

AUSTIN CITY COUNCIL

AGENDA



Thursday, August 24, 2006

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Austin Water Utility RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 4

Subject: Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement with MAK Marshall Ranch LP, providing terms and conditions for construction of an appropriately sized wastewater tunnel connection, lift station, force main, and 18-inch gravity wastewater main and appurtenances to provide wastewater service to the Watersedge PUD located in the northwest corner of the State Highway 71 and Doctor Scott Drive intersection with City cost reimbursement for a total project amount not to exceed \$3,014,951.76; waiving the requirements of Section 25-9-61 of the City Code relating to maximum cost reimbursement of a facility; waiving the requirements of Section 25-9-63 of the City Code relating to reimbursement for actual construction costs to allow reimbursement for engineering, design and project management; waiving the requirements of Section 25-9-67 of the City Code relating to the schedule for cost reimbursement payments; and waiving the requirement for payment of the construction inspection and review fees established in Ordinance 050914-04, to allow reimbursement of a portion of the construction inspection and review fees of the permanent wastewater tunnel connection.

Amount and Source of Funding: Funding in the amount of \$3,014,951.76 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)

- ☐ [SER 2407](#)
- ☐ [WATERSEGE PUD 18 IN.](#)
- ☐ [Fiscal Note](#)
- ☐ [Ordinance](#)
- ☐ [Board](#)
- ☐ [Recommendation](#)

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

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

The Watersedge PUD is a proposed mixed-use development located on approximately 418 acres of land east of Onion Creek, south of the Colorado River, west of Doctor Scott Drive and north of State Highway 71 (the "Property"), currently within the limited purpose jurisdiction of Austin. MAK Marshall Ranch LP (the "Owner") has submitted Service Extension Request Number 2407, requesting the extension of City wastewater utility service to the Property, which is within the Desired Development Zone and Onion Creek Watershed. The proposed wastewater improvements have been identified as a required wastewater improvement to supply wastewater service to the State Highway 71 area east of Onion Creek.

Under the proposed cost reimbursement agreement, the Owner would construct an appropriately sized permanent lift station (approximately 2,500 gpm) on an appropriately sized site within the Property (dedicated as a lift station easement) and approximately 3,200 feet of appropriately sized force main from the proposed lift station west to the South Austin Regional Wastewater Treatment Plant (SARP) and

approximately 3,000 feet of 18-inch gravity wastewater main to the existing 84-inch Onion Creek Tunnel at SARP. The Owner will also construct an appropriately sized wastewater tunnel connection to the existing 84-inch Onion Creek Tunnel. The force main, gravity main and tunnel connection will be constructed outside the flood dike at SARP.

The total "hard" construction cost of the permanent wastewater lift station, force main is estimated at \$2,616,000.00. The total cost participation under this agreement will be for 47.64% of the actual "hard" construction costs of the permanent wastewater lift station, force main and appurtenances constructed within public right-of-way or easements for a total not to exceed \$1,246,262.40. A pro-rata share of 52.36% of the hard cost will be borne by the Owner.

The City will also reimburse the Owner the costs for engineering, design and project management of the permanent wastewater lift station, force main and appurtenances within public right-of-way or easements for a total not to exceed 15% of the 47.64% of the actual "hard" construction costs up to a maximum of \$186,939.36, whichever is less. The Owner will bear all other "soft" costs for fees, permits, financing, accounting, and legal services associated with the permanent wastewater lift station and force main.

The total cost reimbursement of the 18-inch gravity wastewater main and appurtenances under this agreement will be for the actual "hard" construction costs of the 18-inch gravity wastewater main and appurtenances constructed within public right-of-way or easements for a total not to exceed \$720,000.00. The Owner will bear all other "soft" costs for engineering, design, project management, fees, permits, financing, accounting, and legal services associated with the 18-inch gravity wastewater main and appurtenances.

The total "hard" construction cost of the permanent wastewater tunnel connection is estimated at \$1,200,000.00. The total cost participation under this agreement will be for 60% of the actual "hard" construction costs of the permanent wastewater tunnel connection constructed within an easement for a total not to exceed \$720,000.00. The City will also reimburse the Owner for a total not to exceed 15% of the 60% of the actual hard construction costs for engineering, design and project management of the permanent wastewater tunnel connection up to a maximum of \$108,000.00, whichever is less. The City will also reimburse the Owner for a total not to exceed 60% of the actual construction inspection and review fees of the permanent wastewater tunnel connection up to a maximum of \$33,750.00, whichever is less, for a total not to exceed \$861,750.00. The Owner will be reimbursed for the permanent wastewater tunnel in one (1) payment 90-days after issuance of the development permit, in an amount not to exceed \$54,000.00 or half of the 15%, whichever is less, of the actual engineering and design, and the actual construction inspection and review fees paid up to the maximum of \$33,750.00. The Owner will also be reimbursed the 60% of the actual "hard" construction costs and the remaining half of the 15% or \$54,000.00, whichever is less, for project management in one (1) payment 90-days after final acceptance or October 1, 2007, whichever is later. The Owner will bear all other "soft" costs for financing, accounting, and legal services associated with the permanent wastewater tunnel connection.

The Owner is requesting a waiver of the City Code requirements in Section 25-9-67, relating to the schedule for cost reimbursement payments for the permanent wastewater tunnel connection to permit the modified payment schedule of the permanent wastewater tunnel connection improvements described above. 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 wastewater improvements are accepted.

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:

(a) waiver of the requirements in 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;

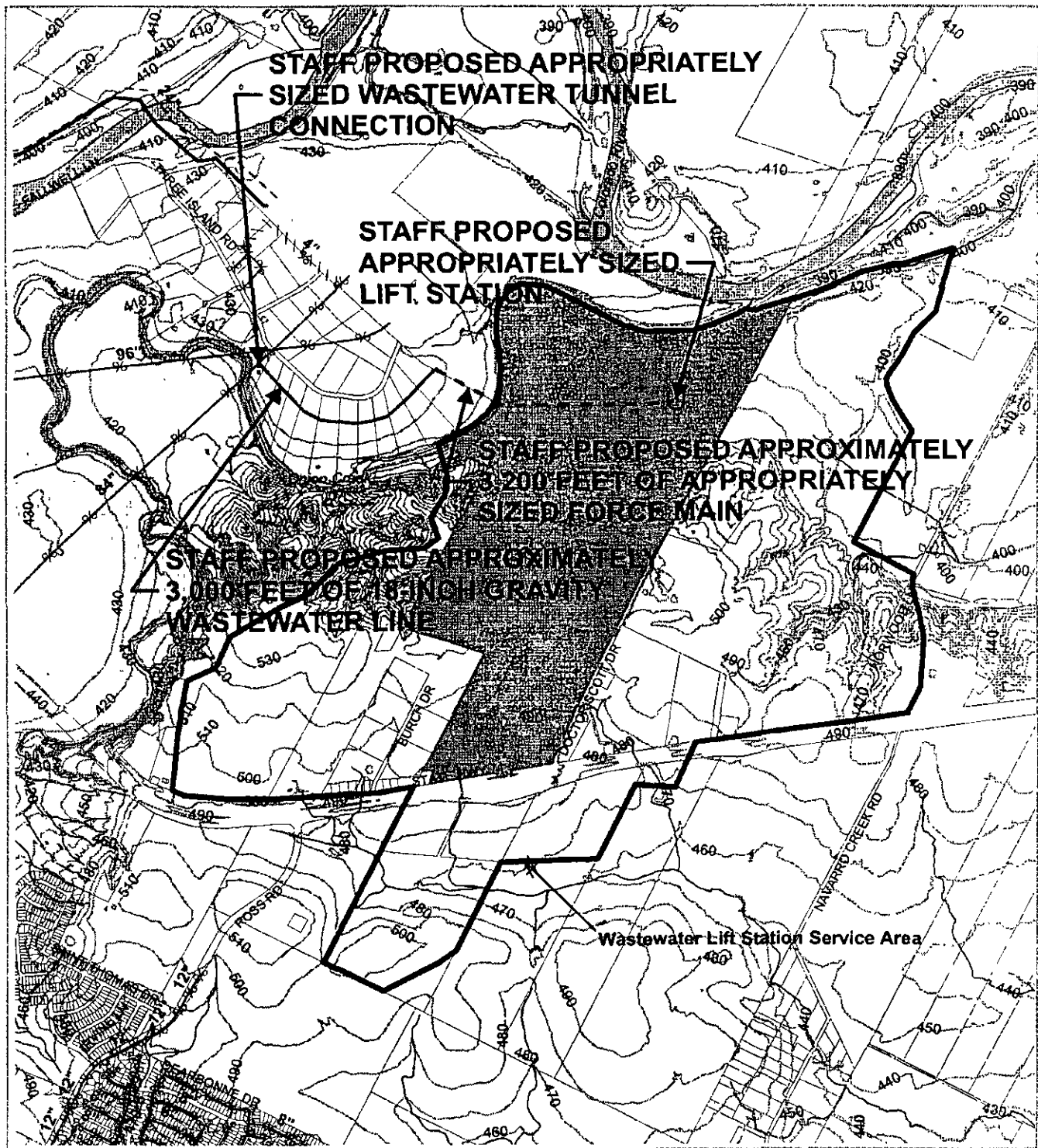
(b) waiver of the requirements in Section 25-9-63 relating to the amount of cost reimbursement. Under this Section, the amount of reimbursement is for the actual "hard" construction costs. This waiver permits the payment of soft costs; and

(c) waiver of the construction inspection and review fees established in Ordinance 050914-04, in an amount not to exceed \$33,750.00.

Cost reimbursement payments for the permanent lift station, force main, 18-inch gravity wastewater line and appurtenances to Owner, 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 in accordance with Section 25-9-67 of the City Code.

All proposed wastewater improvements are subject to all environmental and planning ordinances and all environmental concerns will be addressed during the review of the design of the wastewater improvements and during construction of the proposed wastewater improvements. At this time the Utility does not anticipate any environmental problems that cannot be addressed during the design of the wastewater 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, City Code, as amended, and Chapters 212 and 252, Texas Local Government Code, as amended.



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W.W. S.E.R. Name: Watersedge P.U.D.
W.W. S.E.R. Number: 2407

- Subject Tract
- Full-Purpose City Limits
- Limited-Purpose City Limits

Utility Development Services Plotted 10/27/2005

CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

08/24/06
Resolution
Austin Water Utility

DESCRIPTION:

Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement with MAK Marshall Ranch LP, providing terms and conditions for construction of an appropriately sized wastewater tunnel connection, lift station, force main, and 18-inch gravity wastewater main and appurtenances to provide wastewater service to the Watersedge PUD located in the northwest corner of the State Highway 71 and Doctor Scott Drive intersection with City cost reimbursement for hard construction costs in an amount not to exceed 47.64% of the actual costs of construction (hard costs) or \$1,246,262.40, whichever is less, for the permanent wastewater lift station, force main; and an amount not to exceed 15% of the 47.64% of the actual "hard" construction costs or \$186,939.36, whichever is less for costs incurred by the developer for engineering, design and project management (soft costs) for the permanent wastewater lift station, force main; and an amount not to exceed \$720,000.00 for the actual hard construction costs for the 18-inch gravity wastewater line and appurtenances; and an amount not to exceed 60% of the actual costs of construction (hard costs) or \$

FINANCIAL INFORMATION:

Parent Project Name:	Wastewater Unfunded Future
Project Authorization:	2005-06 Approved Capital Budget
Funding Source:	Commercial Paper
Number:	4570 237 2017

Current Appropriation	\$ 575,217,293.00
Unencumbered Balance	143,343,412.91 *
Amount of This Action	<u>(3,014,951.76)</u>
Remaining Balance	<u><u>\$ 140,328,461.15</u></u>
Current Available Balance	\$ 157,477,165.91
Less Outstanding Commitments	<u>(14,133,753.00)</u>
Estimated Unencumbered Balance	<u><u>\$ 143,343,412.91 *</u></u>

Utility Finance: _____


David Anders, Utilities Finance Manager

Date: 8/2/06

REF# 4570 237 3050

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A COST REIMBURSEMENT AGREEMENT WITH MAK MARSHALL RANCH LP FOR CONSTRUCTION OF A WASTEWATER TUNNEL CONNECTION, LIFT STATION, FORCE MAIN, AND 18-INCH GRAVITY WASTEWATER MAIN AND APPURTENANCES TO SERVE THE WATERSEDGE PLANNED UNIT DEVELOPMENT; AND WAIVING CERTAIN REQUIREMENTS OF SECTIONS 25-9-61, 25-9-63, AND 25-9-67 OF THE CITY CODE AND ORDINANCE NUMBER 050914-04 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 Mak Marshall Ranch LP for the following project to serve the Watersedge planned unit development located near the intersection of State Highway 71 and Doctor Scott Drive:

- (A) construction of a permanent wastewater tunnel connection;
- (B) construction of a permanent wastewater lift station and force main; and
- (C) construction of a 18-inch gravity wastewater line and appurtenances.

PART 2. The council authorizes the city manager to negotiate and execute a cost reimbursement agreement with Mak Marshall Ranch LP, in accordance with the following requirements:

- (A) Total cost reimbursement for the project may not to exceed \$3,014,951.76.
- (B) For the permanent wastewater tunnel connection portion of the project:
 - (1) cost reimbursement for actual construction costs may not exceed the lesser of:
 - (a) 60 percent of actual construction costs; or
 - (b) \$720,000.00.
 - (2) cost reimbursement for engineering, design, and project management may not exceed the lesser of:

1 (a) nine percent of actual construction costs; or

2 (b) \$108,000.

3 (C) For the permanent wastewater lift station:

4 (1) cost reimbursement for actual construction costs may not exceed the
5 lesser of:

6 (a) 47.64 percent of the actual construction costs; or

7 (b) \$1,246,262.40; and

8 (2) cost reimbursement for engineering, design and project management may
9 not exceed the lesser of:

10 (a) 7.15 percent of the actual construction costs; or

11 (b) \$186,939.36.

12 (D) For the 18-inch gravity line and appurtenances, cost reimbursement for actual
13 construction costs may not exceed \$720,000.

14 **PART 3.** The council waives:

15 (A) the provision of Section 25-9-61(B) (*Eligible Projects*) of the City Code
16 prescribing maximum cost reimbursement for an eligible facility;

17 (B) the requirement of Section 25-9-63 (*Amount of Cost Reimbursement*) of the
18 City Code limiting cost reimbursement to actual construction costs;

19 (C) the provision of Section 25-9-67 (*Cost Participation and Cost Reimbursement*
20 *Payment*) of the City Code prescribing the schedule for cost reimbursement
21 payments;

22 (D) the requirement for payment of the construction inspection and review fees
23 established in Ordinance No. 050914-04, to allow reimbursement of the actual
24 construction inspection and review fees of the permanent wastewater tunnel
25 connection in an amount not to exceed the lesser of 60 percent of the fees or
26 \$33,750.00.

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

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4 **PASSED AND APPROVED**

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8 _____, 2006

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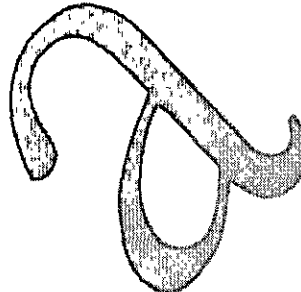
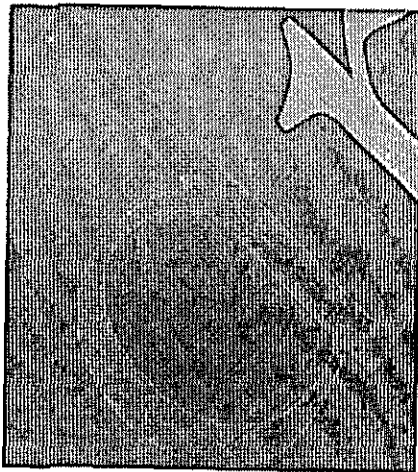
Will Wynn
Mayor

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13 **APPROVED:**

14 David Allan Smith
15 City Attorney

16
17 **ATTEST:**

Shirley A. Gentry
City Clerk




No. 080206-G

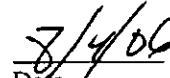
**RECOMMEND AN ORDINANCE AUTHORIZING NEGOTIATION AND EXECUTION
OF A COST REIMBURSEMENT AGREEMENT WITH MAK MARSHALL RANCH LP,
PROVIDING TERMS AND CONDITIONS FOR CONSTRUCTION OF AN
APPROPRIATELY SIZED WASTEWATER TUNNEL CONNECTION, LIFT STATION,
FORCE MAIN, AND 18-INCH GRAVITY WASTEWATER MAIN AND
APPURTENANCES TO PROVIDE WASTEWATER SERVICE TO THE WATERSEDGE
PUD.**

**August 2, 2006
REGULAR MEETING
VOTE 7-0-0-1**

Motion Made By	Commissioner's Vote				
	Consenting	Dissenting	Abstaining	Absent	
Michael Warner (Chairperson)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chien Lee, P.E. , (Vice Chair)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roger Chan	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leslie Pool	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reynaldo Gonzalez, Jr., P.E.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Karen Friese, P.E.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Laura Raun	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheryl Scott-Ryan	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Water and Wastewater Commission recommend an ordinance authorizing negotiation and execution of a cost reimbursement agreement with MAK Marshall Ranch LP for Makar Properties LLC, providing terms and conditions for construction of an appropriately sized wastewater tunnel connection, lift station, force main, and 18-inch gravity wastewater main and appurtenances to provide wastewater service to the Watersedge PUD located in the northwest corner of the State Highway 71 and Doctor Scott Drive intersection with City cost reimbursement for hard construction costs in amount not to exceed 47.64% of the actual costs of construction (hard costs) or \$1,246,262.40, whichever is less, for the permanent wastewater lift station, force main; and an amount not to exceed 15% of the 47.64% of the actual "hard" construction costs or \$186,939.36, whichever is less for costs incurred by the developer for engineering, design and project management (soft costs) for the permanent wastewater lift station, force main; and an amount not to exceed \$720,000.00 for the actual hard construction costs for the 18-inch gravity wastewater line and appurtenances; and an amount not to exceed 60% of the actual costs of construction (hard costs) or \$720,000.00, whichever is less, for the permanent wastewater tunnel connection, and an amount not to exceed 60% of the actual costs or \$108,000.00, whichever is less incurred by the developer for engineering, design and project management (soft costs) for the permanent wastewater tunnel connection; waiving the requirements of Section 25-9-61, of the City Code relating to maximum cost reimbursement of a facility; waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement; waiving the requirements of Section 25-9-67 of the City Code relating to cost reimbursement payments; and waive the requirement for payment of the reimbursement of up to 60% of the actual construction inspection and review fees of the permanent wastewater tunnel connection in an amount not to exceed \$33,750,000, whichever is less; for a total project amount not to exceed \$3,014,951.76


Michael Warner, Chairperson
Water and Wastewater Commission


Date