

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	7303	Agenda Number	4.
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Meeting Date:	6/23/2011	Department:	Austin Water Utility
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Subject

Authorize the negotiation and execution of a contract amendment to the wholesale water and wastewater agreements with Mid-Tex Utilities, Inc., to allow the provision of retail service by Mid-Tex Utilities, Inc., to an 87 acre-tract.

Amount and Source of Funding

There is no unanticipated fiscal impact to the City.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	March 23, 2000 - City Council approved a resolution to approve the execution of wholesale water and wastewater contracts.
For More Information:	Bart Jennings, 972-0118; Denise Avery, 972-0104
Boards and Commission Action:	Recommended by the Water and Wastewater Commission.
MBE / WBE:	
Related Items:	

Additional Backup Information

The City of Austin (City) provides wholesale water and wastewater service to Mid-Tex Utilities, Inc. (Mid-Tex) through agreements executed on April 14, 2000. Mid-Tex has water and wastewater certificates of convenience and necessity (CCNs) and will provide service to the area shown on the attached map. In the wholesale agreements with Mid-Tex, Mid-Tex is prohibited from expanding its boundary without the consent of the City Council.

A developer who owns tracts located within and a tract adjacent to Mid-Tex's CCNs requested that the City allow Mid-Tex to expand its water and wastewater CCNs to incorporate that tract currently outside of Mid-Tex's CCNs. The 87 acre-tract is located in the Drinking Water Protection Zone and within the City's extra-territorial jurisdiction. The City has the capability to provide retail water and wastewater service, but the development would be required to extend more infrastructure for City service than would be required to obtain service from Mid-Tex (because of the location of existing City service and subsequent looping of the City's water infrastructure for reliability). The Rowell tract is adjacent to City-owned conservation land and surrounded by existing and proposed development. There is no further potential for expansion of water and wastewater service beyond this tract. The staff of the Watershed

Protection Department reviewed the developer's proposal and supports the inclusion of this tract into Mid-Tex's CCNs.

With the inclusion of this tract within Mid-Tex's CCNs, the Rowell tract would be served by City wholesale water and wastewater service through Mid-Tex. In the wholesale agreements with Mid-Tex, the City waived its ability to collect the City's water and wastewater capital recovery fees. However, Mid-Tex has agreed to pay the City the City's water and wastewater capital recovery fees for the tract in two payments prior to the final platting of the tract, instead of collecting and remitting those fees to the City as connections are made over time.