

AGENDA



Thursday, May 8, 2008

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION****Item No. 2**

Subject: Approve an ordinance authorizing negotiation and execution of an amendment to the existing Cost Reimbursement Agreement with WANDERING CREEK INVESTMENTS, L.P., to change the schedule for cost reimbursement payments related to the construction of 24 and 36-inch water mains and appurtenances for the Wandering Creek Subdivision; and waiving the requirements of Section 25-9-67 of the City Code relating to the schedule for cost reimbursement.

Amount and Source of Funding: No additional fiscal impact to the Fiscal Year 2007-2008 Capital Budget of the Austin Water Utility.

Fiscal Note: A fiscal note is not required.

For More Information: Seyed Miri, P.E. 972-0202 and Denise Avery 972-0104

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

Prior Council Action: Originally approved by Council on 1-17-2008, Ordinance 20080117-002

The Wandering Creek Subdivision is a proposed single-family development located on approximately 648 acres of land south and west of Elroy Road and east of McAngus Road (the "Property"), outside the full-purpose city limits. Wandering Creek Investments, (the "Developer") previously submitted Service Extension Request 2501, requesting the extension of City 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 Dry Creek Watershed.

City Council approved the negotiation and execution of a cost reimbursement agreement with the Developer, January 17, 2008, with City cost reimbursement not to exceed \$3,837,600.00 for actual hard construction costs for construction of a 24 and 36-inch water main and \$91,665.00, or 15% of the actual construction costs of the 36-inch water main and appurtenances, whichever is less, to serve the Property and the area.

The City has recently been processing and approving City cost reimbursement requests with accelerated cost reimbursement payments. The Developer has made a written request with the Utility seeking an accelerated reimbursement date for the 24 and 36-inch water improvements. Under the original Council approval the schedule for cost reimbursement was not waived.

Therefore, this action will waive the requirements of City Code Section 25-9-67, thereby allowing the reimbursement of the actual construction costs of the 24-inch water main in one (1) payment 90 days after final acceptance of the 24-inch water main and appurtenances and allowing reimbursement of the actual construction costs of the 36-inch water main along with the costs for engineering, design and project management for the 36-inch water main in one (1) payment 90-days after final acceptance of the 36-inch water mains and appurtenances.