

AGENDA



Thursday, April 10, 2008

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION****Item No. 6**

Subject: Authorize negotiation and execution of an agreement with Water Control and Improvement District No. 17 ("District"), relating to various matters, including the release of the District's water and wastewater certificate of convenience and necessity ("CCN") for the City's Water Treatment Plant #4, the granting of two easements by the City to the District, and the provision of City emergency water to the District.

Amount and Source of Funding: No fiscal impact.

Fiscal Note: A fiscal note is not required.

For More Information: Bart Jennings, 972-0118, Denise Avery, 972-0104

Boards and Commission Action: Recommended by the Water and Wastewater Commission.

Prior Council Action: October 30, 2003 (Comanche Canyon Wholesale Agreement); June 23, 2005 (First Amendment of Comanche Canyon Wholesale Agreement); June 22, 2006 (Second Amendment of the Comanche Canyon Wholesale Agreement); September 28, 2006, and November 11, 2007 (Joseph Tract Agreement)

The District provides water and wastewater services within its boundaries in northwest Travis County along RM 620 and Lake Travis. The City and the District previously entered into wholesale wastewater agreements for portions of District's service area (the Comanche Canyon PUD and Steiner Ranch areas). The City approved the provision of City wastewater service to the Joseph Tract, located within the District, but the contract has not been and is not anticipated to be executed due to changed circumstances.

The District and the City have been in discussions regarding various matters and have agreed to the following:

1. Water and Wastewater CCN Release

The City's proposed Water Treatment Plant #4 ("WTP #4") and appurtenances are located within the District's water and wastewater CCN. The City has requested the District decertify the sites associated with the City's future facilities. Upon the City Council's approval of a construction contract for WTP #4 or the intake raw water pump station, the District will execute documents necessary for the decertification of its CCNs for these areas. The City will be responsible for drafting and submitting the decertification application to the Texas Commission on Environmental Quality ("TCEQ") and paying the associated TCEQ application fees.

2. Emergency Water Contract and Easement

The District has requested an emergency water contract with the City. Currently, the emergency water contract service area contains approximately 3,000 connections. Major requirements of the emergency water contract include:

- Emergency water service is provided only for specifically defined events such as Acts of God or similar unpreventable catastrophic conditions;
- Emergency water service is provided only for a specified duration (generally a two-week period);
- The Austin Water Utility's provision of service is subject to the availability of water. The needs of City customers take precedence;
- The District would install a pressure sustaining valve, with the operating trigger set by the City, to ensure the City's customers are not incidentally negatively impacted by the District's initiation of emergency water service;
- The District agrees to adopt the City's Emergency and Peak Day Water Use Management Plan Ordinance, as amended;
- The term of the contract is for a ten-year period with a ten-year renewal option (mutual agreed to);
- The District will pay a monthly customer account fee and for any volumetric use of water at the City's average wholesale water rate;
- The City will endeavor to grant the District, at no charge to the District, a temporary non-exclusive easement of 7 foot adjacent to the right of way of RM 620 along the eastern property line of the City's WTP #4 site (length to be mutually agreed upon) for the District's construction of a 16 inch water main;
- The District will extend the City's 16 inch water main, at the District's sole cost, and convey to the City the portion of the main upstream of the City's designated location of an emergency water meter and appurtenances; and
- The District will pay an actual use fee of \$2,989 per day, which amount also may annually increase concurrent with City water rates.

3. Lake Austin Easement

The District has requested from the City, at a cost to the District of \$5,600, an underground water tunnel and transmission facilities easement of approximately 7,600 square feet in size located across Lake Austin near Murfin and River Road. The District and Austin Energy will use the easement. The District wishes to extend a 24" water main in order to improve reliability to portions of its water system. The District agrees to provide Austin Energy joint use the District's existing easements located on both sides of Lake Austin (for a cost to equate to 50% of the actual consultant costs, purchase price, and legal fees in obtaining those easements) as well as joint use of the requested easement so that Austin Energy may extend electrical distribution mains for reliability of its system. Austin Energy will bore its own separate encasement pipe for its electrical transmission line.

4. Amendment to Comanche Canyon Wholesale Wastewater Agreement

Because the WTP #4 site was originally included in City Council-authorized wholesale service areas and will now be used for a different purpose, the District requests an expansion of the Comanche Canyon Wholesale Service area while decreasing the previously City Council approved wholesale maximum service levels. The amended maximum service level for the Comanche Canyon Wholesale Service area will be 518 gallons per minute. The expanded area is composed of 1,094 acres as shown on the attached map and approximately 162 existing septic tanks. For those tracts that do not currently possess City approved platted lot status, the tracts will only be provided one Living Unit Equivalent of wastewater service. Upon City approval of a final plat, the City, to each platted lot, will provide the appropriate level of wholesale wastewater service that matches the wastewater service requirements of the final plat. The City's Watershed Protection Development Review Department has determined, based upon its research, the City's provision of wholesale wastewater service for the expanded area will not result in a greater density than allowed under City ordinances. The expanded wholesale wastewater area will be subject to all of the contract provisions in the existing Comanche Canyon Wholesale Wastewater Service contract including the payment to the City of its wastewater capital recovery fees.