

## AGENDA



Thursday, January 10, 2008

**Austin Water Utility  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 8**

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**Subject:** Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement, related to Service Extension Request No. 2530, with BOYCE LANE, L.P., providing terms and conditions for construction of 24-inch water main and appurtenances to provide water 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 \$2,060,700, for actual construction costs, and 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.

**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.

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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 2530 requesting that the City provide water utility service to the Property which is within the Council approved Impact Fee Boundary, Utility Service Area, City of Austin Water 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 under Phase One (to serve the first 250 single-family homes) approximately 2,750 feet of 12-inch North Reduced Water Pressure Zone water main from the existing 12-inch water main in Farmhaven Road at Lansdowne Road, east through the subject tract to the existing 8-inch North Water Pressure Zone water main in East Parmer Lane and construct an appropriately sized Pressure Reducing Station. Applicant will also remove the existing Pressure Reducing Station (water intersection number 11528) on Boyce Lane and open the existing closed 8-inch gate valve (water intersection number 22403) in Farmhaven Road to allow the existing 8-inch North Water Pressure Zone water mains in Farmhaven Road and Boyce Lane to become North Reduced Water Pressure Zone water mains. The Phase One water improvements are not reimbursable.

The Developer will also construct approximately 6,650 feet of 24-inch water main (Phase Two to serve the remaining development) from the existing 54-inch water transmission main in Harris Branch Parkway at East Parmer Lane, southeast along East Parmer Lane to the Pressure Reducing Station construction in Phase One at East Parmer Lane and the subject tract. The proposed 24-inch water improvements must be placed within an appropriately sized water easement dedicated to the City of Austin. 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 24-inch water main 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 24-inch water main and appurtenances constructed within public right-of-way or easements for a total not to exceed \$2,060,700.00. 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.

Because the City requested that the Developer construct water 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 24-inch water main is computed by multiplying the capacity of the water main in LUEs by \$345.00 per LUE (24-inch water main has a capacity of 3,204 LUEs), resulting in a maximum reimbursement amount not to exceed \$1,105,380.00. The maximum reimbursement requirement under Section 25-9-61 does not consider the length of the proposed water main.

2) 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 24-inch water main up to a maximum of \$2,060,700.00.

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.