



**Interlocal Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 2  
AGENDA DATE: Thu 02/05/2004  
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**SUBJECT:** Authorize the City Manager to negotiate and execute the first amendment to the "Interlocal Agreement Regarding Temporary Wholesale Water and Wastewater Service" between the City of Austin, City of Pflugerville, and Northtown Municipal Utility District to set forth terms for the transition of wholesale water and wastewater service from the City of Pflugerville to the City of Austin for a portion of the Northtown Municipal Utility District and for the exchange of easements between the parties for the necessary water and wastewater infrastructure.

**AMOUNT & SOURCE OF FUNDING:** N/A

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Austin Water Utility      **DIRECTOR'S**  
**DEPARTMENT:**      **AUTHORIZATION:** Chris Lippe

**FOR MORE INFORMATION CONTACT:** Bart Jennings 972-0118, Laura Wiley 972-0104

**PRIOR COUNCIL ACTION:** Authorization of the original agreement on 2-4-98.

**BOARD AND COMMISSION ACTION:** Review Water and Wastewater Commission 2-4-04

**PURCHASING:** N/A

**MBE / WBE:** N/A

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The Northtown Municipal Utility District (District) was created on August 14, 1985, by Order of the Texas Water Commission, predecessor to the TCEQ. The District contains approximately 1,224 acres, is located northeast of the City of Austin, in Travis County and is generally bounded by the I-35 East Service Road to its west, Howard Lane to its south and abuts portions of Dessau Road along its eastern boundary. The District has approximately 1,200 water and wastewater connections. The District receives wholesale water and wastewater service from the City of Austin with the exception of a 350 single-family residential subdivision within the District (Settler's Meadow).

An interlocal agreement between the City of Austin (City), the City of Pflugerville (Pflugerville), and the District, executed on April 3, 1998, authorized Pflugerville to provide temporary wholesale water and wastewater service to Settler's Meadow until permanent wholesale service from the City could be provided through the District. At the time of the agreement, the City and the District could not identify the routing and facilities necessary for the provision of permanent wholesale water and wastewater service. The City and the District now desire to amend the interlocal agreement to identify the mechanisms to expedite permanent wholesale water and wastewater service from the City. The amendment will include such provisions as:

1. The District constructing the necessary facilities, at its own cost, for the provision of wholesale water and wastewater service from the City prior to the District's eighth bond issuance;
2. The City conveying easements to the District (acquired from Pflugerville) to install the necessary water and wastewater facilities; and



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3. The District's conveyance to the City of water and wastewater capital recovery fees and interest accrued held in an escrow account for the Settler's Meadow subdivision.