

## AGENDA



Thursday, April 10, 2008

**Austin Water Utility  
RECOMMENDATION FOR COUNCIL ACTION**
**Item No. 5**

**Subject:** Approve an ordinance authorizing negotiation and execution of a cost participation agreement, Service Extension Request No. 2698, with MANOR INDEPENDENT SCHOOL DISTRICT, providing terms and conditions for construction of 16-inch water main and appurtenances to provide water service to the proposed Manor Elementary School Number 6 to be located at 5600 Decker Lane with City cost reimbursement in an amount not to exceed 25% of the actual construction costs ("hard costs") or \$42,439, whichever is less; and waiving the requirements of Section 25-9-62 of the City Code relating to amount of cost reimbursement; and waiving the requirements of Section 25-9-67 of the City Code relating to cost participation and cost reimbursement payment schedule.

**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 and Denise Avery 972-0104

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

Manor Elementary School Number 6 (the "School") is a proposed school located on approximately 24 acres of land located at 5600 Decker Lane (the "Property"), inside the full-purpose city limits. Manor Independent School District, (the "MISD") has submitted Service Extension Request 2698 requesting that the City provide water to the Property which is within the Council approved Impact Fee Boundary, Utility Service Area, and also within the Desired Development Zone and Elm Creek Watershed.

Under the proposed cost participation agreement, MISD would construct approximately 1,090 feet of 16-inch water main from the existing 16-inch water main in Decker Lane south of the Property, north along Decker Lane to the existing 6-inch water main near the northeastern Property corner. MISD will also reconnect all existing water services from the existing 6-inch water main along the route of the proposed 16-inch water main. Based on the Utility's analysis, the proposed 16-inch water main will: a) provide fire fighting capabilities and b) improve water service to the area.

The City will reimburse MISD for the hard costs of the 16-inch water main and appurtenances constructed within public right-of-way or easements for a total not to exceed 25% of the actual construction costs ("hard costs") of the 16-inch water main up to a maximum of \$42,439.00, whichever is less in one (1) payment 90-days after final acceptance. The City will reimburse MISD for the 4-inch increase in pipe diameter that brings the pipe diameter to a total of 16-inches. The 4-inches are 25% of the 16-inch pipe. MISD 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.

MISD is requesting a waiver of the City Code requirements in Section 25-9-67, relating to cost reimbursement payments to permit the modified payment schedule of the water improvements described above. Normally under Section 25-9-67, cost reimbursement payments for tracts within the Desired

Development Zone 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.

Because the City requested that MISD construct water improvements beyond the minimum needed to serve the School, MISD is requesting a waiver from City Code requirements in Section 25-9-62 relating to the amount of cost participation. Under this Section, the amount of cost participation for over-sizing the water main is computed by multiplying \$3.00 by each inch in diameter that the water main is oversized (12-inch water main to a 16-inch main), by the actual length of water main constructed within public right-of-way or easements which would result in a reimbursement amount not to exceed \$13,080.00.

State law adopted in 2005 requires that infrastructure costs required by a political subdivision for a development be "roughly proportionate" to the cost of the infrastructure for the development. The proposed proportional share method is to address this state law requirement.

This action waives the requirements of Section 25-9-62, thereby allowing the reimbursement of 25% of the hard costs of the 16-inch water main up to a maximum of \$42,439.00.

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