

AGENDA



Thursday, July 24, 2008

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

Subject: Approve an ordinance authorizing negotiation and execution of an amendment to the Cost Reimbursement Agreement with LOC 261 LLC, and waiving the requirements of Section 25-9-67 of the City Code relating to 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 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: Goodnight Ranch Cost Reimbursement Agreement originally approved by Council on 11-8-2007, Ordinance No. 20071108-005.

Legend's Way Subdivision is approximately 108 acres of single-family development located east of Bradshaw Road at River Plantation Drive (the "Property") inside the full-purpose city limits. LOC 261 LLC, (the "Developer") previously submitted Service Extension Request Number 2611, requesting the extension of city water utility service to the Property, which is within the City's designated Desired Development Zone and the Onion Creek Watershed.

The City Council approved the negotiation and execution of a cost reimbursement agreement with the Developer, on November 8, 2007, with City cost reimbursement not to exceed \$2,976,882 for the actual hard construction costs of approximately 3,400 linear feet of 42-inch water main and appurtenances and pressure reducing valve system to provide service to the Property and surrounding area. The original Council action also approved, as part of the \$2,976,882, cost reimbursement for the actual costs for engineering, design and project management "soft" costs of the 42-inch water main and appurtenances and pressure reducing valve system (15% of the actual construction costs of the 42-inch water main and pressure reducing valve system or \$388,289, whichever is less). The Utility has determined that a 42-inch water main will provide the needed service to the Property and surrounding area.

The Developer is currently developing the construction plans for the 42-inch water main and appurtenances and pressure reducing valve system. The 42-inch water main and appurtenances have been identified as part of the South IH-35 Water and Wastewater Infrastructure Improvements Program.

The Agreement will provide cost reimbursement of the soft costs for the 42-inch water main and appurtenances and pressure reducing valve system in one payment 90-days after the City issues its final acceptance of the 42-inch water main and appurtenances and pressure reducing valve system. This request waives the requirements of Section 25-9-67, thereby allowing cost reimbursement of the approved design, construction plans and specifications for the 42-inch water main and appurtenances and pressure reducing valve system within 30-days after the opening of the bids for the 42-inch water main and appurtenances and pressure reducing valve system.