



**Recommendation for
Water & Wastewater Commission**

Commission Meeting Date:	May 10, 2017
Council Meeting Date:	June 8, 2017
Department:	Planning and Zoning
SUBJECT	
Approve an ordinance adopting the First Amendment to the Southeast Travis County Municipal Utility District No. 2 Consent Agreement and waive City Council Resolution No. 20080214-055 prohibiting the use of pump and haul for untreated wastewater except in certain circumstances. (District 2).	
AMOUNT AND SOURCE OF FUNDING	
N/A	
Purchasing Language:	N/A
Prior Council Action:	March 22, 2012- City Council granted its consent to the creation of the Southeast Travis County Municipal Utility District Nos. 1-4.
For More Information:	Virginia Collier, 512-974-2022; Bart Jennings, 512-972-0118
Boards and Commission Action:	May 10, 2017- To be reviewed by the Water and Wastewater Commission. May 23, 2017- To be reviewed by the Planning Commission.
MBE/WBE:	N/A

In 2012, the City of Austin consented to the creation of the Southeast Travis County Municipal Utility District Nos. 1-4 (MUDs) (see the attached map). These MUDs are located in the City of Austin's limited purpose jurisdiction in southeastern Travis County (in District 2). The Consent Agreements incorporated terms and conditions regarding future development within the MUDs.

On April 13, 2017, Southeast Travis County Municipal Utility District Nos. 1-4 each submitted an application to amend the Consent Agreements between the City and the MUDs. The request is to amend the provisions of the Agreements relating to (1) affordable housing; (2) bonding capacity; and (3) temporary use of pump and haul operations.

Consent Agreement Amendment Process

An amendment to a consent agreement requires approval by the MUD's board and the City Council. The City Code requires, within 60 days of the written request and completion of an application, consent agreement amendments to be reviewed by City staff and boards and commissions, and sent to City Council for consideration. City Council must take action (i.e. approval, disapproval, or postponement) no later than the date of the second regular Thursday meeting of the City Council that is to be held after the date that City Council receives the recommendations. The application for the proposed amendment was submitted on April 13, 2017, and therefore, the due date for completing City staff and board and commission recommendations is June 12, 2017.

Affordable Housing

The developer's commitment to support the City's affordable housing goals was originally detailed in the Consent Agreement. City Council also approved PUD zoning for the area that included affordable housing provisions. In order for the language to be exactly the same, the Consent Agreement language will be replaced by the language used in the approved PUD ordinance. There is no substantial difference between the two versions.

MUD Bonds

Southeast Travis County Municipal Utility District No. 2 (MUD 2) has not yet issued bonds. MUD 2 voters approved the issuance of \$46,522,294 for system facilities, park and recreational facilities, and roads. In accordance with the terms of the Consent Agreement, MUD 2 agreed that (1) the total principal amount of new money bonds would not exceed \$36,525,278 without City Council approval; (2) the MUD would sell the last issue of bonds on or before December 30, 2027 with each bond issuance amortized over a period that does not exceed 25 years from the date of issuance. The MUD is requesting an amendment to the Consent Agreement to increase the bonding capacity to \$46,522,294 and to extend the date to sell bonds ten years to December 30, 2037.

The MUD has indicated infrastructure costs have been higher than expected and because of this issue, the design and construction of infrastructure has been delayed which also will consequently delay building the development. The MUD cannot issue bonds until sufficient development has occurred. Therefore, the MUD is requesting an increase to the bonding capacity of the MUD and the extension of the deadline to sell bonds.

Temporary Pump and Haul

The MUD is requesting an amendment to the Consent Agreement to allow temporary pump and haul operations for untreated wastewater for a specified 17 month period of time. Pump and haul services consist of using a pumper truck and pumping out untreated wastewater from a manhole or lift station, and transporting the wastewater for disposal and treatment at a wastewater treatment plant. The developer is requesting this service because of delays related to the developer's design and construction of a City wastewater treatment plant that will serve this and the other Southeast Travis County MUDs. The wastewater treatment plant is still in design. The developer wishes to start the construction and selling homes in order to meet their financial obligations which will ultimately result in the benefits that the City required from the MUD.







City Council Resolution No. 20080214-055 prohibits the use of pump and haul for untreated wastewater except in certain circumstances of which do not apply in this situation.

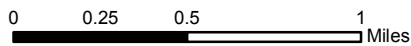
Staff Recommendation Regarding the Three Part Request

1. Affordable Housing: Staff agrees with this request and recommends approval of an amendment to the Consent Agreement that ensures that the affordable housing terms match those approved with PUD zoning.
2. MUD Bonds: City staff requested additional information beyond the general statement that infrastructure costs have been higher in order to better understand and assess the request for the amount of bonds to significantly increase as well as additional information to assess the request for an additional 10 years to sell bonds. That information has not been provided to City staff to date, and therefore, at this time, City staff does not recommend an increase in the amount of bonds and does not recommend extending the deadline to sell bonds.
3. Temporary Pump and Haul: To date, City staff has not received requested information from the MUD. Additional information is required related to issues such as the calculation of the length of time for pump and haul services, limitations on future development during the pump and haul period, and the MUD's role, responsibilities, constraints, and financial liability during the pump and haul period. Because of the lack of information at this time, City staff does not recommend allowing the use of pump and haul services.



Southeast Travis County MUDs 1-4

-  Southeast Travis County MUDS 1-4
-  Counties
-  Austin Full Purpose
-  Austin Limited Purpose
-  Austin ETJ
-  Austin ETJ - Annex. and Devel. Agmt



This map has been produced by the City of Austin as a working staff map and is not warranted for any other use. No warranty is made by the City regarding its accuracy or completeness. Sources: All data by COA unless otherwise provided.



City of Austin PAZ
May 2017