



Thursday, July 27, 2006

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**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION**

ITEM No. 7

Subject: Approve an ordinance relating to a cost reimbursement agreement with Main Street Homes, for construction of a 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 and waiving the requirements of Section 25-9-67 of the City Code relating to the schedule for cost reimbursement payments.

Amount and Source of Funding: Funding is included in the Fiscal Year 2005-2006 Capital Budget of the Austin Water Utility.

Fiscal Note: a fiscal note is not required

**Additional Backup
Material**

(click to open)

 **072706 DRAFT
ORDINANCE 00211**

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

Boards and Commission Action: Approved by the Water and Wastewater Commission.

Prior Council Action: May 25, 2006, by Resolution No. 20060525-051

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.

On June 22, 2006, Council approved an ordinance authorizing negotiation and execution of a cost reimbursement agreement with Main Street Homes for construction of 24-inch water main with City cost reimbursement in an amount not to exceed \$2,351,580.00, and waived the requirements of Section 25-9-61, of the City Code relating to maximum cost reimbursement of a facility. Staff was also directed at that time to bring back an ordinance waiving the requirements of Section 25-9-67, to allow an expedited cost reimbursement payment schedule.

Under the proposed cost reimbursement agreement, the Owner would construct approximately 4,290 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 and continue north along F.M. 973 to the 12-inch water main at the Hornsby Bend Wastewater Treatment Plant.

The proposed water improvements are divided into two phases with the Phase One water improvements to provide water service to the first 123 single-family homes and the Phase Two water improvements to provide water service to the remaining single-family homes proposed within the Property.

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.

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 25-9-67 relating to cost reimbursement payments to permit a modified payment schedule of 90-days or October 1, 2007, whichever is later, after final acceptance of the entire project (both phases of the water improvements). Normally under Section 25-9-67, cost reimbursement payments are to be made in one (1) payment on March 1 of the second year following the year in which the water improvements are accepted.

AN ORDINANCE RELATING TO A COST REIMBURSEMENT AGREEMENT WITH MAIN STREET HOMES FOR CONSTRUCTION OF A 24-INCH WATER MAIN AND APPURTENANCES TO SERVE THE HORNSBY GLEN SUBDIVISION WAIVING CERTAIN REQUIREMENTS OF SECTIONS 25-9-67 OF THE CITY CODE RELATING TO COST REIMBURSEMENT.

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:

- PART 2.** The council waives the provision of Section 25-9-67 (A) (*Cost Participation and Cost Reimbursement Payment*) of the City Code prescribing the schedule for cost participation and cost reimbursement payments for improvements in the desired development zone.

PASSED AND APPROVED

Will Wynn
Mayor

ATTEST: _____
Shirley A. Gentry
City Clerk