

AGENDA



Thursday, February 4, 2010

**Law
RECOMMENDATION FOR COUNCIL ACTION****Item No. 16**

Subject: Approve an ordinance abolishing Northwest Austin Municipal Utility District No. 1 in accordance with the terms of the settlement agreement approved by Council on January 28, 2010. Related to Item #15.

The City and the Northwest Austin Municipal Utility District Number One ("District") have agreed to abolish the District in accordance with settlement terms in the matter of Northwest Austin MUD No. 1, et al. v. City of Austin, et al., No. GN203378 in the District Court of Travis County, Texas, and Local Government Code Section 43.074.

The City has authority to abolish the District under Section 43.074 as the District was created from an area that, at the time of the District's creation, was located wholly within the municipal boundaries of the City of Austin.

Upon abolition of the District, the City will assume all of the assets and liabilities of the District, including the District's debt service for utility bonds. The services that have been furnished and the functions that have been performed by the District will be furnished and performed by the City.