

AGENDA



Thursday, May 21, 2009

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 4

Subject: Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement, related to Service Extension Request No. 2814, with PEARSON PLACE AT AVERY RANCH, LTD., for construction of an appropriately sized wastewater lift station and force main, and 12 and 24-inch gravity wastewater mains and appurtenances to provide wastewater service to the Pearson Place Subdivision located between Avery Ranch Boulevard on the north, FM 620/State Highway 45 on the south and the Davis Springs Subdivision on the west with City cost reimbursement for an overall total amount not to exceed \$2,131,677.19; waiving the requirements of Section 25-9-61, Section 25-9-62, 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 \$2,131,677.19 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.

The Pearson Place Subdivision is a proposed single and multi-family development on approximately 196 acres of land located between Avery Ranch Boulevard on the north, FM 620/State Highway 45 on the south and the Davis Springs Subdivision on the west (the "Property"), outside the full-purpose city limits. Pearson Place at Avery Ranch, Ltd., (the "Owner") has submitted Service Extension Request 2814 requesting that the City provide wastewater utility service to the Property which is within the Council approved Impact Fee Boundary, Utility Service Area, and also within the Desired Development Zone and Davis Springs Creek Watershed.

Under the proposed cost reimbursement agreement, the Owner would construct approximately 2,500 feet of 24-inch gravity wastewater main from a point within the Property near the southern property line, east and south paralleling and outside of the Critical Water Quality Zone of Davis Springs Creek to a proposed City of Austin lift station. The Owner will construct an appropriately sized City of Austin lift station (estimated at 1,100 gpm to serve the southern portion of the Property and the drainage area), north of FM 620/State Highway 45 and east of Davis Springs Creek. The dedicated lift station site will also be sized to accommodate the construction of a larger lift station capable of providing wastewater service for the upstream portion of the drainage basin. From the proposed City of Austin lift station, the Owner will construct approximately 3,500 feet of appropriately sized force main, west along the right-of-way of FM 620/State Highway 45 in an appropriately sized wastewater easement to the high point near the Austin and Northwestern Railroad, and then continue west and north for approximately 1,500 feet with a 12-inch gravity wastewater main to the existing 18-inch gravity wastewater main. Based on the Utility's capacity analysis, adequate system capacity exists to meet the projected demands of the property to be served and the proposed wastewater improvements will serve additional development within the Davis Springs Creek Watershed.

The City will reimburse the Owner for the actual construction costs of the 24-inch gravity wastewater main and appurtenances constructed within public right-of-way or easements up to a maximum of \$825,000,

and the costs for engineering, design and project management of the 24-inch gravity wastewater 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 gravity wastewater main and appurtenances up to a maximum of \$123,750, whichever is less, for a total not to exceed \$948,750. The Owner will bear all other "soft" costs for fees, permits, financing, interest, fiscal security, accounting, insurance, inspections, easements and legal services associated with the 24-inch gravity wastewater main.

The total "hard" construction cost of the wastewater lift station, force main and appurtenances constructed within public right-of-way or easements is estimated at \$1,606,050. The total cost participation under this agreement will be for a total not to exceed 57.39% of the actual construction costs of the wastewater lift station, force main and appurtenances up to a maximum of \$921,712.09, whichever is less. The Owner will bear 42.61% of the actual construction costs. The City will reimburse the Owner the costs for engineering, design and project management of the wastewater lift station, force main and appurtenances constructed within public right-of-way or easements for a total not to exceed 15% of the 57.39% of the actual construction costs of the wastewater lift station, force main and appurtenances up to a maximum of \$138,257.10, whichever is less, for a total not to exceed \$1,059,969.19. The Owner will bear all other "soft" costs for fees, permits, financing, interest, fiscal security, accounting, insurance, inspections, easements and legal services associated with the wastewater lift station and force main.

The City will reimburse the Owner for the actual construction costs of the 12-inch gravity wastewater main and appurtenances constructed within public right-of-way or easements for a total not to exceed 33% of the actual construction costs of the 12-inch gravity wastewater main up to a maximum of \$106,920, whichever is less. The City will reimburse the Owner the costs for engineering, design and project management of the 12-inch gravity wastewater main and appurtenances constructed within public right-of-way or easements for a total not to exceed 15% of the 33% of the actual construction costs of the 12-inch gravity wastewater main and appurtenances up to a maximum of \$16,038, whichever is less, for a total not to exceed \$122,958. The Owner will bear all other "soft" costs for fees, permits, financing, interest, fiscal security, accounting, insurance, inspections, easements and legal services associated with the 12-inch gravity wastewater main.

Because the City requested that the Owner construct wastewater improvements beyond those needed only to serve the proposed development, the Owner is requesting a waiver from City Ordinance requirements of:

- 1) Section 25-9-61 relating to eligible facilities and the maximum reimbursement (per LUE) of eligible facilities. Under this Section, force mains less than 12-inches in diameter are not reimbursable. Wastewater lift stations under this Section are reimbursed at a rate of \$80 per LUE. This action waives the requirements of Section 25-9-61, thereby allowing reimbursement for 12-inch or less force mains.
- 2) Section 25-9-62 relating to the amount of cost participation. Under this Section, the amount of cost participation for over sizing a gravity wastewater main is computed by multiplying \$3.50 by each inch in diameter that the gravity wastewater main is oversized (8-inch gravity wastewater main to a 12-inch gravity wastewater main), by the actual length of gravity wastewater main constructed within public right-of-way or easements which would result in a reimbursement amount not to exceed \$21,000. This action waives the requirements of Section 25-9-62, thereby allowing the reimbursement of 33% of the actual construction costs of the 12-inch gravity wastewater main up to a maximum of \$106,920.
- 3) 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 to allow for reimbursement of the actual construction costs of the wastewater lift station and force main up to a maximum of \$921,712.09, and allowing for reimbursement of the costs for engineering, design and project management of the wastewater lift station and force main up to a maximum of \$138,257.10, for reimbursement of the costs for engineering, design and project management of the 24-inch gravity wastewater main up to a maximum of \$123,750, and \$16,038 for the 12-inch gravity wastewater main.
- 4) 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 24-inch gravity wastewater main, the wastewater lift station and force main and 12-inch gravity wastewater main 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.