

AGENDA



Thursday, July 24, 2008

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION****Item No. 8**

Subject: Authorize negotiation and execution of an agreement to acquire certain water and wastewater infrastructure from the Cherry Hill Homeowners Association, Inc. for the City's ownership, operation, and maintenance.

Amount and Source of Funding: No City funds are required for the purchase of these facilities. The Austin Water Utility's Operating Budget will fund future operations and maintenance expenses associated with these facilities, as needed.

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.

In 1985, the City approved construction plans for the Cherry Hill Park Planned Unit Development ("Cherry Hill"). The plans indicated multi-family housing for the approximately 29-acre tract that is located in Northwest Travis County and entirely within the City of Austin's ("City") corporate limits and the Drinking Water Protection Zone. In 1991, the developer amended Cherry Hill's plat to 24 single-family housing lots and one multi-family unit lot. The utility construction plans were not modified, remained designed for a multi-family housing development, and were constructed as designed. Because of the design of the construction plans, the developer installed water master meters to the subdivision and the Cherry Hill Homeowners Association ("HOA") became responsible for ownership, operation, and maintenance of the internal water and wastewater facilities and for sub-metering and billing issues. Typically, the Austin Water Utility serves and bills individually and directly each single-family and multi-family lot.

A wastewater overflow in the fall of 2006 within Cherry Hill came to the attention of Texas Commission on Environmental Quality ("TCEQ") staff. TCEQ indicated to the Cherry Hill HOA that either they would need to form a private utility and enter into a wholesale relationship with the City or each lot would need to become a direct retail customer of the City. The Cherry Hill HOA and the Austin Water Utility staff believe that the City serving each lot directly as a retail customer is in the public's best interest and consistent with City policies. The Cherry Hill HOA accepted responsibility for maps being created indicating the actual location of all water and wastewater facilities, for smoke testing the wastewater infrastructure and repairing all defects, and for installing additional manholes for operation and maintenance purposes. The Cherry Hill HOA has also agreed to:

1. convey, at no cost to the City, certain water and wastewater infrastructure for the City's ownership, operation, and maintenance; and
2. grant easements to the City necessary for access to and operation and maintenance of the water and wastewater infrastructure being conveyed to the City.

Each lot owner will become a direct retail customer of the City and will be billed accordingly. No water or wastewater capital recovery fees will be charged to the individual homeowners unless they request in the future a larger size of water meter than is currently provided. The Austin Water Utility will operate and maintain the conveyed infrastructure according to its policies and practices.