



## AGENDA MEMORANDUM

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

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**DATE:** August 13, 2024

**TO:** Peter Zanoni, City Manager

**FROM:** Al Raymond, Director Development Services  
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Wastewater Trunk Line Construction and Reimbursement Agreement  
with MPM Development for wastewater improvements for Royal Oak South Subdivision.

### **CAPTION:**

Ordinance authorizing a Wastewater Trunk Line Construction and Reimbursement Agreement up to \$365,028.94 with MPM Development to construct a required wastewater trunk line for the proposed residential development related to Royal Oak South subdivision located south of the Chisolm Trail and Rand Morgan Rd intersection; and authorizing future transfer and appropriation of Water and Wastewater Trust Fund revenue up to \$365,028.94 to reimburse the developer in accordance with the agreement. (District 1).

### **SUMMARY:**

MPM Development is developing **20.26** 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 **\$365,028.94**.

### **BACKGROUND AND FINDINGS:**

The Developer, MPM Development has requested reimbursement through a reimbursement agreement for the **20.26**-acres subdivision named Royal Oak South subdivision located south of the Chisolm Trail and Rand Morgan Rd intersection

Royal Oak South subdivision plat was approved by the Planning Commission on November 1, 2023. The development, located south of the Chisolm Trail and Rand Morgan Rd intersection, plans on 20.26 acres including street dedications.

The wastewater trunk line improvements consist of **412 linear feet of 18" PVC pipe**. The term of the agreement is **24** months. The project is consistent with the City's Wastewater Trunk Line Construction Standards.

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 improve and facilitate development of the new Oso Creek Corner 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 Sanitary Sewer Trunk System improvements is **\$365,028.94**. 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 \$365,028.94 to reimburse the developer in accordance with the agreement. (District 5).

**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)  
Presentation  
Certification of Funds

Location Map