



Item 9
24-5520

Water & Wastewater Commission: September 11, 2024
Council: September 26, 2024

Posting Language

Authorize an increase of \$5,504,291 to the City’s cost participation with Milestone Community Builders for the City to reimburse the developer for a total amount not to exceed \$11,570,426 for the City’s share associated with the design and construction of an oversized water main and elevated water reservoir related to Service Extension Request No. 4577R, which will provide water service to a proposed single-family development located at 1300 Lost Creek Boulevard.

Lead Department

Austin Water

Client Department Lead

Austin Water Assistant Director of Environmental, Planning and Development Services, Kevin Critendon

Fiscal Note

Funding is available in the Fiscal Year 2024-2025 Capital Budget of Austin Water.

Prior Council Action:

October 14, 2021 – Council authorized a cost reimbursement agreement and waived, by Ordinance No. 20211014-002, City Code Section 25-9-66(B) allowing a reimbursement 90 days after completion.

For More Information:

Inquiries should be directed to Heather Cooke, Austin Water Chief Administrative Officer, at 512-972-0083, or heather.Cooke@austintexas.gov.

Council Committee, Boards and Commission Action:

September 11, 2024 – To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

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’s 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 49 single-family homes. Service Extension Request (SER) No. 4577R was submitted and approved to extend City water utility service to the property. Austin Water will also provide retail wastewater service to the Property as approved in SER No. 4578R.

On October 14, 2021, Council authorized the City and the Applicant to negotiate and execute a Cost Reimbursement Agreement (the “Agreement”) for up to \$6,066,135 of total project costs for the construction of an oversized 16-inch water main and 750,000 gallon elevated water reservoir as required in SER-4577R. Additionally, Council passed Ordinance No. 20211014-002 waiving Austin City Code Section 25-9-66(B) relating to cost participation payment in the Drinking Water Protection Zone, thereby allowing the City to pay its portion of the cost 90 days after the date the City accepts the improvements, which is equivalent to the



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payment schedule allowed under Section 25-9-66(A) for oversized projects located in the Desired Development Zone.

The project entails construction of approximately 4,000 feet of 16-inch water main and a 750,000 gallon elevated water reservoir. The proposed water improvements will be conveyed to the City for the City's ownership, operation, and maintenance. These water improvements were oversized and required by the City 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. The City will reimburse a percentage of the actual project costs associated with the construction of the oversized main and elevated water reservoir.

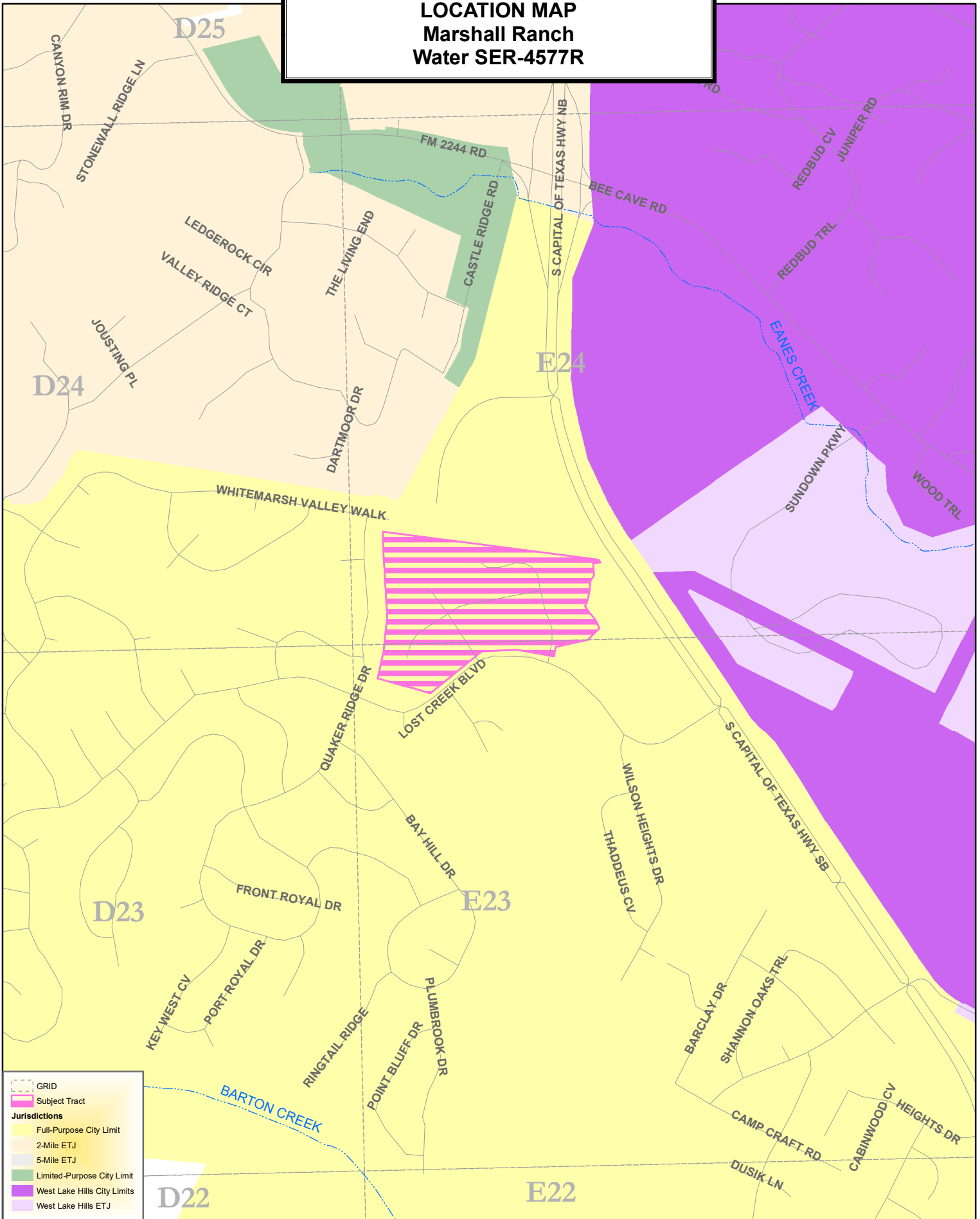
The certified low bid for construction of the oversized wastewater improvements was received by the City on April 4, 2024, and the City's proportionate share is in excess of the Council approved reimbursement amount. The bids received exceeded the original cost estimate primarily due to an increase in 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 during the COVID-19 pandemic and was based on material and construction costs at that time. Construction costs have continued to increase due to ongoing supply chain issues and materials shortages.

Austin Water is now requesting an overall total reimbursement amount not to exceed \$11,570,426 for hard costs and soft costs, a \$5,504,291 increase from the City Council's previously approved reimbursement amount. 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:

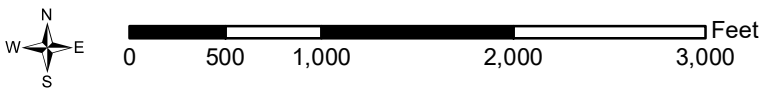
- For costs of the 16-inch water main (the minimum pipe diameter of 8-inches required to serve the Property to an oversized 16-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 50 percent of the hard costs of the 16-inch water main and appurtenances, and (2) soft costs, in an amount not to exceed 15 percent of the City's hard cost participation amount, and
- For costs of the elevated water reservoir (the minimum storage capacity of 69,800 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 90.7 percent of the hard costs of the elevated water reservoir and appurtenances, and (2) soft costs, in an amount not to exceed 15 percent of the City's hard cost participation amount.

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

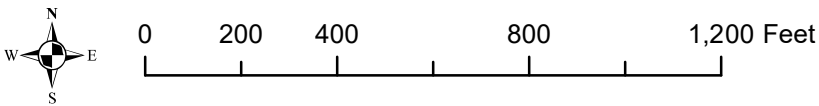
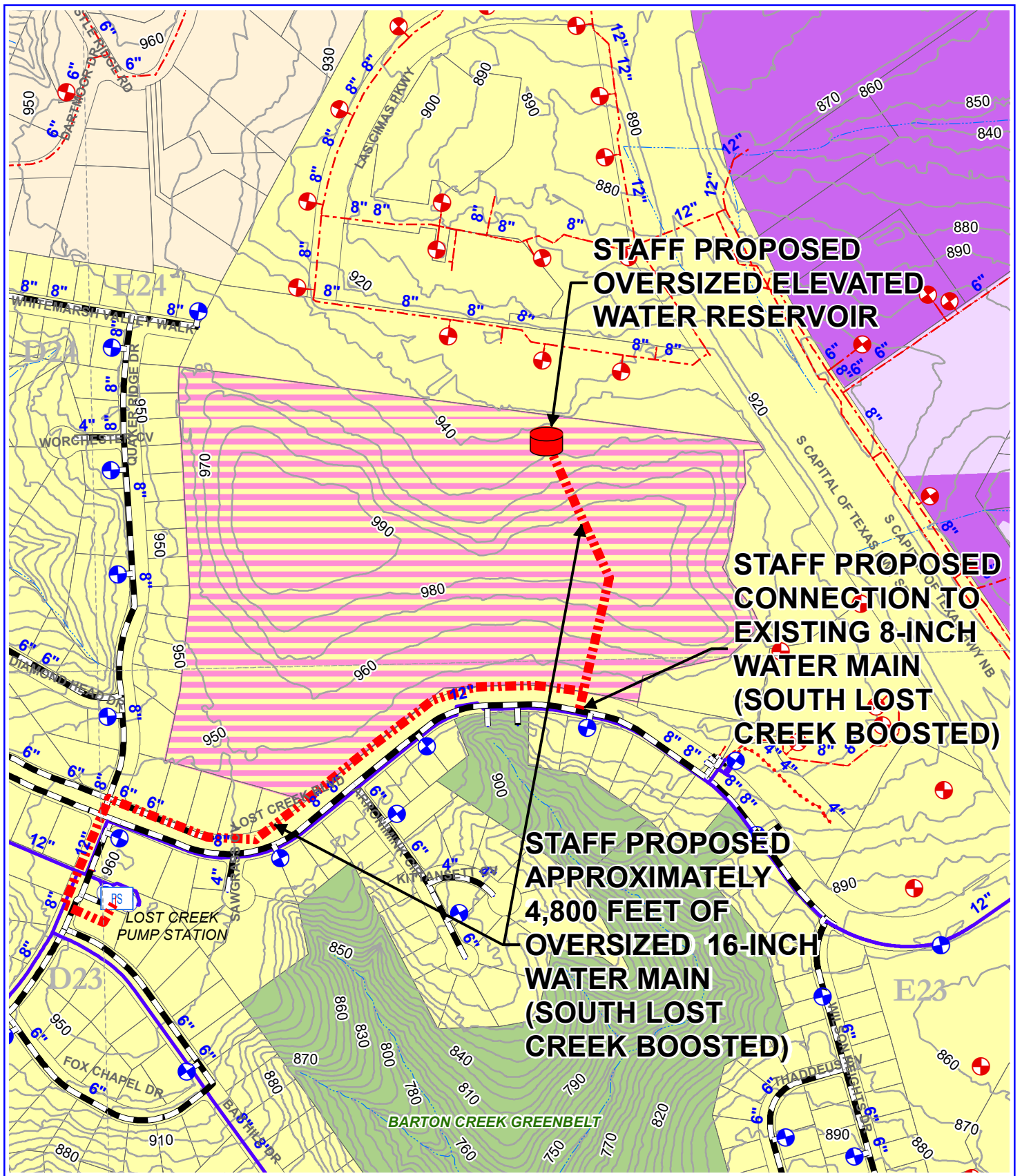
LOCATION MAP Marshall Ranch Water SER-4577R



	GRID
	Subject Tract
Jurisdictions	
	Full-Purpose City Limit
	2-Mile ETJ
	5-Mile ETJ
	Limited-Purpose City Limit
	West Lake Hills City Limits
	West Lake Hills ETJ



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.
07/10/2024



- 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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