



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution authorizing the execution of an amendment to the Professional Services Agreement with Kimley-Horn and Associates, Inc. for engineering services for the Elevated Storage Tank project

DATE: November 20, 2025

DEPARTMENT: Public Works

PRESENTED BY: Grant Watanabe, P.E., CFM, Director of Public Works

INTRODUCTION/BACKGROUND:

An elevated storage tank (EST) stores water at height, typically in a water tower, to create pressure for a water distribution system using gravity. This design provides consistent water pressure for utility customers, acts as a water source for fire protection, and offers a backup supply during emergencies, extended power outages, or pump failures.

For community water systems with more than 2,500 connections, the Texas Commission on Environmental Quality (TCEQ) requires an elevated storage capacity of at least 100 gallons per connection or a pressure tank capacity of at least 20 gallons per connection. In 2017 and 2024, TCEQ cited the City for insufficient pressure tank capacity and the City responded that it plans to construct an EST to meet this regulatory requirement. The City's Water, Wastewater and Reuse Master Plan identified the need for a 500,000-gallon EST in the northern part of the City to meet peak system demands and fire flow requirements. System modeling results included in the Plan showed large portions of the City fall below the National Fire Protection Association (NFPA) and International Fire Code (IFC) minimum fire flow requirement, generally 1,000 gallons per minute for one hour, to combat a house fire.

In April 2019, the City executed a Professional Service Agreement with Kimley-Horn and Associates, Inc. for engineering services for the EST project. The scope included two community workshops, held in June and September 2019, to obtain public input on the EST tank style and location. Following selection of a composite style tank to be located at the southeast corner of the property formerly known as The Reserve, the consultant proceeded to 90% Design. In 2021, the project was put on hold while the City evaluated alternate locations.

In September 2022, the City authorized Kimley-Horn to conduct a site feasibility evaluation for a 10-acre property purchased by the City of Boerne. The evaluation showed that the site could accommodate the EST and other planned utility improvements by both cities and provided various site layout alternatives. Staff continued coordination with the City of Boerne through early 2025.

On June 16, 2025, the City purchased approximately 2.923 acres located in the southern portion of 329 Ammann Road from the City of Boerne and proceeded with annexation, Future Land Use Map amendment and zoning designation for the property.

Staff requested and received a proposal (**Exhibit A**) from Kimley-Horn to restart the project and revise the EST design for the new location. The scope includes:

- New topographic survey and geotechnical investigation for the new site
- Complete redesign of the site civil (yard piping, grading, drainage, paving, fencing)
- Complete redesign of approximately 3,050 linear feet of water main extending from an existing offsite 12-inch main to the new site to connect the EST to the City's water distribution system
- Resubmission of 90% design based on the new site and an additional design review workshop
- Restart TCEQ and FAA permit coordination based on the new design and site location
- Updated labor rates for portions of the original project scope (project management, 100% design, open house prior to construction start, bid and construction phase services, record drawings) that have not yet been completed
- Easement acquisition (if needed), subsurface utility engineering, and plat services for the new site

The cost for engineering services under the original Professional Service Agreement (**Exhibit B**) was \$446,905. The cost for this contract amendment is \$281,987.95, bringing the total cost for engineering services to \$728,892.95. The estimated construction cost is \$8.2 million.

The proposal also includes a revised project schedule showing 10 months for design and preparation of bid documents, two months for procurement, and 16 months for construction. The total estimated project duration is 28 months.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Supports Priority 3.1 Enhance and Ensure Continuity of Reliable Water Resources of the Strategic Action Plan
- Enables the City to meet peak system demands and minimum fire flow requirements in the northern part of the City
- Provides reserve storage capacity in the event of extended power outage, pump station failure or other emergency

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The City budgeted \$496,950 in prior years, and \$4,367,901 in FY 2025-26 for this project. Current funds are adequate to cover the cost of the contract amendment.

The City has designated the elevated storage tank as an "impact fee eligible project" and has collected impact fees to support the funding of the project. Additionally, the City entered into several water supply agreements with landowners in 2008 which included a "contribution in aid of construction" clause to further assist with the funding of this project. Under the agreements, landowners must make payment to the City within 10 days after the City awards a contract to construct the elevated storage tank.

LEGAL ANALYSIS:

The City's standard Professional Services Agreement is being utilized for this project.

RECOMMENDATION/PROPOSED MOTION:

I move to approve a resolution authorizing the execution of an amendment to the Professional Services Agreement with Kimley-Horn and Associates, Inc. for engineering services for the Elevated Storage Tank project, expenditure of the required funds, and execution of all applicable documents by the City Manager.