



## Recommendation for Water & Wastewater Commission

<b>Commission Meeting Date:</b>	April 10, 2020
<b>Council Meeting Date:</b>	May 7, 2020
<b>Department:</b>	Austin Water
<b>SUBJECT</b>	
Recommend approval to negotiate and execute a supplemental agreement with the cities of Round Rock, Cedar Park, and Leander for the reimbursement of costs related to the expansion of the Brushy Creek Regional Wastewater System in the amount of \$11,454,162 for a total contract amount not to exceed \$32,429,162.	
<b>AMOUNT AND SOURCE OF FUNDING</b>	
Funding is available in the Fiscal Year 2019-2020 Capital Budget of Austin Water.	
<b>Purchasing Language:</b>	N/A
<b>Prior Council Action:</b>	<p>July 2009—Authorization to purchase the City's share of the Brushy Creek Regional Wastewater System from the Lower Colorado River Authority;</p> <p>September 2011—Authorization to enter into an agreement with the Brazos River Authority for the operation and maintenance of the Brushy Creek Regional Wastewater System;</p> <p>March 2014—Authorization to enter into contract with the City of Round Rock for expansion costs for the Southwest Interceptor;</p> <p>May 2017 – Authorization to enter into an agreement with the cities of Round Rock, Cedar Park, and Leander for the reimbursement of costs related to the expansion of the Brushy Creek Regional Wastewater System;</p> <p>August 2018 – Authorization to enter into an agreement with the City of Round Rock for the operation and maintenance of the Brushy Creek Regional Wastewater System;</p> <p>December 2018 – Authorization to enter into restated agreement with the cities of Round Rock, Cedar Park, and Leander for the reimbursement of costs related to the expansion of the Brushy Creek Regional Wastewater System.</p>
<b>For More Information:</b>	Virginia Collier, 972-0117 and Kevin Critendon, 972-0191

<b>Boards and Commission Action:</b>	To be reviewed by the Water and Wastewater Commission on April 8, 2020.
<b>MBE/WBE:</b>	N/A
<p>The cities of Austin, Round Rock, Cedar Park, and Leander share ownership of the Brushy Creek Regional Wastewater System. The Austin City Council has authorized agreements with these partner cities concerning capacity, operation, maintenance, and improvements to the Southwest Interceptor of the Brushy Creek Regional Wastewater System.</p> <p>Projections indicate an anticipated increased demand for wastewater treatment as additional retail wastewater connections within each cities' service areas and require an increase in capacity at the East wastewater treatment plant.</p> <p>In May 2017 Council approved funding for the City's estimated proportionate share of costs related to expansion of the system. In March 2020, bids for the construction of the expansion at the East wastewater treatment plant were received and are greater than previously estimated project costs. The current Recommendation for Council Action (RCA) is requesting approval of additional funding for Austin's share of estimated expenses related to the expansion.</p> <p>Although Austin's share of the total of all estimated expenses has not changed, the overall cost of construction is higher than the previous cost estimate at the time of preliminary design. Austin's proportionate share of expenses is \$32,429,162, approximately \$11,454,162 more than the previous authorization. Due to the potential for unknown conditions when working in an operating wastewater treatment facility, a 2.5% contingency in funding has been included to allow for the expeditious processing of any change orders. A contingency is an additional amount of money added to the construction budget to cover any unforeseen construction costs associated with the project. Funding for the increased project costs is available in the Fiscal Year 2019-2020 Capital Budget of Austin Water.</p> <p>Austin Water staff recommends approval of funding for the increased dollar amount. Staff will bring future related agreements to Council for further consideration.</p>	



## MEMORANDUM

**To:** Water and Wastewater Commission

**From:** Virginia Collier, Program Manager

**Date:** April 2, 2020

**Subject:** Brushy Creek Regional Wastewater System Expansion

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This memorandum is provided in an effort to offer additional information regarding the expansion of the Brushy Creek Regional Wastewater System in advance of the April 8, 2020 Water and Wastewater Commission meeting.

The Brushy Creek Regional Wastewater System (“Brushy Creek System”) is a wastewater system located in southern Williamson County. The Cities of Austin, Round Rock, and Cedar Park jointly purchased the Brushy Creek System from the Lower Colorado River Authority in 2009, and each City is a partial owner of the Brushy Creek System. The City of Leander joined the other cities in 2011 in ownership in the collection system.

The Brushy Creek System includes two wastewater treatment plants (“WWTPs”) which are located in the City of Round Rock’s jurisdiction. One of these WWTPs treats wastewater within the Brushy Creek, Onion Creek and McNutt Creek watersheds and is known as the “East WWTP.” The other WWTP treats wastewater originating in the Chandler Creek watershed and is known as the “West WWTP” (see the attached map). Austin has approximately 4,800 retail wastewater connections, all located within the Desired Development Zone, which discharge into the Brushy Creek System. Most of Austin’s service connections are currently located within the Avery Ranch subdivision.

Due to the cities' numbers of customers, contributing wastewater flows to the East WWTP have and will continue to increase as more customers are served within each cities' own service areas, and the East WWTP requires an increase in capacity. Texas Commission of Environmental Quality ("TCEQ") rules require design engineering to have begun when a wastewater treatment plant reaches at least 75% of its capacity. The East WWTP's current flows are 81% of its capacity on an average annual basis. The last expansion of the East WWTP occurred in 2004.

The original interlocal agreement with the Cities of Round Rock, Cedar Park, and Leander for the reimbursement of costs related to the expansion of the Brushy Creek Regional Wastewater System was executed in May of 2017 and identified intended capacity and ownership levels for each city. Based on further engineering evaluation, those levels changed and the agreement was updated in December 2018. The changes were related to reductions in permitted plant capacity and a desire to reduce the size of planned expansion to better manage costs of expansion. As such, these updates to ownership levels were incorporated into the restated interlocal agreement.

The table below indicates how capacities of the cities changed:

		East Plant Expansion						Total East & West WWTPs After Expansion	
	Initial Ownership (%)	East Plant Current Capacity (MGD)	Re-Rate (only) (MGD)	Capacity After Rerate (MGD)	East Plant Expansion (MGD)	Capacity After Expansion (MGD)	Ownership in Expansion (%)	Treatment Capacity (MGD)	Final Ownership (%)
		20.00	0.00	20.00	10.00	30.00		33.00	
<b>Round Rock</b>	81.96	16.39	0.00	16.39	1.20	18.23	12.00	20.05	60.76
<b>Leander</b>	0.00	0.00	0.00	0.00	4.23	3.85	42.30	4.23	12.82
<b>Cedar Park</b>	14.61	2.92	0.00	2.92	2.10	4.97	21.00	5.47	16.55
<b>Austin</b>	3.43	0.69	0.00	0.69	2.47	2.96	24.70	3.26	9.87

It is anticipated that the expansion will be completed by 2024. The City of Round Rock will manage, and oversee construction of the East WWTP. Each of the cities will pay their share of costs to Round Rock as milestones are achieved.

In March 2020, the City of Round Rock solicited bids for the construction of the East WWTP. Unfortunately, the bids received for the desired construction work have exceeded previous project cost estimates. Although Austin's share of the total of all estimated expenses has not changed, the overall cost of construction is now higher than previously anticipated. Austin's proportionate share of expenses is \$32,429,162, approximately \$11,454,162 more than the previous authorization. Due to the potential for unknown conditions when working in an operating wastewater treatment facility, a 2.5% contingency in funding has been included to allow for the expeditious processing of any change orders. A contingency is an additional amount of money added to the construction budget to cover any unforeseen construction costs associated with the project. Funding for the expansion, including this increase, is available in the Fiscal Year 2019-2020 Capital Budget of Austin Water. Staff will bring future related agreements to Council for further consideration.

For questions regarding the Brushy Creek Regional Wastewater System expansion please contact me at 512-972-0117.

cc: Greg Meszaros, Director, Austin Water  
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Shwetha Pandurangi, P.E., CFM, Managing Engineer, Austin Water  
Charles Celauro, P.E., Supervising Engineer, Austin Water



