

AGENDA



Thursday, March 26, 2009

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

Subject: Approve an ordinance authorizing negotiation and execution of an amendment to the existing Cost Reimbursement Agreement with WANDERING CREEK INVESTMENTS, L.P., authorizing an additional \$483,975 in City cost reimbursement for the engineering, design and project management costs associated with the 24-inch water main and appurtenances for the Wandering Creek Subdivision for an increase in the overall project costs from \$3,929,265 to a new overall project costs not to exceed \$4,413,240; and waiving the requirements of Section 25-9-63 of the City Code relating to the amount of cost reimbursement.

Amount and Source of Funding: Funding in the amount of \$483,975 is available in the Fiscal Year 2008-2009 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 the Water and Wastewater Commission.

Prior Council Action: Originally approved by Council on January 17, 2008, Ordinance 20080117-002. First amendment approved by Council on May 8, 2008, Ordinance 20080508-002.

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 on 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. Council also approved cost reimbursement for a maximum of \$91,665.00, or 15% of the actual construction costs of the 36-inch water main and appurtenances for engineering, design and project management, whichever is less, to serve the Property and the area. Subsequently to the January 17, 2008 Council approval date, the Developer made a request seeking accelerated cost reimbursement payments which City Council approved on May 8, 2008.

The Developer has now made a written request with the City seeking cost reimbursement for the costs associated with the engineering, design and project management for the 24-inch water improvements. Under the prior Council approvals the City had only approved cost reimbursement of the engineering, design and project management for the 36-inch water improvements.

Therefore, this action will waive the requirements of City Code Section 25-9-63, thereby allowing the reimbursement of the engineering, design and project management of the 24-inch water main and

appurtenances constructed within public right-of-way or easements for a total not to exceed 15% of the actual construction costs of the 24-inch water main and appurtenances up to a maximum of \$483,975.00, whichever is less, for a total not to exceed \$3,710,475.00 for the 24-inch water main and appurtenances.

The overall project costs for the 24 and 36-inch water mains and appurtenances will not exceed \$4,413,240.00.