



AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for the 08/13/24
Second Reading Ordinance for 08/20/24

DATE: August 13, 2024

TO: Peter Zaroni, City Manager

FROM: Al Raymond, Director Development Services
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<p>Water Arterial Transmission & Grid Main Line Construction and Reimbursement Agreement with MTS, LLC for water improvements for Kaspian Subdivision</p>

CAPTION:

Ordinance authorizing a Water Arterial Transmission & Grid Main Construction and Reimbursement Agreement up to \$1,245,538.00 with MST, LLC to construct a water arterial transmission grid main related to Kaspian Subdivision Unit I located south of FM 43 and east of CR 43; and appropriating and transferring of future revenue from Water and Wastewater lot and acreage fees and pro-rata fees to the Water Arterial Transmission & Grid Line Trust Fund to reimburse the developer per the agreement (District 5).

SUMMARY:

MST, LLC is developing 19.49 acres of single-family residential homes with approximately 64 lots to be built and is requesting funds to construct the water distribution line improvements associated with the development. The estimated one-time reimbursable cost of the improvements is \$1,245,538.00.

BACKGROUND AND FINDINGS:

The Developer, has requested reimbursement through a reimbursement agreement for the 19.49 acres subdivision named Kaspian Subdivision Unit 1, located south of FM 43 and east of CR 43. The final plat was approved by the Planning Commission on December 13, 2023.

The water improvements consist of 3,990 linear feet of 16" PVC pipe. The allowable reimbursement amount is \$1,245,538.00. The term of the agreement is 24 months. The project is consistent with the City's Water Arterial Transmission & Grid Main Line Construction Standards.

The project is eligible for reimbursement from the Water Arterial Transmission & Grid Main Line Trust Fund per UDC Section 8.5.2.E.

ALTERNATIVES:

This project will improve and facilitate development of the new Kaspian Subdivision Unit 1 development. An alternative to utilizing trust funds to construct the water 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 water improvements is \$1,245,538.00. Agreement requires authorizing appropriation and transferring of future revenue from Water and Wastewater lot and acreage fees and additional fee from Water and Wastewater Utilities fund as presented by the City Manager with the Proposed FY2025 budget up to \$1,245,538.00 to reimburse the developer in accordance with the agreement. (District 5).

FUNDING DETAIL:

Fund:	4030 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)
Presentation
Certification of Funds
Location Map