

## AGENDA



Thursday, May 21, 2009

**Austin Water Utility  
RECOMMENDATION FOR COUNCIL ACTION**
**Item No. 3**

**Subject:** Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement, with QUALICO CR, L.P., for construction of 36-inch gravity wastewater main and appurtenances, and permanent wastewater treatment plant facilities to provide wastewater service to the proposed Sun Chase Subdivision located on the north and south side of Pearce Lane, west of Wolf Lane, south of Dry Creek and east of Navarro Creek Road with City cost reimbursement for an overall total amount not to exceed \$6,184,440; waiving the requirements of Section 25-9-61, Section 25-9-63, and Section 25-9-67 of the City Code relating to cost reimbursement.

**Amount and Source of Funding:** Funding in the amount of \$6,184,440 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; Denise Avery 972-0104

**Boards and Commission Action:** Recommended by the Water and Wastewater Commission. Related to Item #2.

The Sun Chase Subdivision is a proposed multi-use development located on approximately 1,604 acres of land on the north and south side of Pearce Lane, west of Wolf Lane, south of Dry Creek and east of Navarro Creek Road (the "Property"), outside the City's full-purpose city limits. Qualico CR, L.P., (the "Owner") has submitted Service Extension Request 2761 requesting that the City provide wastewater utility service to the Property which is within the Council approved Impact Fee Boundary, Utility Service Area, the Desired Development Zone, and Dry Creek Watershed.

**Oversized Wastewater Main Improvements:**

The Owner will construct approximately 6,400 feet of 36-inch gravity wastewater main along Dry Creek within the Property prior to the construction of a golf course within the Property. The wastewater improvements will be constructed within the limits of the proposed golf course only. These improvements are oversized and will provide wastewater service to potential customers within the wastewater drainage basin. The City will reimburse the Owner for the actual construction costs of the 36-inch gravity wastewater main and appurtenances (Oversized Wastewater Main Improvements) constructed within public right-of-way or easements for a total not to exceed \$3,249,732, and the costs for engineering, design and project management of the 36-inch gravity wastewater main and appurtenances within public right-of-way or easements for a total not to exceed 15% of the actual construction costs of the 36-inch gravity wastewater main and appurtenances up to a maximum of \$487,459.80, whichever is less, for a total not to exceed \$3,737,191.80. The Owner will bear all other costs for financing, interest, fiscal security, accounting, insurance, inspections, permitting, easement acquisition and legal services associated with this construction.

Garfield Wastewater Treatment Plant Phase One (150,000 gallon per day non-permanent package wastewater treatment plant):

The package plant will be placed on the City of Austin site within the Garfield Partners, L.P. property. The Owner will pay the setup fees (estimated at \$49,750) and the plant purchase price (estimated at \$800,000). The package plant costs will not be reimbursed by the City. The Owner will also design the ultimate layout of the treatment plant site and facilities, and construct permanent facilities (including site work, driveways, drainage improvements, water and electric service, back-up power, lift stations and permanent outfall piping) that will remain in place to serve a proposed permanent wastewater treatment plant. The City will reimburse the Owner for the actual construction costs of the permanent treatment plant facilities at the Garfield Wastewater Treatment Plant under Phase One, to include but not limited to: site work, driveways, drainage improvements, water and electric service, back-up power, lift stations and permanent outfall piping for a total not to exceed \$2,128,042, and the costs for engineering, design and project management of the permanent facilities for a total not to exceed 15% of the actual construction costs of the permanent treatment plant facilities up to a maximum of \$319,206.20, whichever is less, for a total not to exceed \$2,447,248.20. The Owner will bear all other costs for financing, interest, fiscal security, accounting, insurance, inspections, permitting, easement acquisition and legal services associated with this construction.

Because the Owner will construct wastewater improvements beyond those needed to serve only the proposed development, the Owner 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 36-inch gravity wastewater main at minimum grade is computed by multiplying the capacity of the 36-inch gravity wastewater main in Living Unit Equivalents (LUEs) by \$404.00 per LUE (36-inch gravity wastewater main at minimum grade and peak wet weather flow has a capacity of 6,863 LUEs), resulting in a maximum reimbursement amount not to exceed \$2,772,652.00. This action waives the requirements of Section 25-9-61, thereby allowing the reimbursement of the actual construction costs of the 36-inch gravity wastewater main up to a maximum of \$3,249,732.
- 2) Section 25-9-63 relating to the amount of cost reimbursement. Under this Section, reimbursement cannot exceed the amount established in 25-9-61 and the amount of cost reimbursement is only for the actual construction costs. This action waives the requirements of Section 25-9-63, thereby allowing the maximum reimbursement set by Section 25-9-61 to be exceeded and allowing for reimbursement of the costs for engineering, design and project management of the 36-inch gravity wastewater main up to a maximum of \$487,459.80, and \$319,206.20 for the permanent treatment plant facilities.
- 3) Section 25-9-67 relating to cost reimbursement payments. Under this Section, cost reimbursement payments are to be made in one (1) payment on March 1 of the second year following the year in which the wastewater improvements are accepted. This action waives the requirements of Section 25-9-67, thereby allowing the cost reimbursement payment in one (1) payment 90-days after final acceptance of the 36-inch gravity wastewater main and the permanent treatment plant facilities as described.

The Owner will conform to the City of Austin design criteria and construction standards in all respects. The Owner 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 Owner agrees to meet the M/WBE utilization goals or demonstrate a good faith effort to meet the goals for consultants as established by Resolution 20071108-127, Third-Party Agreements.

The Owner also 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 of the City Code, as amended, and Chapters 212 and 252, Texas Local Government Code, as amended.