ORDINANCE NO. 20100128-002

AN ORDINANCE AUTHORIZING THE CİTY MANAGER TO NEGOTIATE AND EXECUTE AN AMENDMENT TO A COST REIMBURSEMENT AGREEMENT WITH QUALICO CR, L.P. RELATED TO THE PURCHASE OF WASTEWATER TREATMENT CAPACITY AND WAIVING CERTAIN REQUIREMENTS OF CITY CODE SECTIONS 25-9-62 AND 25-9-67 RELATING TO COST REIMBURSEMENT.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

- **PART 1.** This ordinance applies to a request for an amendment to a cost reimbursement agreement approved by council in Ordinance No. 20090521-003 for wastewater treatment service to 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.
- **PART 2.** The council authorizes the city manager to negotiate and execute an amendment to the cost reimbursement agreement with Qualico CR, L.P. ("Owner") in accordance with the following requirements:
 - (A) The City shall cost participate in Owner's wastewater treatment plants by purchasing a minimum of 20% of wastewater treatment capacity from any package plant constructed by the Owner subsequent to construction of the proposed Phase One Garfield Wastewater Treatment Plant, and if needed, 20% of the wastewater treatment capacity in the proposed Phase One Garfield Wastewater Treatment Plant.
 - (1) If the amount of capacity purchased is 20%, then cost participation to the Owner will be 18.5 % of the plant purchase price, and if the amount of capacity purchased is greater than 20%, then the actual reimbursement will be at the same ratio as 18.5% for 20% capacity, with purchases up to an overall maximum reimbursement amount of \$1,000,000 for all wastewater capacity.
 - (2) Cost participation will be made in one payment 90-days after final acceptance of each wastewater treatment capacity expansion or Phase One of the proposed Garfield Wastewater Treatment Plant.
 - (3) The City may sell back to the Owner any unused purchased wastewater treatment capacity.

- (B) If wastewater treatment capacity is required above the percentage purchased in any expansion or the 20% purchased in the Phase One Garfield Wastewater Treatment Plant, the City will reimburse the Owner for each additional wastewater connection made to the plant. The actual cost participation amount for each additional wastewater service connection will be determined by calculating the cost per connection for each plant.
 - (1) The maximum cost participation for all connections to wastewater plants is limited to \$1,300,000.
 - (2) The cost participation payment to the Owner will be made in one (1) payment each January 1st for the total connections.

PART 3. The council waives:

- (A) the requirement of Section 25-9-62 (Amount of Cost Participation) of the City Code related to amount of cost participation; and
- (B) the provision of Section 25-9-67 (Cost Participation and Cost Reimbursement Payment) of the City Code related to the date for a cost reimbursement payment.

PART 4. This ordinance takes effect on February 8, 2010.

PASSED AND APPROVED

Janu	ary 28	, 2010	§ § §	Lu listame
			<u> </u>	Lee Leffingwell Mayor

APPROVED:

David Allan Smith City Attorney ATTEST: