

A U S T I N C I T Y C O U N C I L

AGENDA**Thursday, June 22, 2006**

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#6

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION**

Subject: Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement with Main Street Homes, providing terms and conditions for construction of 24-inch water main and appurtenances to provide water service to the Hornsby Glen Subdivision located east of F.M. 973 and north of Colorado River with City cost reimbursement in an amount not to exceed \$2,351,580 for actual costs of construction (hard costs); and waiving the requirements of Section 25-9-61 of the City Code relating to maximum cost reimbursement of a facility.

Amount and Source of Funding: Funding in the amount of \$2,351,580 is available in the Fiscal Year 2005-2006 Capital Budget of the Austin Water Utility.

Fiscal Note: A fiscal note is attached

Additional Backup Material

(click to open)

☐ HORNSBY GLEN SER 2333
00198W☐ SER 2333 00198W☐ AWU FISCAL NOTE☐ Ordinance☐ WWW Commission
Recommendation

For More Information: Seyed Miri, P.E. 972-0202; Denise
Avery 972-0104

Boards and Commission Action: Recommended by Water
and Wastewater Commission.

The Hornsby Glen Subdivision is a proposed single-family development located on approximately 108 acres of land east of F.M. 973 and north of the Colorado River (the "Property"), currently outside the full-purpose jurisdiction of Austin. Main Street Homes (the "Owner") has submitted Service Extension Request Number 2333, requesting the extension of City water utility service to the Property, which is within the Desired Development Zone and Colorado River Watershed.

Under the proposed cost reimbursement agreement, the Owner would construct 24-inch water main in two phases as follows:

Phase One Water Improvements (to provide water service to the first 123 single-family homes):

The Owner will construct approximately 1,450 feet of 24-inch water main from the existing 16-inch water main in Royster Avenue at F.M. 973, north across the Colorado River to the existing 12-inch water main in F.M. 973. The Owner will also "loop" a 12-inch water main (not reimbursable) from the end of the proposed 24-inch water main in F.M. 973 north of the Colorado River to the existing 12-inch water main along F.M. 973 at the Hornsby Bend Wastewater Treatment Plant.

Phase Two Water Improvements (to provide water service to the remaining single-family homes proposed within the Property):

The Owner will construct approximately 2,840 feet of 24-inch water main from the 24-inch water main constructed in the Phase One Water Improvements in F.M. 973 north of the Colorado River, north along F.M. 973 to the 12-inch water main "loop" constructed in Phase One at Hornsby Bend Wastewater Treatment Plant. The proposed 24-inch water main improvements have been identified as a required water improvement to supply water to the F.M. 973 area north of the Colorado River.

The total cost reimbursement for the Phase One and Phase Two water improvements under this agreement will be for the actual "hard" construction costs of the 24-inch water main and appurtenances constructed within public right-of-way or easements for a total not to exceed \$2,351,580. The Owner, will bear all "soft" costs for engineering, design, project management, financing, accounting, and legal services associated with this construction.

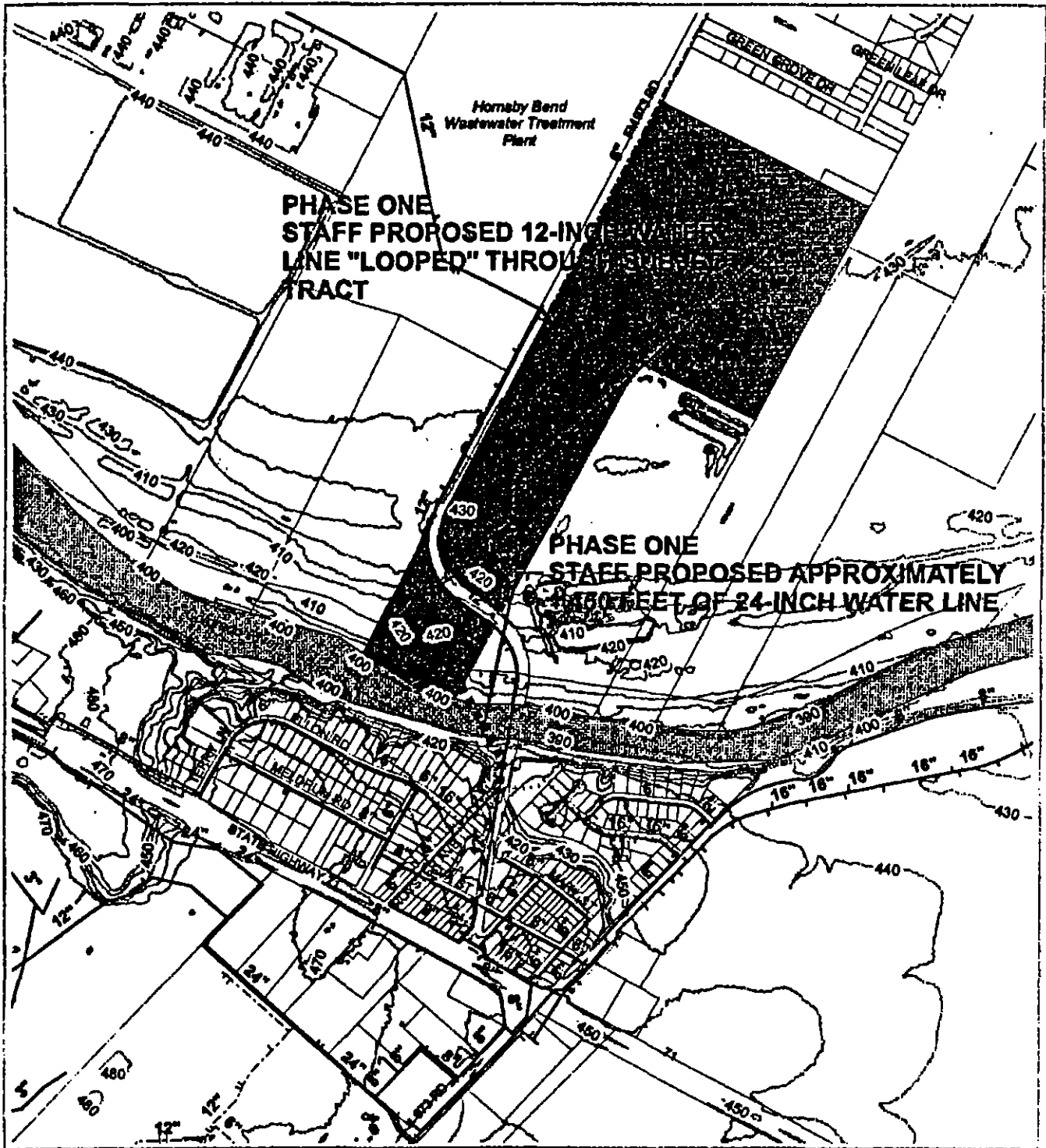
Because the City requested that the Owner construct the 24-inch water main, the Owner is requesting a waiver from the City Ordinance requirements in Section 25-9-61 relating to maximum reimbursement (per LUE) of eligible facilities. Under this Section, 24-inch water mains are reimbursed at a rate of \$345 per LUE with a maximum reimbursement of \$1,105,380.

This action waives the requirements of Section 25-9-61, thereby allowing the reimbursement of the total actual "hard" construction costs associated with the 24-inch water main and appurtenances constructed within public right-of-way or easements.

Cost reimbursement payments for the permanent water improvements to the Owner, are to be made in one payment on March 1 of the second year following the year in which the water improvements are accepted in accordance with Section 25-9-67 of the City Code.

All proposed water improvements are subject to all environmental and planning ordinances and all environmental concerns will be addressed during the review of the design of the water improvements and during construction of the proposed water improvements. At this time the Utility does not anticipate any environmental problems that cannot be addressed during the design of the water improvements.

The Owner will conform to the City of Austin design criteria and construction standards in all respects. The Owner 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 Chapter 2-9 of the City Code, as amended, and Chapters 212 and 252, Texas Local Government Code, as amended.



770 385 0 770 Feet

 Subject Tract

 City Limits

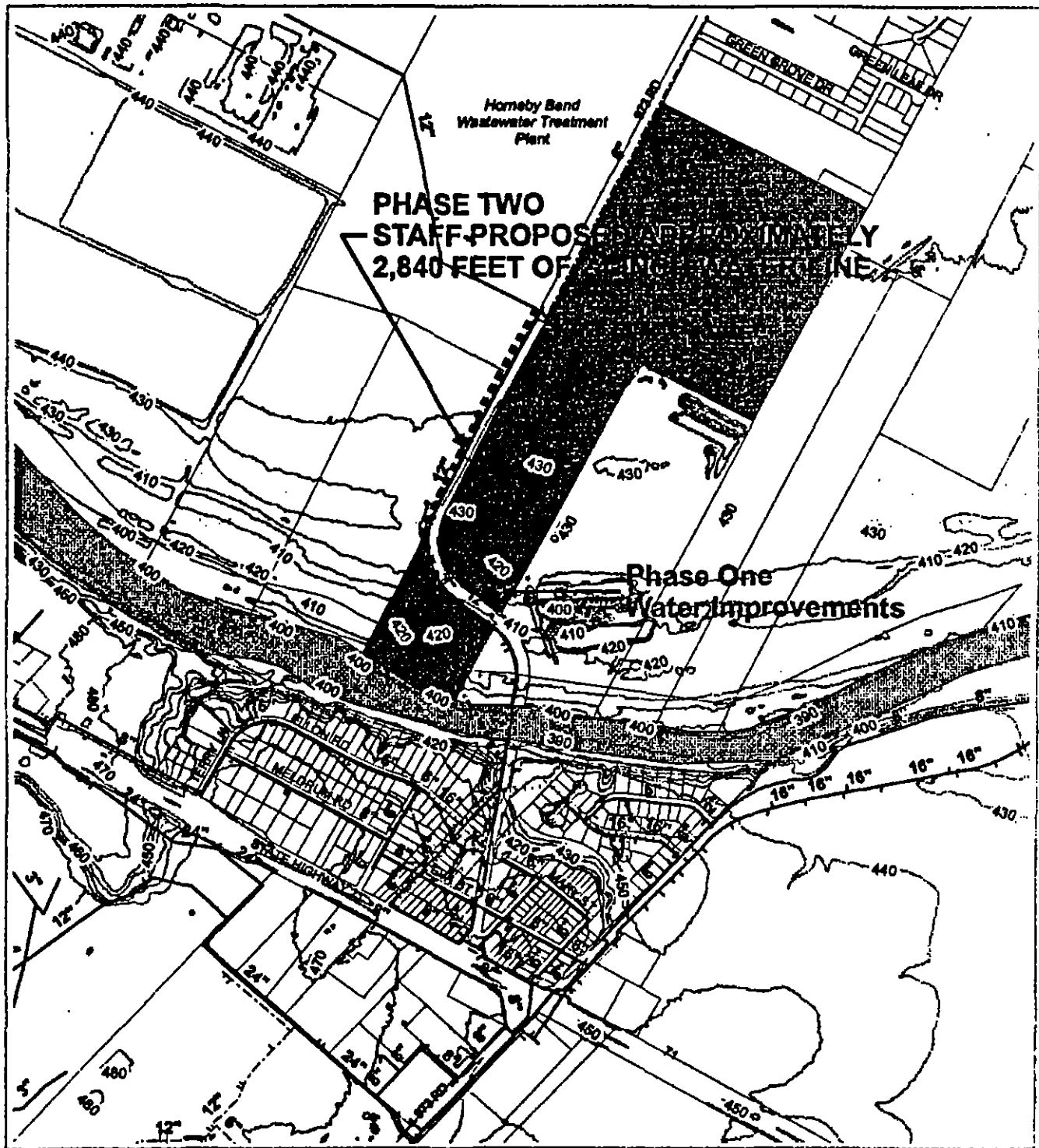
W. S.E.R. Name: Hornsby Glen Subdivision (Revised)

Phase One

W. S.E.R. Number: 2333

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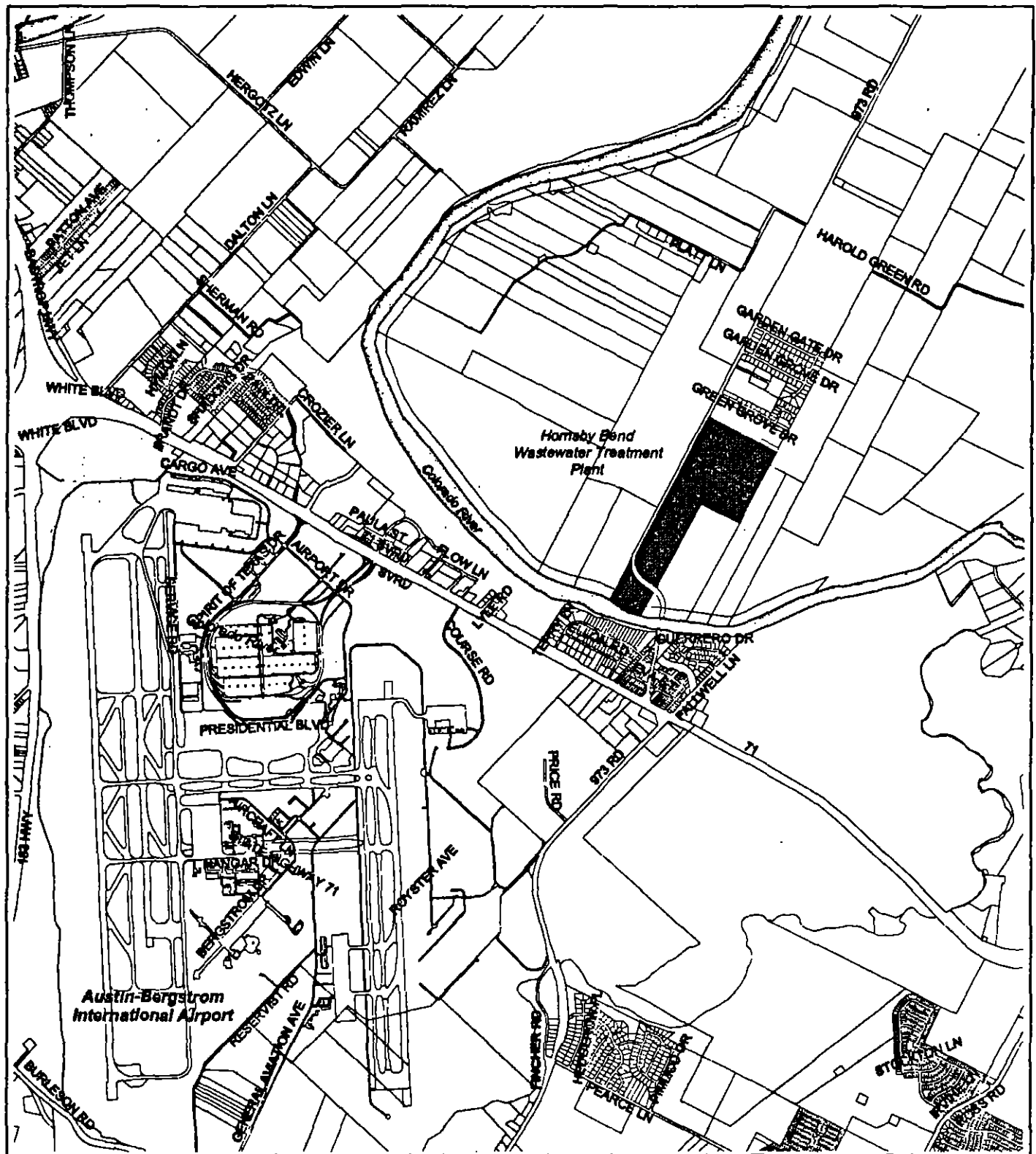
Utility Development Services Plotted 04/12/2008



750 375 0 750 Feet

- Subject Tract
- City Limits

W. S.E.R. Name: Hornsby Glen Subdivision (Revised)
 Phase Two
 W. S.E.R. Number: 2333
 Page 2 of 2



W. S.E.R. Name: Hornsby Glen Subdivision (Revised)
 Location Map
 W. S.E.R. Number: 2333

■ Subject Tract
 □ City Limits

CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

06/22/06
Resolution
Austin Water Utility

DESCRIPTION:

Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement with Main Street Homes, providing terms and conditions for construction of 24-inch water main and appurtenances to provide water service to the Hornsby Glen Subdivision located east of F.M. 973 and north of Colorado river with City cost reimbursement in an amount not to exceed \$2,351,580.00, for actual costs of construction (hard costs); waiving the requirements of Section 25-9-61, of the City Code relating to maximum cost reimbursement of a facility.

FINANCIAL INFORMATION:

Parent Project Name:	Water Unfunded Future
Project Authorization:	2005-06 Approved Capital Budget
Funding Source:	Commercial Paper
Number:	3960 227 1019

Current Appropriation	\$ 352,445,739.00
Unencumbered Balance	121,200,560.17 *
Amount of This Action	<u>(2,351,580.00)</u>
Remaining Balance	<u>\$ 118,848,980.17</u>
Current Available Balance	\$ 134,234,906.88
Less Outstanding Commitments	<u>(13,034,346.71)</u>
Estimated Unencumbered Balance	<u>\$ 121,200,560.17 *</u>

Utility Finance: _____


David Anders, Utilities Finance Manager

Date: _____

6/3/06

REF. # 3960 227 2056

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A COST REIMBURSEMENT AGREEMENT WITH MAIN STREET HOMES FOR CONSTRUCTION OF A 24-INCH WATER MAIN AND APPURTENANCES TO SERVE THE HORNSBY GLEN SUBDIVISION; AND WAIVING CERTAIN REQUIREMENTS OF SECTIONS 25-9-61 OF THE CITY CODE RELATING TO COST REIMBURSEMENT.

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

PART 1. This ordinance applies to an application for cost reimbursement under City Code Chapter 25-9, Article 1, Division 2, Subpart B (*Cost Reimbursement and Cost Participation*) by Main Street Homes for the construction of 24-inch water mains and appurtenances to serve the Hornsby Glen Subdivision located east of F.M. 973 and north of the Colorado River as follows:

- (A) Phase One water improvements will provide water service to the first 123 single-family homes.
- (B) Phase Two water improvements will provide water service to the remaining single-family homes.

PART 2. The council authorizes the city manager to negotiate and execute a cost reimbursement agreement with Main Street Homes, with total cost reimbursement for the project not to exceed \$2,351,580.00. Phase One and Phase Two water improvements under this agreement will be for the actual "hard" construction costs of the 24-inch water main and appurtenances constructed within the public right-of-way or easements.

PART 3. The council waives the provision of Section 25-9-61(B) (*Eligible Projects*) of the City Code prescribing maximum cost reimbursement for an eligible facility.

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PART 4. This ordinance takes effect on _____, 2006.

PASSED AND APPROVED

_____, 2006

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§
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Will Wynn
Mayor

APPROVED: _____
David Allan Smith
City Attorney

ATTEST: _____
Shirley A. Gentry
City Clerk

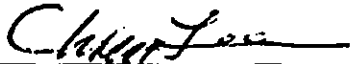
No. 061406-I

RECOMMEND APPROVAL OF AN ORDINANCE AUTHORIZING NEGOTIATION AND EXECUTION OF A COST REIMBURSEMENT AGREEMENT WITH MAIN STREET HOMES, PROVIDING TERMS AND CONDITIONS FOR CONSTRUCTION OF 24-INCH WATER MAIN AND APPURTENANCES TO PROVIDE WATER SERVICE TO THE HORNSBY GLEN SUBDIVISION LOCATED EAST OF F.M. 973 AND NORTH OF COLORADO RIVER WITH CITY COST REIMBURSEMENT IN AN AMOUNT NOT TO EXCEED \$2,351,580.00, FOR ACTUAL COSTS OF CONSTRUCTION (HARD COSTS); WAIVING THE REQUIREMENTS OF A SECTION 25-9-61, OF THE CITY CODE RELATING TO MAXIMUM COST REIMBURSEMENT OF A FACILITY.

**June 14, 2006
REGULAR MEETING
VOTE: 6-0-0-3**

Motion made by: Gonzalez, Jr.
Commissioners Consenting: Coleman, Lee, Raun, Chan, Scott-Ryan
Commissioners Dissenting:
Commissioners Abstaining:
Commissioners Absent: Chairman Warner, Friese and Pool

The Water and Wastewater Commission recommend approval of an ordinance authorizing negotiation and execution of a cost reimbursement agreement with Main Street Homes, providing terms and conditions for construction of 24-inch water main and appurtenances to provide water service to the Hornsby Glen Subdivision located east of F.M. 973 and north of Colorado River with City cost reimbursement in an amount not to exceed \$2,351,580.00, for actual costs of construction (hard costs); waiving the requirements of a Section 25-9-61, of the City Code relating to maximum cost reimbursement of a facility.


Chien Lee, P.E., Vice Chairperson
Water and Wastewater Commission

6-14-06
Date