

## AGENDA



Thursday, October 28, 2010

**Contract and Land Management  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 3**

**Subject:** Authorize the negotiation and execution of a purchase agreement for the fee simple acquisition of 13.291 acres out of Lot 1, Block A, Chipman Subdivision in Travis County, Texas, located at 10900 RR 2222 from JAMES A. CHIPMAN, SR. AND MINNIE JO CHIPMAN, TRUSTEES OF THE JAMES A. CHIPMAN, SR. AND MINNIE JO CHIPMAN REVOCABLE LIVING TRUST DATED SEPT. 21, 1999 AND TOMMY JOE PULATIE for the Jollyville Water Transmission Main and the Forest Ridge Water Transmission Main Projects, in an amount not to exceed \$2,240,000.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2010-2011 Capital Budget of the Austin Water Utility Department.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Lauraine Rizer 974-7078, Joe Hoepken 974-1171, Amanda Glasscock 974-7173, Sarah Terry 974-7141

The Jollyville and Forest Ridge Transmission Mains are projects designed to deliver finished (treated) water from Water Treatment Plant 4 (WTP4). Phase 1 of the WTP4 will provide the community with an additional capacity of 50 million gallons of water per day (MGD). The overall benefits of the construction of WTP4 include added water treatment and transmission capacity to meet projected increases in demand on a schedule that accounts for increased water conservation, utilization of water supplies secured through agreements with the Lower Colorado River Authority (LCRA), capacity for plant expansion to meet future needs for decades to come, and increased system redundancy and reliability.

The particular benefits of a Lake Travis plant include the following:

- Higher water source elevation results in reduced pumping to deliver water and thus reduces greenhouse gas emissions and energy costs;
- Deepest surface water source in the area;
- More consistent water quality due to intake upstream of urban development;
- Highest volume water supply lake;
- Increased supply diversity and reliability from additional water source;
- Water contracts with LCRA provide for withdrawal from Lake Travis, and
- Increased system operation flexibility.

The plans for both the Jollyville Water Transmission Main and the Forest Ridge Water Transmission Main require the acquisition of the Chipman tract in the City of Austin, Texas, Travis County, Texas located at 10900 RR 2222. The Chipman site will provide the space required for working shafts for both transmission mains, as well as, space for staging and material storage for WTP4, Jollyville TSM and Forest Ridge TSM construction activity. The market value of the property is \$2,240,000, as determined by an independent appraisal. The owners have agreed to sell for the appraised value.

There will also be lease back of a 5.09 acre segment of the 13.291 acre property that contains all of the commercial improvements to the current property owner. The terms of the lease include: an initial three year term with seven, one year renewal options and a 60 day early termination clause by either party;

rental rate of \$6,042 per month; all operating expenses, property taxes, repair and maintenance of all improvements on the premises are the sole responsibility of the tenant.

The full legal description of the fee simple acquisition is as follows:

Lot 1, Block A, CHIPMAN SUBDIVISION, according to the map or plat thereof, recorded in Document No. 200000213, Official Public Records, Travis County, Texas.