



AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for City Council 07/16/24
Second Reading Ordinance for City Council 07/23/24

DATE: July 16, 2024

TO: Peter Zanoni, City Manager

FROM: Al Raymond, Director Development Services
alraymond@cctexas.com
(361) 826-3575

Wastewater Trunk Line Construction and Reimbursement Agreement
with MPM Development for wastewater improvements for Haven Subdivision.

CAPTION:

Ordinance authorizing a Wastewater Trunk Line Construction and Reimbursement Agreement up to \$1,978,937.16 with MPM Development to construct a wastewater trunk line for the proposed residential development located off the northwest side of Haven Dr. and Warrior Rd. intersection, also known as Haven Subdivision, requiring construction completion within 24 months; and authorizing future transfer and appropriation of Water and Wastewater Trust Fund revenue up to \$1,978,937.16 to reimbursement the developer in accordance with the agreement. (District 1)

SUMMARY:

MPM Development is developing 154.426 acres for various homes and is requesting funds to construct the wastewater trunk line improvements associated with the development. The estimated one-time cost of the improvements is \$1,978,937.16.

BACKGROUND AND FINDINGS:

The Developer, MPM Development has requested reimbursement through a reimbursement agreement for the 154.426-acre subdivision named Haven Subdivision, located northwest side of the Haven Dr. and Warrior Rd intersection.

The wastewater trunk line improvements consist of 3,745 linear feet of 15" PVC pipe. The term of the agreement is 24 months. The project is consistent with the City's Wastewater Trunk Line Construction Standards and is on the master plan.

The current trust fund balance is negative and will continue to be negative for the foreseeable future. Therefore, funding for this agreement is slated to come from future revenue sources.

The project is eligible for reimbursement from the Sanitary Sewer Trunk System Trust Fund per UDC

Section 8.5.2.E.

ALTERNATIVES:

This project will facilitate development of the Haven Subdivision. An alternative to utilizing trust funds to construct the wastewater trunk line improvements would be to construct them with a city-initiated CIP project. This option would most likely delay the construction until the required funding for the improvements could be programmed into the CIP budget and would most likely impact the developer's ability to build out his planned subdivision in a timely manner.

FINANCIAL IMPACT:

The total estimated project cost for the Wastewater Trunk Line System improvements is \$1,978,937.16. The agreement requires appropriating and transferring of future revenue from Water and Wastewater lot and acreage fees and pro-rata fees to the Sanitary Sewer Trunk Line Trust Fund to reimburse the developer per the agreement.

FUNDING DETAIL:

Fund: 40300 Water Arterial Transmission & Grid Main Trust Fund
Organization/Activity: 21805 Water Arterial Transmission and Grid Main Trust
Mission Element: 777
Project # (CIP Only): N/A
Account: 540450 Reimbursement to Developers

Fund: 4030 Water Distribution Main Trust Fund
Organization/Activity: 21806 Water Distribution Main Trust
Mission Element: 777
Project # (CIP Only): N/A
Account: 540450 Reimbursement to Developers

Fund: 4220 Sewer Trunk System Trust Fund
Organization/Activity: 21800 Sewer Trunk System Trust
Mission Element: 777
Project # (CIP Only): N/A
Account: 540450 Reimbursement to Developers

Fund: 4220 Sewer Trunk System Trust Fund
Organization/Activity: 21801 Sewer Collection Line Trust
Mission Element: 777
Project # (CIP Only): N/A
Account: 540450 Reimbursement to Developers

RECOMMENDATION:

Staff recommends approval. The project is in accordance with UDC Section 8.5.2.E.

LIST OF SUPPORTING DOCUMENTS:

- Ordinance (with exhibit)
- Summary of Trust Fund Balance
- Presentation
- Certification of Funds
- Location Map