

## AGENDA



Thursday, July 23, 2009

**Austin Water Utility  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 7**

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**Subject:** Authorize the City Manager to negotiate and execute Interlocal Agreements to purchase the City of Austin's share of the Brushy Creek Regional Wastewater System from the Lower Colorado River Authority; to contract with the Brazos River Authority for the operation and maintenance of the Brushy Creek System; and to contract with the cities of Round Rock, Leander, and Cedar Park concerning ownership, administration, and governance.

**Amount and Source of Funding:** Funding in the amount of \$13 million is available in the Fiscal Year 2008-2009 Capital Budget of the Austin Water Utility.

**Fiscal Note:** A fiscal note is attached.

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

**Boards and Commission Action:** Recommended by the Water and Wastewater Commission. Related to Item #8.

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The Brushy Creek Regional Wastewater System ("Brushy Creek System") is a wastewater system located in southern Williamson County. The Lower Colorado River Authority ("LCRA") owns the Brushy Creek System facilities. The Brazos River Authority ("Brazos") operates and maintains the Brushy Creek System. The Brushy Creek System uses two wastewater treatment plants (combined capacity of 24.8 MGD) to treat wastewater within a defined area consisting mostly of the Brushy Creek watershed. LCRA, and the cities of Round Rock ("Round Rock"), Cedar Park ("Cedar Park"), and Austin ("Austin") are current customers of the Brushy Creek System. The city of Leander ("Leander") is planning to join as a customer in the near future. Austin executed its agreement to become a customer in October 2000 and has approximately 3,181 connections to the Brushy Creek System (mostly comprising the Avery Ranch subdivision).

Round Rock and Cedar Park initiated discussions with LCRA concerning the possibility of the three cities (Round Rock, Cedar Park, and Austin) acquiring the Brushy Creek System in order for the cities to permanently reduce long-term and short-term costs. In June 2009, the board of LCRA agreed to enter into an agreement for the three cities to purchase the Brushy Creek System no later than September 1, 2009. Brazos has agreed to continue to provide operation and maintenance services until the three cities bid the services in the next five years. Leander will become a joint owner of the Brushy Creek System in the near future after the three cities purchase the System.

Austin's proportional share of the cost of the Brushy Creek System is based upon Austin's reserved capacity in the wastewater treatment plants and wastewater interceptors. The estimated cost for Austin totals \$13 million. The final cost will be determined when financial experts verify the bond defeasance and associated costs.