



## Water & Wastewater Commission Review and Recommendation

Commission Meeting Date:	October 6, 2021	COA Strategic Direction:	Government That Works for All
Council Meeting Date:	October 14, 2021		
Department:	Austin Water		
Client:	Kevin Critendon		
Agenda Item			
Recommend approval to negotiate and execute a cost participation agreement with Milestone Community Builders for the City to reimburse the developer in an amount not to exceed \$6,066,135 for costs associated with the design and construction of an oversized water main and elevated water reservoir related to Service Extension Request No. 4577R to provide water service to a proposed single-family development located at 1300 Lost Creek Boulevard; and approve an ordinance waiving the requirements of Section 25-9-66(B) of the City Code related to such cost participation payment. (District 8)			
Amount and Source of Funding			
Funding is included in the Proposed Fiscal Year 2021-2022 Capital Budget of Austin Water.			
Purchasing Language:	N/A		
Prior Council Action:	N/A		
Boards and Commission Action:	October 6, 2021 – To be reviewed by the Water and Wastewater Commission.		
MBE/WBE:	N/A		

The Marshall Tract project consists of approximately 37.25 acres of land located at 1300 Lost Creek Boulevard (the “Property”). The Property is located entirely within the City of Austin’s (the “City”) Full-Purpose Jurisdiction, Impact Fee Boundary, Austin Water’s service area for water, the Drinking Water Protection Zone, and the Barton Creek Watershed. A map of the property location is attached.

Milestone Community Builders (the “Applicant”) is proposing to develop approximately 50 single-family homes. The Applicant requested that the City provide water utility service to the Property as proposed in Service Extension Request (SER) No. 4577R. Austin Water will provide retail wastewater service to the Property.

In accordance with Chapter 25-9 of the City Code, the City has asked the Applicant to oversize the water main and elevated water reservoir in order to serve additional properties and enhance service to existing customers within the South Lost Creek Boosted water pressure zone consistent with the City’s long range planning goals for this area. If approved by City Council, the City will cost participate in this construction project only to the extent of the City’s proportionate share of the oversized main and elevator water reservoir.

The proposed oversized improvements include construction of an elevated water reservoir within the Property and approximately 4,000 feet of 16-inch water main from the existing Lost Creek pump station on Quaker Ridge Drive and extending north along Quaker Ridge Drive, east along South Lost Creek Boulevard, and then north within the Property to the proposed elevated water reservoir.

The City will reimburse the Applicant for an overall total amount not to exceed \$6,066,135 for hard costs and soft costs. Hard costs include, but are not limited to, construction and materials. Soft costs include, but are not limited to, preliminary engineering reports, surveying, geotechnical studies, design, and project management. The City’s cost participation by project component is as follows:

- For costs of the 16-inch water main (the minimum pipe diameter of 8-inches required to serve the Property to an oversized 16-inch) and appurtenances, the City’s maximum participation consists of: (1) hard costs, in an amount not to exceed 50% of the hard costs of the 16-inch water main and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City’s hard cost participation amount, and
- For costs of the elevated water reservoir (the minimum storage capacity of 100,000 gallons required to serve the Property to an oversized storage capacity of 750,000 gallons), the City’s maximum participation consists of: (1) hard costs, in an amount not to exceed 86.7% of the hard costs of the elevated water reservoir and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City’s hard cost participation amount.

The Applicant is requesting a waiver from Austin City Code Section 25-9-66(B) relating to cost participation payments for projects in the Drinking Water Protection Zone. For an SER in the Drinking Water Protection Zone, Section 25-9-66(B) provides that the City’s reimbursement its oversizing cost participation occurs in four equal annual installments commencing on March 1 of the second year after the year in which the City accepts the improvements. The proposed ordinance waives the requirements of Section 25-9-66(B) and allows the Applicant to be reimbursed for all of the City’s share of costs 90 days after the date the City accepts the improvements – applying the repayment schedule allowed under City Code Section 25-9-66(A) for projects located

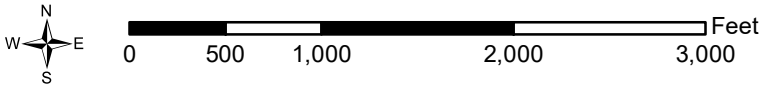
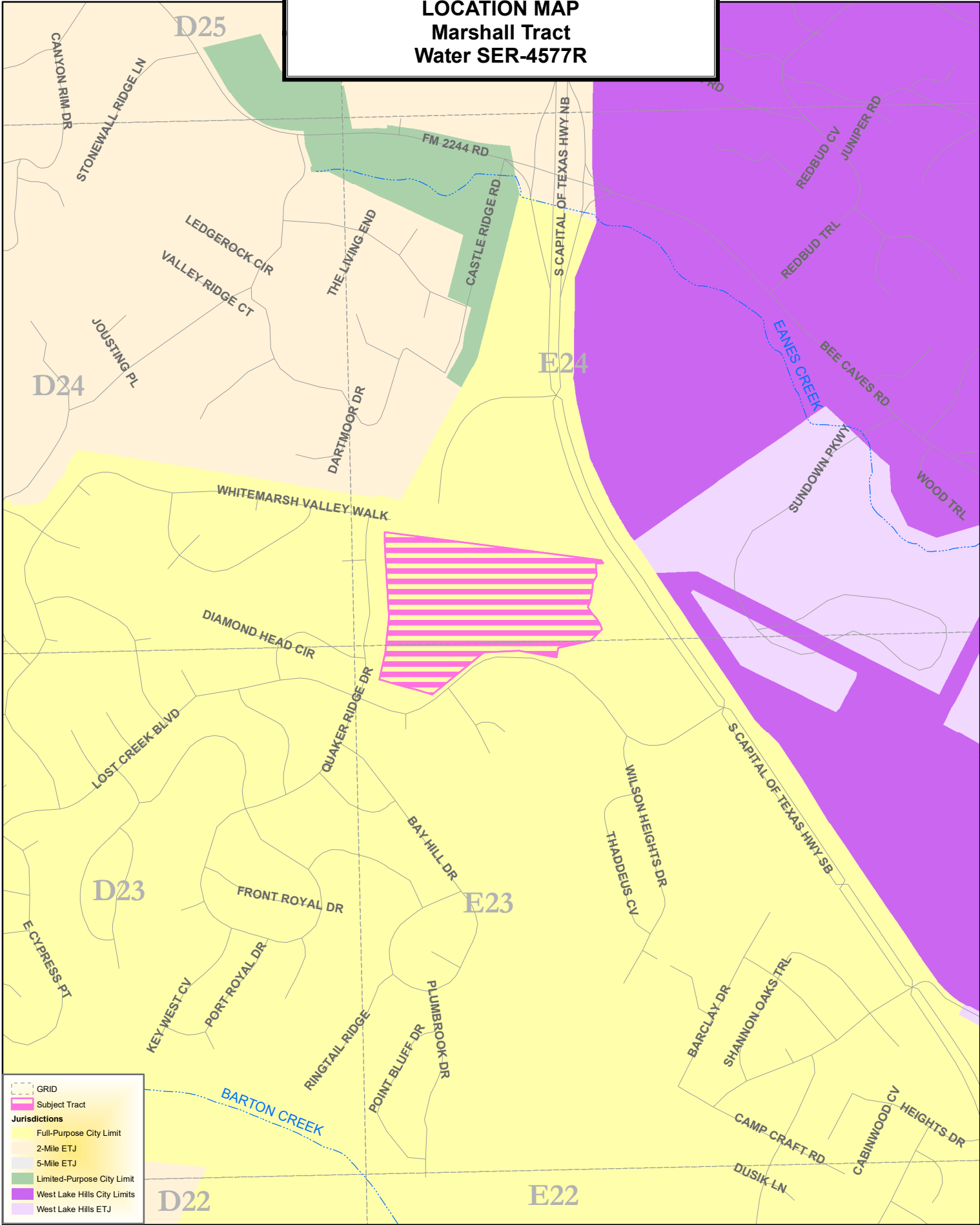
in the Desired Development Zone. Austin Water is in support of the waiver due to the significant improvement and added resiliency the elevated water reservoir will provide for the existing customers in the South Lost Creek water pressure zone.reservoir will provide for the existing customers in the South Lost Creek water pressure zone.

Other terms of the agreement will require that the Applicant:

- Pay all costs for financing, interest, fiscal security, accounting, insurance, inspections, permitting, easement acquisition, legal services, and other non-reimbursable soft costs associated with the project;
- Conform to the City's design criteria and construction standards;
- Construct all improvements at their cost and, after the City's final approval of the construction, dedicate the facilities to the City for ownership, operation, and maintenance;
- Allow the City to use the project plans and specifications approved by the City to solicit and publish invitations for bids for the construction of the improvements; and
- Follow the City's standard bidding practices and procedures, including the minority-owned business enterprise procurement program found in Title 2 of the City Code, and Texas Local Government Code Chapters 212 and 252.

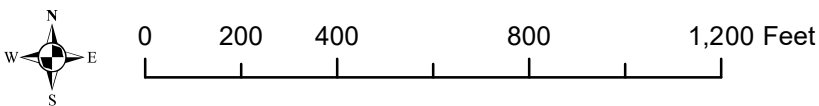
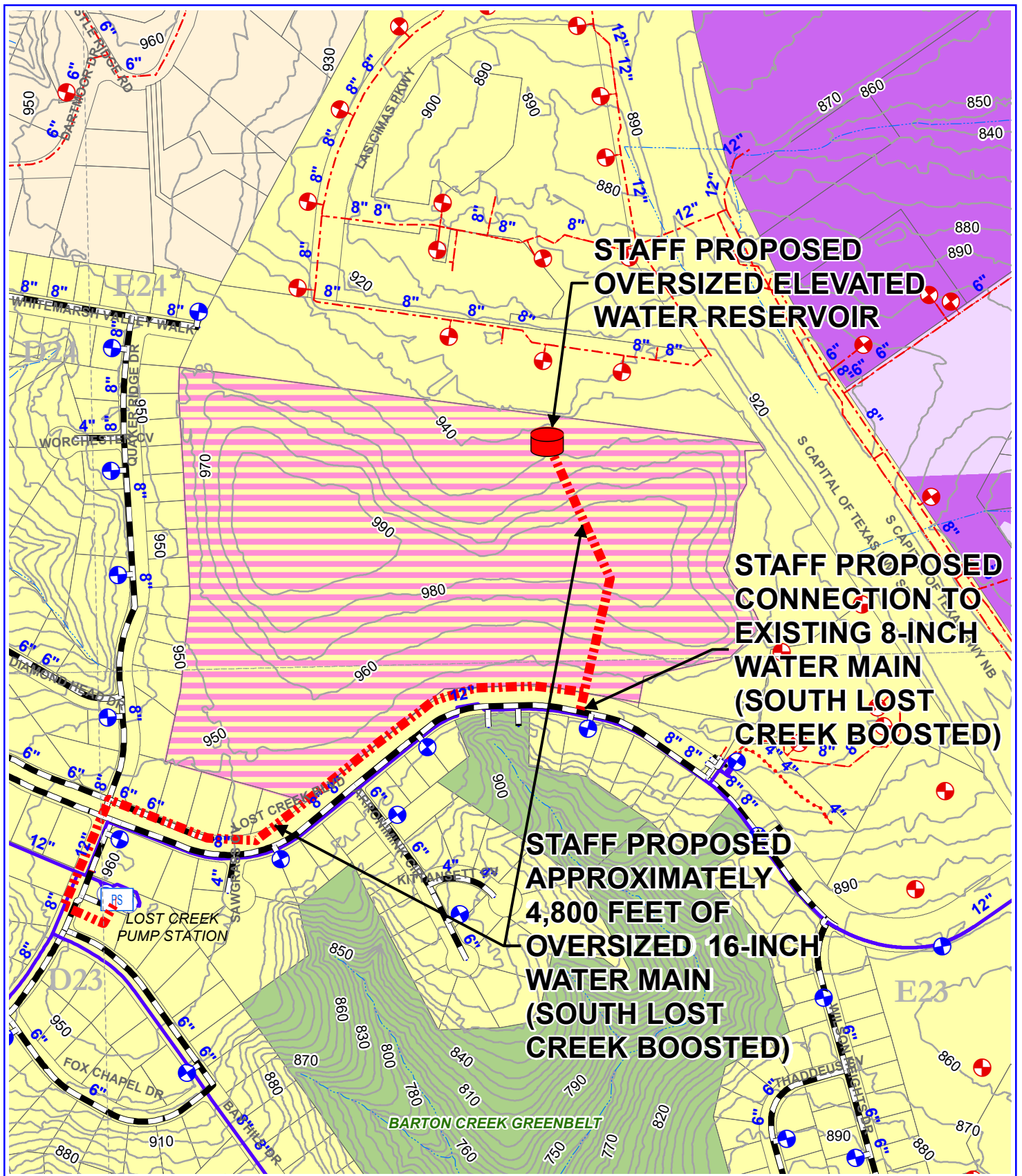
The proposed project will be managed through Austin Water staff and is located in zip code 78746, in City Council District 8.

# LOCATION MAP Marshall Tract Water SER-4577R



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. This product has been produced by the City of Austin for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.

07/21/2021



- Subject Tract
- South Lost Creek Waterline
- South Lost Creek Boosted Waterline
- Private Waterline
- Full-Purpose City Limit
- 2-Mile ETJ
- West Lake Hills City Limits
- West Lake Hills ETJ

**W. S.E.R. Name: Marshall Tract (Revised)**

**W. S.E.R. Number: 4577R**

Utility Development Services Plotted 07/21/2021

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## LOST CREEK Limited District

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City of Austin  
Water and Wastewater Commission  
Waller Creek Center  
625 E. 10<sup>th</sup> St., Room 104  
Austin, TX 78701  
Via email

September 14, 2021

RE: SER #4577 - Marshall Tract; October 6th agenda

Dear Commissioners,

On behalf of the Lost Creek Limited District, please accept this letter in support of cost participation repayment in accordance with the Desired Development Zone schedule for the oversized improvements, which consists of an elevated storage tank (EST) on the Marshall Tract.

The District is the successor entity to the Lost Creek Municipal Utility District, which maintained Lost Creek's water and wastewater infrastructure for many years (prior to annexation by the City of Austin). The District also owns and operates various recreational facilities for Lost Creek, including several parks and greenbelts. The District has been in regular contact with the developer of the Marshall Tract, Milestone Community Builders, to understand the impact of the proposed development on Lost Creek. The District is primarily interested in a cooperative relationship with Milestone that ensures the residents of both Lost Creek and the new development benefit from a coordinated approach to parks and green spaces, as well as ensuring that Lost Creek's recreational facilities are not unduly burdened by the development. Accordingly, the District and Milestone are discussing possible options, including annexation of the Marshall Tract into the District.

In addition to the District's focus on parks, the District also understands Lost Creek's current water infrastructure and it is our understanding that the Marshall Tract's location and elevation is uniquely positioned to serve the Lost Creek water system with an elevated water storage tank which will replace the existing mechanical systems and this improvement will improve the system reliability, pressure, and maintenance costs. It is also our understanding the proposed tank will increase reliability of fire water supply and storage in the event of an emergency.

We believe the Lost Creek water system and residents will benefit from the improvements and are in support of waiving the Drinking Water Protection Zone repayment structure which has historically discouraged the development of the tract and inadvertently the associated system improvements.

Thank you,

Andy Bitner  
President  
Board of Directors

CC: Councilwoman Paige Ellis (via email)