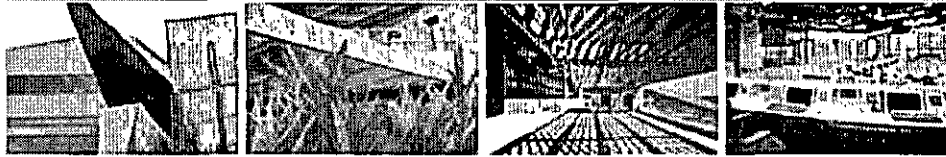


AUSTIN CITY COUNCIL

AGENDA



Thursday, August 24, 2006

[Back](#) [Print](#)

Austin Water Utility RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 5

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 24-inch water main and appurtenances to provide water service to the Watersedge PUD located in the northwest corner of the State Highway 71 and Doctor Scott Drive intersection with City cost reimbursement in an amount not to exceed \$4,478,500.00, 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.

Amount and Source of Funding: Funding in the amount of \$4,478,500.00 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 2406](#)
- ☐ [WATERSEdge 24 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 2406, requesting the extension of City water utility service to the Property, which is within the Desired Development Zone and Onion Creek Watershed. The Property was released from the Garfield Water Supply Corporation service area on August 1, 2005, subject to the approval of the Texas Commission on Environmental Quality. Proposed retail water service by the City of Austin is also subject to the successful completion of the Property being decertified from the certificate of convenience and necessity of the Garfield Water Supply Corporation by the Texas Commission on Environmental Quality. Under the proposed cost reimbursement agreement, the Owner would construct approximately 16,100 feet of 24-inch water main from the existing 24-inch water main in Fallwell Lane at State Highway 71, east along State Highway 71 to Ross Road and east to the main entrance of the proposed development within the Property. The Owner will also construct approximately 700 feet of 16-inch water main from the end of the proposed 24-inch water main in State Highway 71 at the main entrance of the proposed development, east along State Highway 71 to the eastern Property corner (the 16-inch water main is not cost reimbursable). The proposed 24-inch water main improvement have been identified as a required water improvement to supply water to the State Highway 71 area east and south of the Austin-Bergstrom International Airport.

Phase One Water Improvements (to provide water service to the first 300 single-family LUEs): The Owner

will construct approximately 3,400 feet of 24-inch water main from the existing 16-inch water main in Ross Road at State Highway 71, north across the right-of-way of State Highway 71 and east along State Highway 71 in an appropriately sized water line easement, to the main entrance of the proposed development. The Owner will also construct approximately 700 feet of 16-inch water main (not reimbursable) from the end of the proposed 24-inch water main in State Highway 71 at the main entrance of the proposed development to the eastern property line of the Property.

Phase Two Water Improvements (to provide water service to the remaining LUEs): The Owner will construct approximately 12,700 feet of 24-inch water main from the existing 24-inch water main in Fallwell Lane at State Highway 71, east along the north side of State Highway 71 in an appropriately sized water line easement, to the proposed 24-inch water main constructed in Phase One.

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 \$4,478,500.00. The Owner, will bear all "soft" costs for engineering, design, project management, fees, permits, financing, accounting, and legal services associated with this construction.

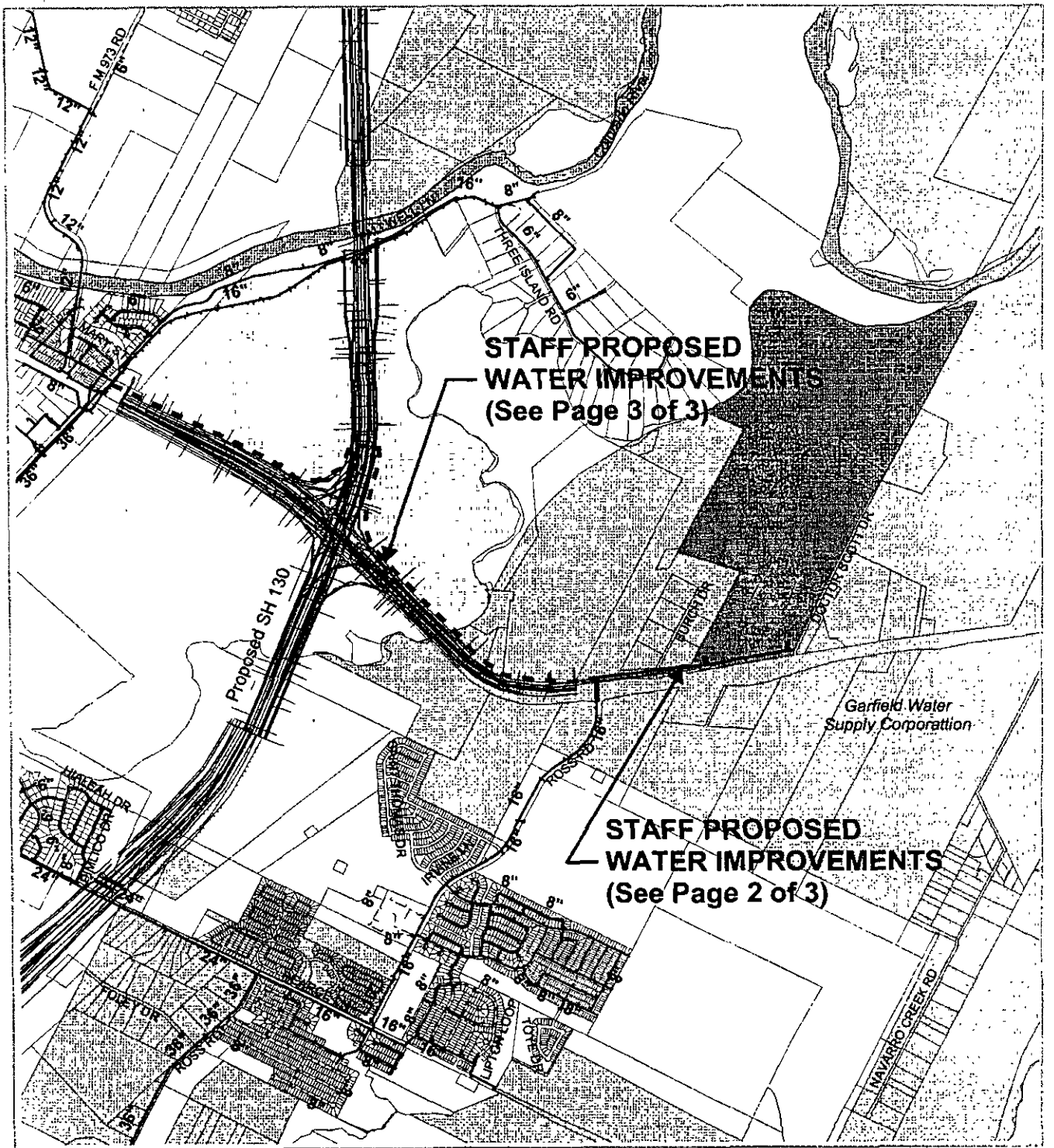
Because the City requested that the Owner construct the 24-inch water main, the Owner is requesting a waiver from the City Ordinance requirements in Section 25-9-61 relating to maximum reimbursement (per LUE) of eligible facilities. Under this Section, 24-inch water mains are reimbursed at a rate of \$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 (1) payment on March 1 of the second year following the year in which each Phase of 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, City Code, as amended, and Chapters 212 and 252, Texas Local Government Code, as amended.

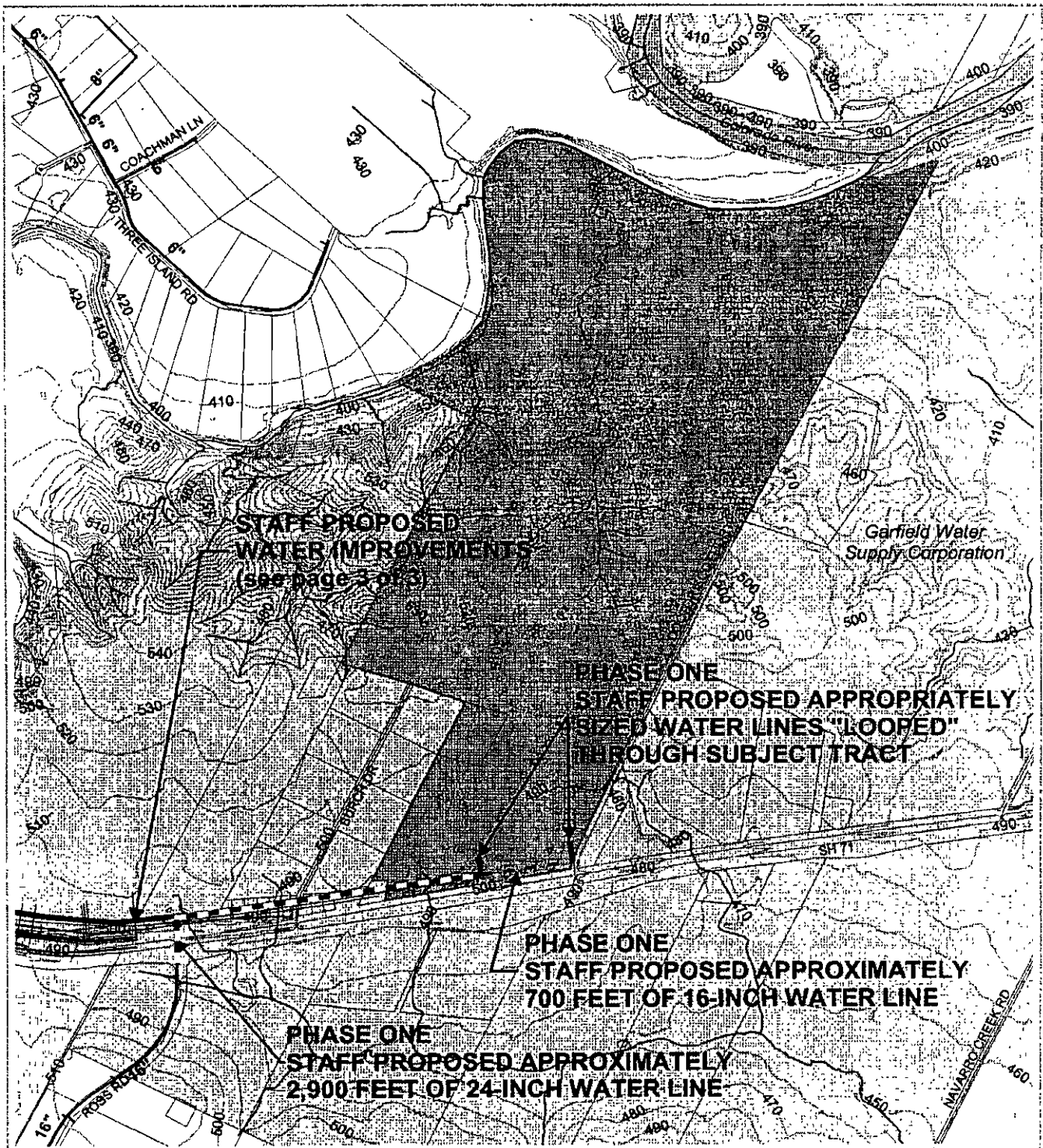


2,900 1,450 0 2,900 Feet

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

Utility Development Services Plotted 10/18/2005

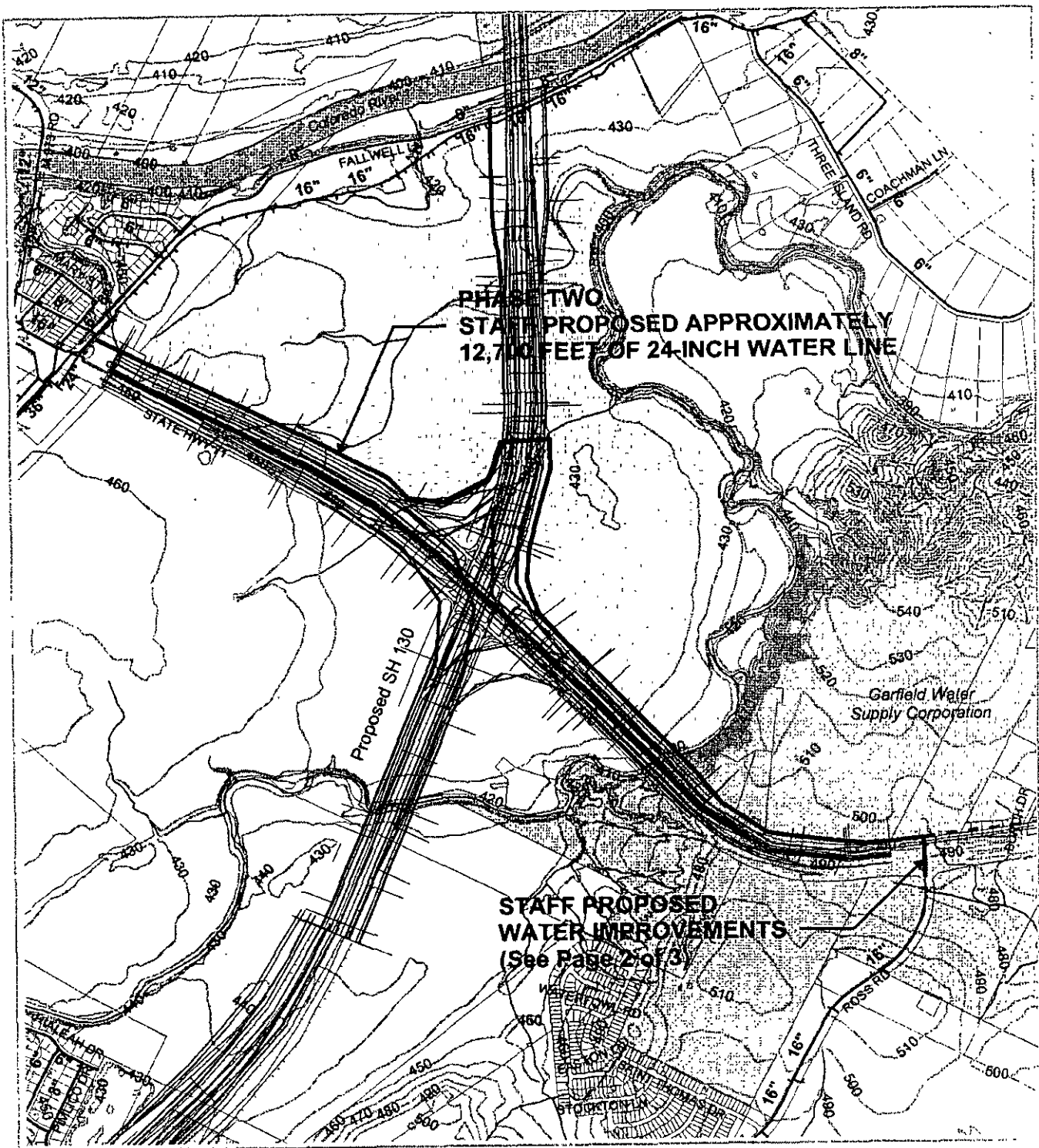
■
W. S.E.R. Name: Watersedge P.U.D.
Overall Water Improvements
W. S.E.R. Number: 2406



990 495 0 990 Feet

 Subject Tract

■
W. S.E.R. Name: Watersedge P.U.D.
Phase One Water Improvements
W. S.E.R. Number: 2406



■
 W. S.E.R. Name: Watersedge P.U.D.
 Phase Two Water Improvements
 W. S.E.R. Number: 2406

-  Full-Purpose City Limits
-  Limited-Purpose City Limits

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 24-inch water main and appurtenances to provide water service to the Watersedge PUD located in the northwest corner of the State Highway 71 and Doctor Scott Drive intersection with City cost reimbursement in an amount not to exceed \$4,478,500.00, 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:	1985 Water Improvements Prop.6
Project Authorization:	1995-96 Amended Capital Budget
Funding Source:	1985 Revenue Bonds
Number:	3900 227 1014

Current Appropriation	\$ 24,859,000.00
Unencumbered Balance	7,686,346.89 *
Amount of This Action	<u>\$ (4,478,500.00)</u>
Remaining Balance	<u>\$ 3,207,846.89</u>
Current Available Balance	\$ 7,686,346.89
Less Outstanding Commitments	<u> </u>
Estimated Unencumbered Balance	<u>\$ 7,686,346.89 *</u>

Utility Finance: _____


David Anders, Utilities Finance Manager

Date. 8/2/06

REF. # 3900 227 2055

ORDINANCE NO.

1 AN ORDINANCE AUTHORIZING THE CITY MANAGER TO NEGOTIATE
2 AND EXECUTE A COST REIMBURSEMENT AGREEMENT WITH MAK
3 MARSHALL RANCH LP FOR CONSTRUCTION OF A 24-INCH WATER MAIN
4 AND APPURTENANCES TO SERVE THE WATERSEDGE PLANNED UNIT
5 DEVELOPMENT; AND WAIVING CERTAIN REQUIREMENTS OF SECTION
6 25-9-61 RELATING TO MAXIMUM COST REIMBURSEMENT OF A
7 FACILITY.

8
9 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

10
11 **PART 1.** This ordinance applies to an application for cost reimbursement under City
12 Code Chapter 25-9, Article 1, Division 2, Subpart B (*Cost Reimbursement And Cost*
13 *Participation*) by Mak Marshall Ranch LP for construction of a 24-inch water main and
14 appurtenances to serve the Watersedge planned unit development located near the
15 intersection of State Highway 71 and Doctor Scott Drive.

16 **PART 2.** Council authorizes the city manager to negotiate and execute a cost
17 reimbursement agreement with Mak Marshall Ranch LP for actual costs of construction
18 in an amount not exceed \$4,478,500.

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

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

22
23 **PASSED AND APPROVED**

24
25 §
26 §
27 §

28 Will Wynn
29 Mayor

30
31
32 **APPROVED:** _____
33 David Allan Smith
34 City Attorney

ATTEST: _____
Shirley A. Gentry
City Clerk

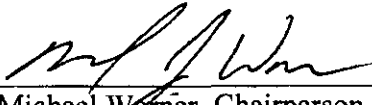
No. 080206-F

RECOMMEND AN ORDINANCE AUTHORIZING NEGOTIATION AND EXECUTION OF A COST REIMBURSEMENT AGREEMENT WITH MAK MARSHALL RANCH LP, PROVIDING TERMS AND CONDITIONS FOR CONSTRUCTION OF 24-INCH WATER MAIN AND APPURTENANCES TO PROVIDE WATER SERVICE TO THE WATERSEDGE PUD LOCATED IN THE NORTHWEST CORNER OF THE STATE HIGHWAY 71 AND DOCTOR SCOTT DRIVE INTERSECTION WITH CITY COST REIMBURSEMENT IN AN AMOUNT NOT TO EXCEED \$4,478,500.00 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.

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

Motion	Commissioner's Vote				
	Made By	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 checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" 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 recommends an ordinance authorizing negotiation and execution of a cost reimbursement agreement with MAK Marshall Ranch LP, providing terms and conditions for construction of 24-inch water main and appurtenances to provide water service to the Watersedge PUD located in the northwest corner of the State Highway 71 and Doctor Scott Drive intersection with City cost reimbursement in an amount not to exceed \$4,478,500.00 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.


Michael Warner, Chairperson
Water and Wastewater Commission

8/4/06
Date