

## AGENDA



Thursday, February 14, 2008

**Law  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 11**

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**Subject:** Approve an Agreed Final Judgment in Lost Creek Municipal Utility District v. City of Austin, et al, Cause No. D-1-GN-001377, in the 126th Judicial District Court, Travis County, agreeing to Strategic Partnership Agreement and settling related matters (concerns issues related to water and wastewater contract and annexation, and arbitration of Strategic Partnership Agreement). (Lost Creek MUD includes approximately 788 acres located in the vicinity of Loop 360 and Lost Creek Blvd.)

**For More Information:** Virginia Collier 974-2022; David Lloyd 974-2918

**Prior Council Action:** 09/27/07 Council confirmed arbitrator's award

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On August 28, 2007, and August 29, 2007, the City of Austin and Lost Creek Municipal Utility District participated in an arbitration proceeding concerning a Strategic Partnership Agreement ("SPA") between the City and the District in accordance with the provisions of Texas Local Government Code Chapter 43. On August 31, 2007, the arbitrator issued a decision approving the City's offer as the Strategic Partnership Agreement between the City and the District. Lost Creek MUD appealed the arbitrator's ruling to state district court, and on January 15, 2008, Travis County District Judge Covington confirmed the Arbitration Award.

The SPA adopted by the Arbitration Award contains several dates and deadlines that can no longer be accommodated due to the time elapsed between the arbitration proceedings and the District Court order confirming the award. The proposed Judgment states that the commercial tracts within the MUD will now be annexed for full purposes effective December 31, 2008, rather than December 31, 2007, as stated in the confirmed Strategic Partnership Agreement. The Judgment also resets several dates related to the water and wastewater service and facilities set forth in the SPA Exhibit E, the Wholesale Water Service and Operations Management agreement.