



## AGENDA MEMORANDUM

Public Hearing & First Reading Ordinance for the City Council Meeting

November 14, 2023

Second Reading Ordinance for the City Council Meeting November 28, 2023

**DATE:** November 14, 2023

**TO:** Peter Zaroni, City Manager

**FROM:** Al Raymond, Development Services Department  
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**Amendment to Reimbursement Agreement with MPM Development, L.P.  
Royal Creek Unit 7**

**CAPTION:**

Ordinance authorizing an amendment to the Water Arterial Transmission & Grid Main Construction and Reimbursement Agreement with MPM Development, LP to extend the contract term to November 7, 2025, and to increase reimbursement by \$109,742.04 for a total not to exceed amount of \$219,096.24 for construction of a 12-inch water arterial transmission grid main line for residential development, Royal Creek Estates Unit 7; and authorizing future transfer and appropriation of Water and Wastewater Trust Fund revenue up to \$109,742.04 to reimburse the developer in accordance with the agreement. (District 5).

**SUMMARY:**

MPM Development, L.P. purposed to construct water arterial transmission grid main line to serve and develop a new planned development. This ordinance is to extend the allowable time on the agreement by an additional 24 months and increase the reimbursable by \$109,742.04 for a total contracted amount of \$219,096.24.

**BACKGROUND AND FINDINGS:**

City and Developer entered into a reimbursement agreement dated November 7, 2017 for the construction of a required water arterial transmission and gid main line for a total cost of \$109,354.20. Agreement between the City and the Developer is currently on the fifth amendment for time:

- First Amendment – November 7, 2018, for 12 months
- Second Amendment – November 7, 2019, for 12 months
- Third Amendment – November 7, 2020, for 12 months
- Fourth Amendment – November 7, 2021, for 24 months

This constitutes a fifth amendment to the contract. However, in previous amendments, the Developer only requested amendments for time and not for cost. Included in this amendment is an extension to time and a cost increase due to an increase in expected cost. Following is a table

showing the original cost estimates versus the proposed new cost estimates for the project.

| Original Cost Estimate                       |  |       |      |            |                     |
|--|--|-------|------|------------|---------------------|
|  | Water Items                                | Qty   | Unit | Unit Price | Amount              |
| 1  | 12-Inch PVC Pipe                           | 1,187 | LF   | \$60.00    | \$71,220.00         |
| 2  | 12-Inch Tee                                | 5     | EA   | \$850.00   | \$4,250.00          |
| 3  | 12-Inch Capped Tee for 2-Inch              | 2     | EA   | \$350.00   | \$700.00            |
| 4  | 12-Inch Gate Valve w/ Box                  | 4     | EA   | \$3,200.00 | \$12,800.00         |
| 5  | 6-Inch PVC Pipe                            | 14    | LF   | \$32.00    | \$448.00            |
| 6  | Fire Hydrant Assembly                      | 3     | EA   | \$4,000.00 | \$12,000.00         |
| 7  | 6-Inch Gate Valve w/ Box                   | 3     | EA   | \$950.00   | \$2,850.00          |
| 8  | 6-Inch 90 Degree Elbow                     | 2     | EA   | \$300.00   | \$600.00            |
| 9  | 6-Inch Diameter by 30-Inch PVC Pipe Nipple | 6     | EA   | \$250.00   | \$1,500.00          |
| SUBTOTAL                                     |  |       |      |            | \$106,368.00        |
| 10% CONTINGINCIES                            |  |       |      |            | \$0.00              |
| SUBTOTAL                                     |  |       |      |            | \$106,368.00        |
| ENGINEERING, SURVEYING & TESTING             |  |       |      |            | \$11,700.48         |
| SUBTOTAL                                     |  |       |      |            | \$118,068.48        |
| LESS WATER AGREAGE FEE (\$18.72 AC@\$719/AC) |  |       |      |            | \$8,714.28          |
| <b>ORIGINAL REIMBURSEMENT AMOUNT</b>         |  |       |      |            | <b>\$109,354.20</b> |

| Revised Cost Estimate                        |  |       |      |            |                     |
|--|--|-------|------|------------|---------------------|
|  | Water Items                                | Qty   | Unit | Unit Price | Amount              |
| 1  | 12-Inch PVC Pipe                           | 1,187 | LF   | \$112.00   | \$132,944.00        |
| 2  | 12-Inch Tee                                | 5     | EA   | \$1,200.00 | \$6,000.00          |
| 3  | 12-Inch Capped Tee for 2-Inch              | 2     | EA   | \$500.00   | \$1,000.00          |
| 4  | 12-Inch Gate Valve w/ Box                  | 4     | EA   | \$5,000.00 | \$20,000.00         |
| 5  | 6-Inch PVC Pipe                            | 14    | LF   | \$60.00    | \$840.00            |
| 6  | Fire Hydrant Assembly                      | 3     | EA   | \$8,800.00 | \$26,400.00         |
| 7  | 6-Inch Gate Valve w/ Box                   | 3     | EA   | \$2,000.00 | \$6,000.00          |
| 8  | 6-Inch 90 Degree Elbow                     | 2     | EA   | \$600.00   | \$1,200.00          |
| 9  | 6-Inch Diameter by 30-Inch PVC Pipe Nipple | 6     | EA   | \$500.00   | \$3,000.00          |
| SUBTOTAL                                     |  |       |      |            | \$197,384.00        |
| 10% CONTINGINCIES                            |  |       |      |            | \$0.00              |
| SUBTOTAL                                     |  |       |      |            | \$197,384.00        |
| ENGINEERING, SURVEYING & TESTING             |  |       |      |            | \$21,712.24         |
| SUBTOTAL                                     |  |       |      |            | \$219,096.24        |
| LESS WATER AGREAGE FEE (\$18.72 AC@\$719/AC) |  |       |      |            |                     |
| <b>REVISED REIMBURSEMENT AMOUNT</b>          |  |       |      |            | <b>\$219,096.24</b> |

**ALTERNATIVES:**

Deny the amendment all together.

Deny the increase in cost but approve the time extension.

**FINANCIAL IMPACT:**

The total cost of the project was originally \$118,068.48 less the \$8,714.28 lot/acreage fee credit, the reimbursable amount was \$109,354.20. Increased cost estimates of \$219,096.24 require additional funding; bringing the total additional funds of \$109,742.04 from the Water Arterial Transmission and Grid Main Trust Fund to reimburse the developer per the agreement not to exceed \$219,096.24.

**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

**RECOMMENDATION:**

Staff recommends approval. The request is in accordance with UDC Section §8.5.1.C..

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance (with exhibits)  
Exhibit  
Location Map  
Presentation