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City Council:	September 2012	Phone:	512-990-6300

SUBJECT: To discuss and consider a recommendation on the 5-year Capital Improvement Plan for FY 2013 - 2017

ANNUAL CIP PROCESS:

Per the City Charter and the Code of Ordinances, the Planning and Zoning Commission shall annually submit a 5-year Capital Improvement Plan to the City Council and City Manager, at least 120 days before the beginning of the budget year. The plan must list projects in order of preference with a recommendation for the year of construction for each project.

FUNDING SOURCES:

There are different funding mechanisms for capital improvement projects; two of which are Certificates of Obligation (CO) and General Obligation (GO) bonds. A Certificate of Obligation (CO) is a bond secured by property tax in which does not require voter approval. Unlike a CO, a General Obligation (GO) bond is required to be approved by the voters, and the debt service typically placed on top of the tax rate. Historically, the City has used Certificates of Obligation (CO's) to fund roadway, drainage, sidewalk and park projects while the debt service is absorbed through the tax rate. Utility projects are typically funded by the Utility Fund, capital recovery fees (impact fees from new development) and CO's. Utility CO's are funded through utility revenue guaranteed by the tax rate.

SUMMARY:

In past years, the City issued CO's for the construction of roadways. While the current roadway projects are being funded by past CO issuances, staff does not recommend this funding mechanism for future roadway CIP projects. The General Fund CIP does not propose additional issuances of CO's for roadways for the next 5 years. However, the Utility Fund CIP proposes approximately \$48 million to be spent over the next five years for both water and wastewater utility projects. The Utility Fund has multiple funding sources such as impact fees and CO's that can be used for utility purposes.

STREET PROJECTS:

Last fiscal year, City Council allocated funding toward the construction of Becker Farms Road, East Pflugerville Parkway, Kelly Lane Phase 1A (Murchison Ridge Trail to western-most intersection of Falcon Pointe Boulevard), Kelly Lane 1B overlay, and Colorado Sand Drive from past CO issuances. A list of funded street projects is provided below and reference maps are provided on pages 5 and 6.

The reconstruction of Becker Farms Road is complete, while E. Pflugerville Parkway is under construction and is anticipated to be completed by Fall 2012. The City intends to complete the design of Colorado Sand Drive as specified by the approved TIRZ project plan and commence construction in Winter 2013. The sequencing of construction for Kelly Lane is contingent upon the completion of Autumn Slate Drive connecting Colorado Sand Drive to the private drive adjacent to

Murchison Elementary included within the Colorado Sand Drive CIP project. This roadway connection must come prior to the installation of the median within the proposed Kelly Lane widening project to create the necessary traffic circulation for PISD. Also, as referenced below in the utility CIP, a 24-inch water transmission main along Kelly Lane is proposed to be designed and constructed with the roadway improvements in 2013.

FUNDED STREET PROJECTS THROUGH CONSTRUCTION

#	Project Description	Anticipated Construction YR
1	East Pflugerville Parkway (F.M. 685 – SH 130)	Commenced in 2012
2	Colorado Sand Drive	2013
3	Kelly Lane Phase 1A (To be included within TIRZ – Murchison Ridge to Western-most intersection of Falcon Pointe Blvd and Kelly Lane)	2013

TRAVIS COUNTY STREET PROJECTS:

Based on the outcome of the Travis County 2011 Bond referendum, four roadway projects in the City’s ETJ have been approved for funding, including the following projects.

- Wells Branch Parkway (Immanuel Road to Cameron Road)
- Cameron Road (West of SH 130 from Howard Lane to SH 130)
- Rowe Lane (SH 130 to Martin Lane)
- Weiss Lane (Pecan Street to Cele Road)
- Weiss Lane Bridge Rehabilitation

Some of these listed projects are generally located within both jurisdictions: City of Pflugerville and Travis County. In a cost participation agreement with Travis County, City has agreed to pay for all design costs up to one million dollars for both Rowe Lane and Weiss Lane. However, for these two projects to move forward to construction, the City will most likely be required to allocate its pro rata share of the total project costs. If cost-participation is not a possibility, it is plausible these projects will be removed from the list of eligible projects.

POTENTIAL STREET PROJECTS FOR GENERAL BOND ELECTION

The future of the City’s roadway CIP is contingent on the development of a GO Bond program subject to a successful bond referendum. If this funding mechanism is pursued, City Council would create a citizen’s bond advisory committee responsible for developing a list of recommended projects ultimately placed on the ballot. Some projects that should be considered are identified below.

Location	Project Description	Total Preliminary Cost Estimate	Project Status
City	Heatherwilde Blvd Phase 1&2 (SH 45 to Wilke Ridge Lane)	*\$8,700,000	Design
City	Kelly Lane Phase 1B – Expansion (Western-most intersection of Falcon Pointe Blvd to Moorlynch)	*\$4,650,000	Design
City	Pfennig Lane (Railroad Ave. to F.M. 685)	*\$4,520,000	Preliminary

			Design
ETJ	Kelly Lane Re-route (To ultimately align with Cele Road) <i>City is required to construct per development agreement with Avalon</i>	\$1,770,000	Design
ETJ	Cele Road Re-route (To ultimately align with Kelly Lane)	TBD	N/A
City/ETJ	Weiss Lane Improvements (Pecan Street to Cele Rd./Kelly Ln.) Total Estimated Cost = \$10 million	**\$3,500,000	N/A
City/ETJ	Rowe Lane (Safety Improvements from SH 130 to Martin Lane.) Total Estimated Cost = \$2.5 million	**\$1,000,000	N/A
Total Preliminary Cost Estimates		\$23,082,200	

*Figures do not include the cost of R-O-W acquisition.

**Represents the City's pro rata share.

UTILITY PROJECTS:

The City is in the process of completing the Water Master Plan. In order to address current development pressure and account for additional capacity at the Central WWTP with the future expansion, the City intends to update the 2008 Wastewater Master Plan. Together, these policy documents will serve as a guide for the creation of the Utility Fund CIP by identifying project needs and estimated costs. On a separate note, the City is in the process of reviewing the City's impact fees which is required every five years by statute.

Utility projects are typically funded by revenue from existing utility customers, impact fees associated with new development, and bonds. The tables provided below list the water and wastewater utility project needs, purpose, preliminary cost estimates, and proposed dates of design and construction.

WATER: The water utility projects are listed in four categories.

- 1) Windermere Service Area Projects in the 950 Pressure Plane: These projects shall support the overall utility system needs for much of Pflugerville west of SH 130 by providing additional elevated water storage and necessary water transmission lines. If the City were to pursue purchase or lease options of the Windermere CCN, this group of projects will be required for the City to be the sole water service provider. Currently, the City provides wholesale water to Southwest Water Company which holds the Windermere Certificate of Convenience and Necessity (CCN) and serves the western portion Pflugerville. In any case, these projects are essential for the City's water utility system.
- 2) North Travis County MUD (NTC MUD) Service Area Projects: These projects support the distribution of water and the preservation of a 950 pressure plane as proposed in the water model of the Water Master Plan.
- 3) Storage: The proposed improvements to the South Stand Pipe and the proposed Elevated Storage Tank and the associated transmission mains along Pflugerville Parkway and Wilke Ridge Lane to the tank site are required to create and preserve the proposed pressure plane system modeled in the Water Master Plan.
- 4) Misc System Improvements: Please refer to the table below for more information.

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The table provided below lists the staff recommended water utility projects for the 5-year CIP and the proposed years design and construction.

Project Name	Project Purpose	Total Cost Estimate	Design/Construct
Windermere Service Area Projects (950 Pressure Plane)			
Pfennig Ground Storage Tank and Yard Piping Upgrades	Storage, supports the Elevated Storage Tank project, supports service to NTC MUD	\$2,025,000	2013/ 2014
Pfennig Pump Station Upgrades	Storage, supports the Elevated Storage Tank project, supports service to NTC MUD	\$5,400,000	2013/ 2014
Pfennig Transmission Main Connection {Swenson Farms to Gazania}	Transmission	\$113,400	2013/ 2014
Pflugerville PKWY Transmission Main Connection {Heatherwilde to Picadilly}	Transmission	\$366,300	2013/ 2014
Pflugerville PKWY Transmission Main Extension and Connection to Pfennig Booster Pump Station	Transmission, supports the Elevated Storage Tank project, supports service to NTC MUD	\$871,900	2013/ 2014
Total		\$8,776,600	
North Travis County MUD (NTC MUD) Service Area Projects (950 Pressure Plane)			
Pflugerville PKWY Transmission Main {Wilke Lane to Heatherwilde Blvd}	Transmission, supports the Elevated Storage Tank project	\$340,300	2013/ 2014
Pflugerville PKWY Transmission Main {West Meter to Great Basin to Mammoth Cave Drive}	Transmission, supports the Elevated Storage Tank project	\$93,500	2013/ 2014
Great Basin Transmission Main Extension to Heatherwilde Blvd	Transmission, Interconnection Looping	\$80,300	2013/ 2014
Heatherwilde Transmission Main {Kingston Lacy to SH 45}	Transmission	\$662,200	2013/ 2014
Total		\$1,176,300	
Storage			
Elevated Storage Tank for 950 Pressure Plane with Transmission Mains along Pflugerville Pkwy and Wilke Ridge Lane to Tank Site	Elevated Storage, Transmission {To serve west of SH 130}	\$6,750,000	2013/ 2014
South Stand Pipe Re-pump Station	Elevated Storage	\$1,023,300	2013/ 2014
Total		\$7,773,300	
Misc. System Improvements			
Colorado Sand Transmission Main {TIRZ project to be constructed with roadway}	Transmission {Required per approved TIRZ}	\$200,000	2013

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Downtown Pressure Zone Re-delineation – Pressure Relief Valves (PRVs) and Check Valve	Pressure, Flow	\$81,000	2013
Kelly Lane Transmission Main {SH 130 to Western-most intersection of Falcon Pointe Blvd} to be constructed with roadway	Transmission	\$1,110,000	2013
Water Treatment Plant Membrane Replacement	Capacity, Operations & Maintenance	\$4,500,000	2014
Weiss Transmission Main {WTP to Sorento Development}	Transmission	\$1,225,100	2014/ 2015
Weiss Transmission Main {Sorento Development to Kelly Lane}	Transmission	\$1,047,900	2014/ 2015
Oxford Transmission Main Extension	Transmission	\$500,200	2015/ 2016
	Total	\$8,664,200	
	{WATER} TOTAL 5-YR CIP	\$26,390,400	

WASTEWATER

As previously discussed, a Preliminary Engineering Report (PER) for the design of the Wilbarger WWTP was complete in December 2010. At that time, there was no direction to advance to final design due to slower growth and proposed improvements to the Central WWTP. By expanding the Central WWTP to 5.85 MGD in fiscal year 2013 and again in 2015 to 8.4 MGD, as referenced in the table below, the construction of the Wilbarger WWTP can now be deferred well beyond the 5-year utility CIP. The final design and construction of the Wilbarger Wastewater Treatment Plant east of SH 130 and corresponding wastewater interceptor lines with construction costs totaling approximately \$58 million may be deferred until such time the City reaches 75% capacity at the Central WWTP. Please refer to the table below for the recommended wastewater utility projects and the proposed years of design and construction. Many of these are preliminary in nature, subject to the development of a revised Wastewater Master Plan to be completed within the next 12 months.

Project Name	Project Purpose	Total Cost Estimate	Design/ Construct
Rowe Loop Wastewater Service Extension	Service, Line Capacity, Operations & Maintenance	*\$850,000	2012/ 2013
Central WWTP Expansion {5.85 MGD}	Capacity	*\$1,740,000	2012/ 2013
Sorento/ Carmel Lift Station and Force Main	Collection/Transmission {City required to design and construct per development agreement}	\$4,000,000	2013
Bypass Wilke Lift Station {Decommission}	Operations & Maintenance	\$100,000	2013
Wastewater Master Plan Update	Strategic Planning	\$230,000	2013
SH 45/ SH 130 Tunnel	Expand Service Area	\$2,025,000	2014/ 2015
Central WWTP Expansion –	Capacity	\$3,045,000	2015

Phase II Design {8.4 MGD}			
3-YR Impact Fee and CIP Update	Strategic Planning	\$256,000	2015
E. Pflugerville Parkway Interceptor	Collection/Transmission	\$4,555,000	2015/ 2016
Carmel Interceptor	Collection/Transmission	\$4,450,000	2016/ 2017
	{WASTEWATER} TOTAL	\$21,251,000	

*Design funded in fiscal year 2012.

UTILITY 5-YR CIP SUMMARY:

The proposed water and wastewater utility projects referenced in the proposed 5-YR CIP total approximately \$48 million dollars. It is important to note that the construction of the utility projects will require additional funding aside from Utility Fund Balance and capital recovery fees. The City will need to issue bonds for the construction of these projects.

STAFF RECOMMENDATION:

Staff recommends that the City pursue the funded street projects through construction for Colorado Sand Drive (TIRZ), Kelly Lane Phase 1A (TIRZ), and East Pflugerville Parkway. While the City may pursue these roadway projects, the construction of any additional City or Travis County roadway projects will remain on-hold until additional funding becomes available to complete them. Thus, staff recommends that City Council evaluate the development of a bond program for the listed unfunded roadway projects referenced above that we currently have under design or have committed to fund. Also, staff recommends the 5-YR Utility CIP as provided in the tables above.

Please note, these recommendations are based on evaluated needs and do not reflect a fiscally constrained Capital Improvement Plan; rather they fulfill the requirement that the commission provide a project list in order of preference with a recommendation for year of construction.

PLANNING AND ZONING RECOMMENDATIONS:

The Commission recommends the City pursue the following roadway projects in order of preference: 1.) Weiss Lane, 2.) Rowe Lane, 3.) Kelly Lane Ph 1B {Falcon Pointe Blvd. to Moorlynch}, 4.) Kelly Lane Re-route, 5.) Cele Road Re-route, 6.) Heatherwilde Blvd, 7.) Pfennig Lane.

The Commission recommends the City pursue the Utility Fund projects as identified in the tables above with recommended years of construction.

ATTACHMENTS:

- Roadway CIP Maps
- Water Utility CIP Maps
- Wastewater Utility CIP Maps