



Recommendation for Action

File #: 22-1445, Agenda Item #: 3.

3/24/2022

Posting Language

Authorize negotiation and execution of an amendment to the cost reimbursement agreement with William Lyon Homes for costs associated with the design and construction of an oversized wastewater force main and appurtenances related to Service Extension Request No. 4117R3 that will provide wastewater service to a proposed single-family development located at 6001 Kellam Road in an amount not to exceed \$852,145 for a total reimbursement amount not to exceed \$1,675,000.

Lead Department

Austin Water.

Fiscal Note

Funding is available in Austin Water's Capital Budget.

Prior Council Action:

May 23, 2019 - Council authorized the negotiation and execution of a cost reimbursement agreement for an amount not to exceed \$822,855.

For More Information:

Inquiries should be directed to City Manager's Agenda Office at 512-974-2991 or AgendaOffice@austintexas.gov;

Kevin Critendon, Austin Water, Assistant Director, Kevin.Critendon@austintexas.gov; 512-972-0191;

Shwetha Pandurangi, Austin Water, Division Manager, Shwetha.Pandurangi@austintexas.gov; 512-974-3514;

Blanca Madriz, Austin Water, Program Coordinator, Blanca.Madriz@austintexas.gov; 512-972-0115.

Council Committee, Boards and Commission Action:

March 9, 2022 - Recommended by the Water and Wastewater Commission on a 10-0 vote and one vacancy.

Additional Backup Information:

The "71 East - 428 Acre Tract" project is located at 6001 Kellam Road (the "Property"). The Property is located entirely within the City of Austin's (the "City") 2-mile Extra-Territorial Jurisdiction, Impact Fee Boundary, Austin Water's service area for water and wastewater, the Desired Development Zone, and the Dry South Watershed. A map showing the property location is attached. William Lyon Homes (the "Applicant") is proposing to develop approximately 1,550 single-family homes.

Service Extension Request No. 4117R2 (SER-4117R2) was submitted and approved to extend City wastewater utility service to the Property. As authorized by City Council on May 23, 2019, the City and the Applicant executed a Cost Reimbursement Agreement (the "Agreement") on March 26, 2021 for \$822,855 of total project costs for the construction of an oversized 16-inch wastewater force main and appurtenances as proposed in SER-4117R2.

Under the agreement, the Applicant will construct approximately 4,815 feet of 16-inch wastewater force main and convey the wastewater improvements to the City for the City's ownership, operation, and maintenance.

These wastewater improvements were oversized and required by the City in order to serve additional properties within the Dry South drainage basin consistent with the City's long range planning goals for this area. The City agreed to reimburse a percentage of the actual project costs associated with the construction of the wastewater force main.

The certified low bid for construction of the oversized wastewater improvements was received by the City on October 21, 2021, and the City's proportionate share is in excess of the Council approved reimbursement amount. The bids received exceeded the original cost estimate primarily due to an increase in material and construction costs as a result of the COVID-19 pandemic. The original cost estimate was prepared at a preliminary phase of the Project prior to the onset of the COVID-19 pandemic and was based on material and construction costs at that time.

Under the proposed amendment to the Agreement, the City will reimburse an overall total amount not to exceed \$1,675,000 for the actual project costs associated with the construction of the oversized wastewater force main. This amount is a \$852,145 increase from the City Council's previously approved reimbursement amount.

The proposed project will be managed through Austin Water staff and is located in zip code 78617, adjacent to City Council District 2.

Strategic Outcome(s):

Government that Works for All.