

## AGENDA



Thursday, March 26, 2009

**Austin Water Utility  
RECOMMENDATION FOR COUNCIL ACTION**
**Item No. 4**

**Subject:** Approve an ordinance waiving all fees associated with the City's subdivision process, and authorizing use of City engineering and surveying services to subdivide a one-acre lot located at 4000 Prairie Lane to facilitate transfer of utility service to the City from a failing utility that is under a district court receivership order.

**Amount and Source of Funding:** There is no funding required for this action.

**Fiscal Note:** A fiscal note is not required.

**For More Information:** Bart Jennings, 972-0118; Lisa Martinez, 972-0444; Denise Avery, 972-0104

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

**Prior Council Action:** October 28, 1999 (Approval of wholesale water service and the City's extension of a water main); August 3, 2000 (Approval of payback to the City of other infrastructure required for wholesale water service); August 26, 2004 (Approval of an agreement to allow the City to serve retail water service)

In the fall of 1999, the Northridge Water Supply Corporation ("Corporation"), located in Travis and Williamson Counties generally along FM 1325, experienced contamination problems with its water wells and requested temporary emergency water service from the City of Austin ("City") for approximately 115 lot owners. The Corporation mostly consists of low-income single-family residents. The City obtained approval to use, and did begin to use, the nearest water supply, which was through a City of Round Rock ("Round Rock") fire hydrant for interim service. The City also approved an extension of a City 16-inch water main to the Northridge Acres Subdivision for future wholesale water service from the City.

In August 2000, the Texas Commission on Environmental Quality ("TCEQ") issued an enforcement order against the Corporation for non-compliance with TCEQ regulations relating to public water systems. In October 2000, the District Court placed the Corporation under receivership, and it currently remains in receivership. In June 2004, the receiver applied for funding from the Texas Water Development Board ("TWDB") and the City, TWDB, the Corporation, Travis and Williamson Counties, and the Williamson County and Cities Health District agreed to coordinate a project for the design and construction of a new distribution system to convey potable water from the connection with the City's water system to the Corporation's existing customers for subsequent retail water service by the City. The project is part of a TWDB-designated Small Community Hardship Program receiving State grant money and the territory is an "Economically Distressed Area" as defined by the TWDB.

In 2008, grant funds were finally obtained, a construction contract awarded, and the provision of City retail water service to existing customers was initiated. During this process, the City discovered that the legal lot status for 4000 Prairie Lane could not be granted because the original owner sold a portion of the lot in 2004 and that portion was divided in 2007 without using the City's subdivision process and no legal exemptions are available. Therefore, the property must be subdivided through the City's subdivision process in order for the City legally to provide water service to two low-income single-family owners and residents of that property.

Watershed Protection and Development Review and the Austin Water Utility departments recommend that the City proceed with subdividing the property in order to avoid any public health and safety issues associated with either the groundwater wells or the continued provision of water service through Round Rock's fire hydrant, and provide City retail water service to these low income single-family residents. City staff also recommends waiving City fees associated with the subdivision process and provide Austin Water Utility engineering and survey services in order to complete the subdivision application for these residents. The estimated cost of the subdivision fees total \$700 and the estimated value of the Austin Water Utility engineering and survey services total \$12,000. The residents have agreed to participate in the City's subdivision process.