



AGENDA MEMORANDUM

First Reading Ordinance for May 12, 2020
Second Reading Ordinance for May 19, 2020

DATE: April 9, 2020
TO: Peter Zaroni, City Manager
FROM: Al Raymond III, Director, Development Services
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<p>Amend Distribution Main Line Extension Construction and Reimbursement Agreement to increase the total reimbursement amount in the agreement by \$11,929.50</p>

CAPTION:

Ordinance authorizing an amendment to the Water Distribution Main Line Extension Construction and Reimbursement Agreement with Esther Ybarra to extend a water distribution main to a planned residential property located at 7541 Weber Road; and appropriating \$11,929.50 from the Water Distribution Main Trust Fund to reimburse developer. (District 3)

SUMMARY:

Mrs. Esther Ybarra is required to construct an 8-inch water distribution main line extension to adequately provide fire protection to a planned residential property located at 7541 Weber Road and provide for future development of properties on the north side of Weber road by extending water and fire protection capability to those properties.

BACKGROUND AND FINDINGS:

Mrs. Esther Ybarra requested, and was approved for, a Distribution Main Line Construction and Reimbursement Agreement for the installation of 200 linear feet of 8-inch distribution main line to provide water and fire suppression service to her property that is located within city limits. The approved reimbursement amount for the agreement is \$101,950.24 under Ordinance 031882 dated 09/24/2019.

The developer, Mrs. Ybarra, submitted an amendment request to the cost estimate for the distribution main construction and reimbursement agreement. During the process to request reimbursement for the project, the applicant became aware that there was not enough money authorized in the agreement to cover the cost of construction and the cost of the engineering services provided for the project.

The original construction cost estimate for the project, submitted by the project engineer, inadvertently excluded the cost for the engineering work associated with the project. When the

reimbursement agreement was drafted the engineer supplied cost estimate was included in the agreement. A draft copy of the agreement was sent to the applicant for review and comment prior to signing. The applicant reviewed the agreement and signed it without raising any questions or concerns about the total reimbursement amount contained in the agreement.

During the process to request reimbursement for the project, the applicant became aware that there was not enough money authorized in the agreement to cover the cost of construction and the cost of the engineering services provided for the project. As a result, the applicant submitted a request for an additional \$11,929.50 for this project. The distribution line has been constructed, inspected and accepted by the City on March 4, 2020, and reimbursement for the construction costs for the project is pending.

ALTERNATIVES:

Deny the request and have the developer pay for the engineering services associated with the installation of the distribution line. This cost is approximately \$11,929.50 for engineering services associated with the installation of the distribution main. This project received authorization for reimbursement totaling 101,950.24 in the agreement. The applicant was given an opportunity to review the agreement, prior to signature, to ensure the total reimbursable amount in the agreement covered all costs associated with the installation of the distribution line.

FISCAL IMPACT:

If approved, the additional funds requested would be added to the current purchase order (PO) associated with the agreement and would be a debt against the Distribution Main Trust Fund. The encumbered funds for this project would increase by \$11,929.50 and would raise the total reimbursable amount in the agreement to \$113,879.74. \$101,950.24 is encumbered in the Distribution Main Trust Fund for this agreement. Currently there are insufficient funds in the Distribution Main Trust Fund to cover this additional funding request.

FUNDING DETAIL:

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

RECOMMENDATION:

Staff Recommends approval of the amendment request for this reimbursement agreement. The developer is seeking reimbursement for engineering services performed during the construction of the distribution line. The distribution line has been completed as outlined in the agreement and the City has already inspected and accepted the improvements.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Amendment to Distribution Main Line Extension Construction and Reimbursement Agreement
Presentation