

AGENDA



Thursday, November 8, 2007

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

Subject: Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement with The Vistas of Austin, Ltd., for construction of a 42-inch water 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 \$1,372,410; and waiving the requirements of Sections 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 2517 requesting that the City provide water utility service to the Property which is within the Council approved Impact Fee Boundary, Utility Service Area, Creedmoor-Maha Water Supply Corporation Certificate of Convenience and Necessity (CCN) area, and also within the Desired Development Zone and Rinard Creek Watershed.

The Developer is currently seeking decertification of the Property from Creedmoor-Maha Water Supply Corporation Certificate of Convenience and Necessity (CCN) area. Before the City of Austin will provide retail water service or sell water meters, the Property must be released from the Creedmoor-Maha Water Supply Corporation Certificate of Convenience and Necessity (CCN) area, and all other development approvals must be obtained.

Under the proposed cost reimbursement agreement, the Developer would construct approximately 1,530 feet of 42-inch water main from the proposed 48-inch water main to be constructed by SER 2416 (Goodnight Tract) in the proposed extension of Slaughter Lane east of Old Lockhart Road northwest of the Property, southwest within an appropriately sized water main easement to the existing 24-inch water main in Old Lockhart Road northwest of Bradshaw Road. The Developer will also construct approximately 4,800 feet of 16-inch water main from the existing 24-inch water main in Old Lockhart Road at Bradshaw Road, southeast along Old Lockhart Road to the proposed entrance street of the development, and south within the Property to the south side of Rinard Creek and the proposed 16-inch water main to be constructed by SER 2611 (Legend's Way Subdivision). The 16-inch water 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 water improvements will serve additional development. The proposed 42-inch water improvements are part of the South IH-35 Water Program.

The City will reimburse the Developer for the actual construction costs of the 42-inch water main and appurtenances constructed within public right-of-way or easements for a total not to exceed

\$1,193,400.00, and the costs for engineering, design and project management of the 42-inch water main and appurtenances within public right-of-way or easements for a total not to exceed 15% of the actual construction costs of the 42-inch water main and appurtenances up to a maximum of \$179,010.00, whichever is less, for a total not to exceed \$1,372,410.00. 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 water improvements beyond those needed only to serve the proposed development, the Developer is requesting a waiver from City Ordinance requirements of:

1) 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.

2) 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 water improvements are accepted.

This action waives the requirements of Section 25-9-63, thereby allowing the reimbursement of the costs for engineering, design and project management of the 42-inch water main up to a maximum of \$1,372,410.00.

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.