gravity wastewater main is not eligible for cost reimbursement or cost participation. Based on the Utility's capacity analysis, adequate system capacity exists to meet the projected demands of the property to be served and the proposed wastewater improvements will serve additional development within the Rinard Creek Watershed.

The City will reimburse the Developer for the actual construction costs of the 30-inch gravity wastewater main and appurtenances constructed within public right-of-way or easements for a total not to exceed \$3,686,400.00, and the costs for engineering, design and project management of the 30-inch gravity wastewater main and appurtenances within public right-of-way or easements for a total not to exceed 15% of the actual construction costs of the 30-inch gravity wastewater main and appurtenances up to a maximum of \$552,960.00, whichever is less, for a total not to exceed \$4,239,360.00. The Developer will bear all other costs for financing, interest, fiscal security, accounting, insurance, inspections, permitting, easement acquisition and legal services associated with this construction.

Because the City requested that the Developer construct wastewater improvements beyond those needed only to serve the proposed development and the reimbursement amounts established in City

Code Sections 25-9-61 are insufficient to reimburse the over-sizing requested, the Developer is requesting a waiver from City Ordinance requirements of:

- 1) Section 25-9-61 relating to the amount of cost reimbursement. Under this Section, the maximum amount of cost reimbursement for the 30-inch gravity wastewater main is computed by multiplying the capacity of the gravity wastewater main at minimum slope in LUEs by \$404.00 per LUE (30-inch gravity wastewater main at minimum slope of 0.07% has a capacity of 4,994 LUEs), resulting in a maximum reimbursement amount, for the minimum slope main, not to exceed \$2,017,576.00.
- 2) Section 25-9-63 relating to the amount of cost reimbursement. Under this Section, the amount of cost reimbursement is only for the actual construction costs.
- 3) Section 25-9-67 relating to cost reimbursement payments. Under this Section, cost reimbursement payments are to be made in one (1) payment on March 1 of the second year following the year in which the wastewater improvements are accepted.

This action waives the requirements of Section 25-9-61 and Section 25-9-63, thereby allowing the reimbursement of the actual construction costs of the 30-inch gravity wastewater main and the costs for engineering, design and project management of the 30-inch gravity wastewater main up to a maximum of \$4,239,360.00.

This action waives the requirements of Section 25-9-67, thereby allowing the cost reimbursement payment in one (1) payment 90-days after final acceptance.

The Developer will conform to the City of Austin design criteria and construction standards in all respects. The Developer will construct all required improvements at their cost and after approval of construction, the applicant will dedicate the facilities to the City for ownership, operation and maintenance.

The Developer agrees to allow the City to use the Plans and Specifications approved by the Director, to solicit and publish invitations for bids for the construction of the improvements following standard City bidding practices and procedures, including the minority-owned business enterprise procurement program found in Title 2 of the City Code, as amended, and Chapters 212 and 252, Texas Local Government Code, as amended.