AUSTIN CITY COUNCIL

AGENDA



Thursday, December 13, 2007

Austin Water Utility **Item No. 9**
RECOMMENDATION FOR COUNCIL ACTION

Subject: Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement, related to Service Extension Request No. 2531, with BOYCE LANE, L.P., providing terms and conditions for construction of an 15 and 18-inch gravity wastewater main and appurtenances to provide wastewater service to the Bellingham Meadows Subdivision located along East Parmer Lane at Boyce Lane and Farmhaven Road with City cost reimbursement in an amount not to exceed $1,276,413, for actual construction costs; waiving the requirements of Section 25-9-61 and Section 25-9-63 of the City Code relating to the amount of cost reimbursement for eligible projects, and waiving the requirements of Section 25-9-62 of the City Code relating to amount of cost participation.

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 Bellingham Meadows Subdivision is a proposed single-family development located on approximately 183 acres of land along East Parmer Lane at Boyce Lane and Farmhaven Road (the “Property”), outside the full-purpose city limits. Boyce Lane, LP., (the “Developer”) has submitted Service Extension Request 2531 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 Gilleland Creek Watershed.

Under the proposed cost reimbursement agreement, the Developer would construct approximately 3,300 feet of 18-inch gravity wastewater main from the proposed 18-inch gravity wastewater main to be constructed by SER 2085 (Scotts Glen) east of State Highway 130 at East Parmer Lane, northwest to the creek draw that is just east of the subject tract. Applicant will also construct approximately 3,600 feet of 15-inch gravity wastewater main (minimum slope of 0.35%) from the western end of the proposed 18-inch gravity wastewater main at the creek draw that drains the subject tract, southwest through the subject tract to the existing City of Austin William Wallace Way Lift Station. The proposed 15-inch gravity wastewater main will connect to the existing 18-inch gravity wastewater main at the William Wallace Way Lift Station to allow the abandonment of the Lift Station. The Developers, pursuant to this SER, will construct the most upstream portion of the 18-inch gravity wastewater main and the developers of SER 2085 (Scots Glen) and SER 2465 (Wildhorse Addition) will construct the downstream portions of the 18-inch gravity wastewater main. 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 along East Parmer Lane and south of the Property.

The City will reimburse the Developer for the actual construction costs of the 18-inch gravity wastewater main and appurtenances constructed within public right-of-way or easements for a total not to exceed $1,106,875.00. The Developer will bear all other costs for engineering, design, financing, interest, fiscal

security, accounting, insurance, inspections, permitting, project management, easement acquisition and legal services associated with this construction.

The City will reimburse the Developer for the actual construction costs of the 15-inch gravity wastewater main and appurtenances constructed within public right-of-way or easements for a total not to exceed 34.25% of the actual construction costs ("hard costs") of the 15-inch gravity wastewater main and appurtenances up to a maximum of $169,538.00, whichever is less. The City in this instance will be reimbursing the Developer for a 7-inch (8-inches to 15-inches) and 3-inch (12-inches to 15-inches) increase in the pipe diameters. (The amount of oversizing varies due to slope and the amount of connections served.) The Developer will bear all other costs for engineering, design, financing, interest, fiscal security, accounting, insurance, inspections, permitting, project management, 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 and 25-9-62 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 18-inch gravity wastewater main is computed by multiplying the capacity of the gravity wastewater main at minimum slope in Living Unit Equivalents (LUEs) by $404.00 per LUE (18-inch gravity wastewater main at minimum slope of 0.14% has a capacity of 1,809 LUEs), resulting in a maximum reimbursement amount, for the minimum slope main, not to exceed $730,836.00.

2) Section 25-9-62 relating to the amount of cost participation. Under this Section, the amount of cost participation for over-sizing the main is computed by multiplying $3.50 by each inch in diameter that the wastewater main is oversized (8-inch gravity wastewater main to a 15-inch gravity wastewater main and 12-inch gravity wastewater main to a 15-inch gravity wastewater main), by the actual length of gravity wastewater main constructed within public right-of-way or easements which would result in a reimbursement amount not to exceed $64,400.00.

3) Section 25-9-63 relating to the amount of cost reimbursement. Under this Section, reimbursement may not exceed the maximum amount provided in Section 25-9-61.

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 18-inch gravity wastewater main up to a maximum of $1,106,875.00.

This action waives the requirements of Section 25-9-62, thereby allowing the reimbursement of 34.25% of the actual construction costs of the 15-inch gravity wastewater main up to a maximum of $169,538.00.

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, City Code, as amended, and Chapters 212 and 252, Texas Local Government Code, as amended.