



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 2
AGENDA DATE: Thu 02/17/2005
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SUBJECT: Authorize negotiation and execution of an amendment to the May 1999 Settlement Agreement and Mutual Release between the Barton Springs Edwards Aquifer Conservation District and the City of Austin to allow the District to withhold an amount not-to-exceed \$15,000 per year in conservation credits due to the City during Fiscal Years 2004-2005, 2005-2006, and 2006-2007.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2004-2005 Operating Budget of the Austin Water Utility and the remaining amounts will be included in future budgets.

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

REQUESTING Austin Water Utility
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Chris Lippe

FOR MORE INFORMATION CONTACT: Perwez Moheet, CPA, 972-0125 ; Kathy Garland, 972-0301; Laura Wiley, 972-0104

PRIOR COUNCIL ACTION: City Council approval of the 1999 Settlement Agreement, August 1999.

BOARD AND COMMISSION ACTION: Recommended by the Water and Wastewater Commission

PURCHASING: N/A

MBE / WBE: N/A

In an effort to supplement funding to conduct research and prepare a management strategy for addressing the potential effects groundwater production may have on endangered and candidate-listed species located in Barton Springs, the Barton Springs/Edwards Aquifer Conservation District (District) has requested the City of Austin to forego its share of the total amount of conservation credits due from the District over the next three years.

The Board of Directors of the District has authorized its staff to complete various technical and policy studies, including the development of a Habitat Conservation Plan (HCP) with input from the U. S. Fish & Wildlife Service and Texas Parks and Wildlife Department for the protection of federally-listed endangered or threatened species in the Barton Springs of the Edwards Aquifer to the extent allowed by federal and state law. Currently, the District has identified over twenty scientific studies, ranging from biological testing, advanced hydro-geological investigations, and research for developing more responsive and effective drought and conservation plans. The District will work cooperatively on these studies with other entities, including the following Project Partners: City of Austin, University of Texas Bureau of Economic Geology, and the Lower Colorado River Authority.

Background

The Barton Springs/Edwards Aquifer Conservation District was created in 1987 by the 70th Legislature with a directive to conserve, protect and enhance the groundwater resources of the Barton Springs segment of the aquifer. The District incorporates approximately 255 square miles including both urban and rural areas. In June 1988, the Environmental Protection Agency (EPA) federally designated a portion



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of the District as a sole source Aquifer. Water from the Barton Springs Edwards Aquifer serves residential, industrial, and commercial purposes, is a major source of high quality base flow to the Colorado River, and provides water for a popular recreational resource in Austin; Barton Springs and Barton Springs Pool.

The City of Austin is assessed and pays an annual water use fee as a non-permit holder to the District as authorized by S.B. 988 of the 70th Texas Legislature, H.B. 2294 of the 74th Texas Legislature, and Chapter 36 of the Texas Water Code. This annual fee assessed and paid by the Austin Water Utility on behalf of the City provides 60 percent of the District's total budget requirements each fiscal year. The Utility's approved budget for FY 2004-05 includes \$718,298 for payment to the District for the annual water use fee in the current fiscal year.

Each fiscal year, the District grants the City a conservation credit (reduction) against the assessed water use fee. Historically, this conservation credit granted to the City has ranged from \$25,000 to \$35,000 per year depending on the total amount of conservation credits granted by the District to its permittees for conservation efforts.

Recommendation


It is recommended that City Council authorize negotiation and execution of an amendment to the 1999 Settlement Agreement between the Barton Springs Edwards Aquifer Conservation District and the City of Austin to allow the District to withhold an amount not-to-exceed \$15,000 per year in conservation credits due to the City during the next three years to include City's FY 2004-05, FY 2005-06, and FY 2006-07.

No.020205-C
WATER AND WASTEWATER COMMISSION RESOLUTION
AMENDMENT TO THE 1999 SETTLEMENT AGREEMENT BETWEEN THE BARTON SPRINGS
EDWARDS AQUIFER CONSERVATION DISTRICT AND THE CITY OF AUSTIN TO
ALLOW THE DISTRICT TO WITHHOLD AN AMOUNT NOT-TO-EXCEED \$15,000 PER YEAR
IN CONSERVATION CREDITS DUE TO THE CITY DURING THE NEXT THREE YEARS
TO INCLUDE FY 2004-05, FY 2005-06 AND FY 2006-07.

February 2, 2005
REGULAR MEETING
VOTE: 7-0-0-1

Motion made by: Coleman
Commissioners Consenting: Lee, Warner, Friese, Raun, Pool, Chan
Commissioners Dissenting:
Commissioners Abstaining:
Commissioners Absent: Kirfman

The Water and Wastewater Commission recommends the Council authorize negotiation and execution of an amendment to the 1999 settlement agreement between the Barton Springs Edwards Aquifer Conservation District and the City of Austin to allow the District to withhold an amount not-to-exceed \$15,000 per year in conservation credits due to the City during the next three years to include FY 2004-05, FY 2005-06 and FY 2006-07.


Michael Warner Chairperson
Water and Wastewater Commission

2/2/05
Date