

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

February 2, 1972

3:00 P. M.

COUNCIL CHAMBER, CITY HALL

The meeting was called to order with Mayor Butler presiding.

Roll Call:

Present: Councilmen Dryden, Nichols, Lebermann, Friedman, Handcox,
Mayor Butler
Absent: Mayor Pro Tem Love

Mayor Butler announced that this was a Special Meeting called for the purpose of discussing sewer lines outside the City and policies relating to such extension.

Mayor Butler noted that the Council had made the same agreement with each of two different parties providing sewer extension service utilities outside the corporate limits of Austin. These two contracts called for the developer to pay 20% of the cost of the line in advance; the City would then give him privileges to tie on to the line at the rate of \$80 apiece. This was contingent upon the City getting proper financing. Under certain circumstances 55% of the cost of the line could be obtained from the Federal government. The City would have to borrow through the sale of bonds to obtain the remaining 25%.

City Manager Andrews made use of maps to point out the various Water Districts located around the City, the various drainage areas, and the locations of existing sewer lines. He stated that there were about 84 square miles of area in the City limits. Outside the City limits, the Walnut Creek drainage area contained approximately 45 square miles, and the Bull Creek drainage area was even larger. He pointed out the present capacity of the Walnut Creek, Williamson Creek and Govalle treatment plants. He stated that it would take a period of many years to develop the areas which he had pointed out. The general problem was to determine where to put the sewer line, what areas would be served, how many families could be served, and how much treatment facilities there would be.

He did not believe the Council could determine at this time where the sewer lines outside the City would run. As far as costs were concerned, under the present contract arrangements, as Mayor Butler had explained, a developer would

prepay \$80 per residential unit to be served. One problem arose if the development were not immediately adjacent to the City limits in determining how much should be paid for tie-ins to units that came along later, which had not been pre-paid, in the area between the City limits and the development. Should they pay the same \$80, \$80 plus interest, or some other figure? Another question before the Council was how much should be charged monthly for the sewer service. He stated that at present, City ordinance set charges for inside the City and for outside the City for water and sewer service; it also set rates for water usage based on the volume of water used. Thus, the sewer charges could be computed theoretically by subtracting the latter from the former. These charges were further broken down into residential and general service categories. He stated that the current charges computed for out-of-City sewer service were unrealistic, and it was up to the Council to determine what realistic charges would be. He noted the higher charges for out-of-City sewer service than for in-City by the following Cities: Waco, 200% higher for out-of-City than for in-City; Corpus Christi, 200% higher; Houston, 200% higher; Amarillo 25-30% higher; Dallas 150% higher. Austin's current out-of-City charges were about 135% higher than in-City.

City Manager Andrews noted that there were at present 229 sewer connections outside the City, for which the sewer charges were different from those previously presented.

Mayor Butler stated the Federal government was going to raise the standards required of municipal governments for wastewater treatment with an ultimate goal of achieving almost entirely closed systems. This would be tremendously expensive, and it was time now to establish a fair, long-range policy as the old set of regulations would not properly fund these developments. He stated that the City was under no legal obligation to furnish any utilities outside the City, but the City was currently the only source of sewer service for areas developing around the City. The Water Quality Board was becoming more and more reluctant to allow the use of septic tanks and there was difficulty with package treatment plants. He noted that before the Council was a suggested figure of \$120 per connection for tie-ins in an area between the City limits and a development for which permits had been issued at \$80 per connection.

Mr. David Barrow stated that one way to determine the location of the sewer line would be to extend it to an area where the people were ready to pay for their portion of the cost. Another possibility would be to extend it to those areas closest to areas already developed. He stated that the location of sewer lines would have a great deal of impact upon the economic development of the land.

Mr. Pat O'Neal was concerned about the possible contamination of Bull Creek from the sewer line. The Creek flowed into Lake Austin from which the City drew its drinking water. He presented a petition, signed by property owners in the area, which Mayor Butler stated would be made a matter of public record.

Mr. Tom Bradfield expressed his concern about sewer extensions outside the City leading to the annexation of areas to avoid development of satellite cities around the City. Councilman Nichols felt that sewers would probably not be extended to areas that did not agree to come into the City in a certain length of time.

Mr. George Putnam, Mayor of Westlake Hills, expressed his pleasure with the possibility of participating in the savings of a large treatment plant rather than having to install one of their own. He stated that Westlake Hills would

certainly rather pay whatever costs there would be in handling their sewage.

Mr. Dave Phillips believed that the area in question was beyond the proximity of reasonable distance from the City. He also believed that the extension of lines could lead to freak economic situations with limited pieces of land for development at high prices.

Mayor Butler pointed out that bond money paid for the capital investment of constructing the line itself while City taxes and charges for water and wastewater paid for the operation of the line, so it was only fair for there to be a higher charge for usage by people outside the City. Councilman Nichols stated that according to bond experts, it was time the City levied a sewer charge, separate from charges for water. He compared the present charges in Austin to other Texas cities and discussed how much revenue would be raised by an increase in sewer charges. Mayor Butler added that the bond rating houses were concerned with what Austin's future wastewater charges were going to be.

Mr. Phillips hoped that areas not yet served by sewer would continue to be allowed to install septic tanks for the interim until they might be served by sewer. Mayor Butler noted that this was a matter of State, not City, jurisdiction.

Mr. R. O. Davis asked about the procedures for obtaining sewer service for a mobile home court which he owned. City Manager Andrews discussed with him how to proceed on this.

Mayor Butler suggested that representatives of various groups, such as home-builders, developers, real estate people, contractors, meet with the Council preparatory to arriving at final amounts for sewer charges. He believed that it was time to establish an overall policy for dealing with the individual applications which were being received.

Mayor Butler suggested that another Council meeting be held in two weeks on this matter after meeting with representatives of the various groups.

City Manager Andrews discussed the present and potential capacity of the Walnut Creek treatment plant and Williamson Creek treatment plant. There was discussion between him and Mayor Butler on the capacities of the Crosstown Tunnel. City Manager Andrews discussed the problems of sizing lines in the Bull Creek area.

Mr. Donald Berman, President of the Sierra Club, expressed his fears that with the present financing system, the City would soon go bankrupt and be unable to get bonds. He stated that the sewer construction and hookups outside the City should pay for themselves without any costs to City taxpayers. Mayor Butler noted that refund contracts did not function until a subdivision was brought into the City. Mr. Berman believed the Council should exercise its prerogative to refuse service to a subdivision or else it would be responsible for raw sewage flowing into the creeks. City Manager Andrews stated that there was ample sewer capacity to handle all of the houses that might possibly be built. Mr. Berman felt that part of the policy to be established should be a clear statement as to the number of additional units in each sector which would be allowed to hook on. He discussed with Mayor Butler the possibility of a subdivider irrigating with the effluent. Mayor Butler thanked Mr. Berman for his previous efforts to cut down the lead time on the Crosstown Interceptor.

ADJOURNMENT

The Council then adjourned.

APPROVED: Ray Butler
Mayor

ATTEST: Grace Monroe
City Clerk