



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

**AGENDA ITEM NO.: 6
AGENDA DATE: Thu 08/18/2005
PAGE: 1 of 1**

SUBJECT: Authorize the negotiation and execution of an agreement to purchase the wastewater treatment facilities and associated appurtenances from Dessau Utilities, Inc., in an amount not to exceed \$2,175,282, to provide wastewater service to customers in northeast Travis County.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$2,175,282 is included in and contingent on Council approval of the Fiscal Year 2005-2006 Proposed Capital Budget of the Austin Water Utility.

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: N/A

BOARD AND COMMISSION ACTION: Recommended by Water and Wastewater Commission

PURCHASING: N/A

MBE / WBE: N/A

Dessau Utilities, Inc. ("Dessau") is an investor owned wastewater utility. Dessau's service area, certificated by the Texas Commission on Environmental Quality, is located in the northeast portion of Travis County along Dessau Road. Approximately 800 customers reside within the service area. The City of Austin ("City") provides retail water service to the wastewater customers of Dessau. A majority of Dessau's service area is located within the corporate limits of the City of Austin. Dessau's wastewater treatment plant currently discharges into an unnamed tributary of Harris Branch Creek. The wastewater treatment plant is currently permitted at 500,000 gallons per day ("gpd") with an average daily flow of approximately 170,000 gpd.

Major points of the purchase agreement include:

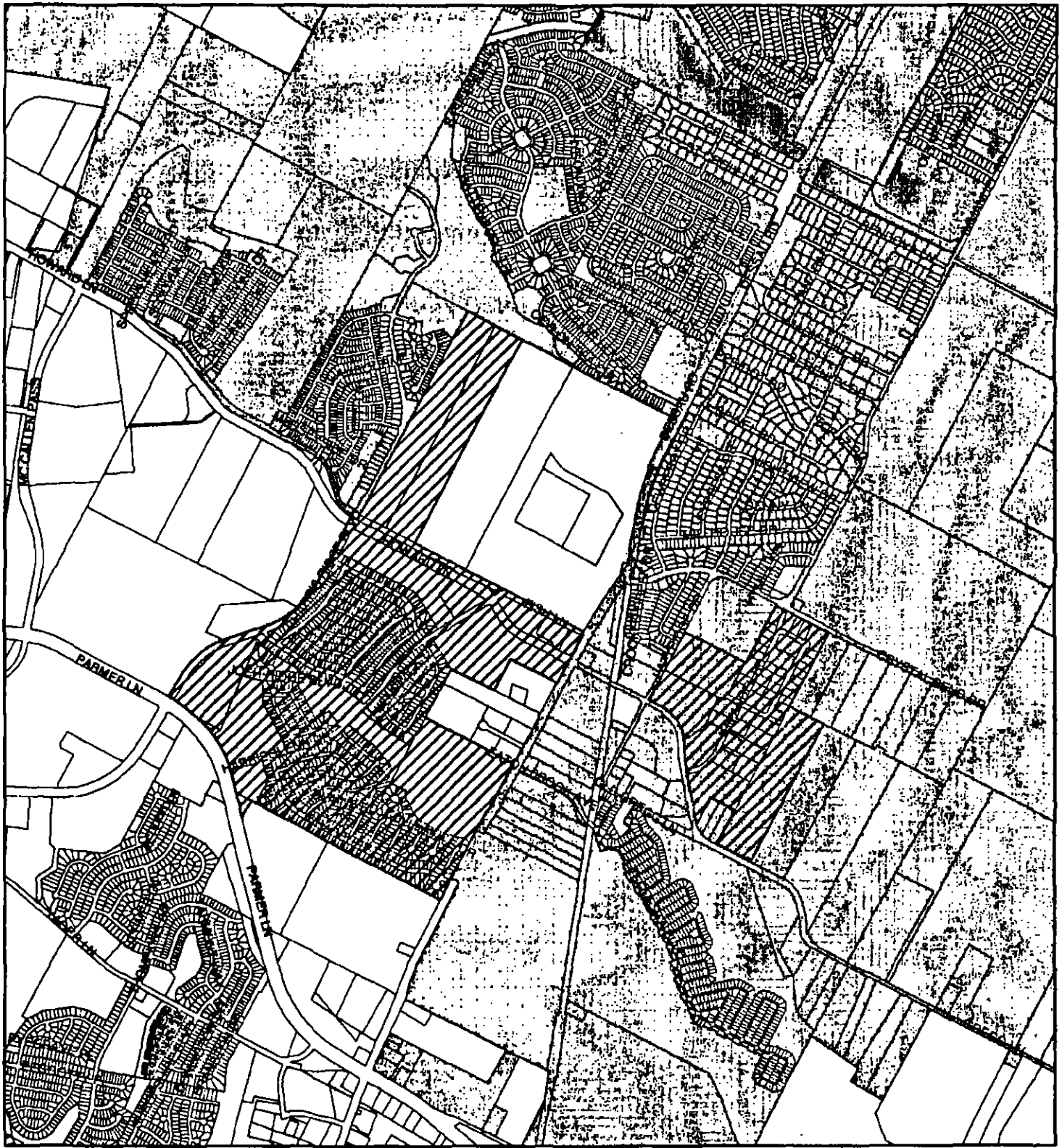
- The agreed upon value of the wastewater facilities and associated appurtenances is \$2,175,282 and the City will pay that amount in cash;
- Dessau will complete construction, prior to the City actually acquiring the wastewater facilities, of a new lift station located at the Dessau wastewater treatment plant site to assist in providing service to the area; and
- The City will assume from Dessau those wastewater capacity service contracts that are still in full force and effect, which total approximately 865 wastewater service units of capacity.






The 30-year Net Present Value for the purchase is positive.



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-  Dessau Utilities
-  Austin ETJ
-  Full-purpose Austin City Limit
-  Pflugerville City Limit
-  Pflugerville ETJ

0 0.125 0.25 0.5 0.75 1 Miles



City of Austin
Austin Water Utility



July 13, 2005

Dessau Utilities CCN

Produced by Systems Analysis Division

This map has been produced by the City of Austin for its needs and purposes and is not warranted for any other use. No warranty is made by the City regarding its accuracy or completeness.

No.080305-F
WATER AND WASTEWATER COMMISSION RESOLUTION
CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT TO PURCHASE
THE WASTEWATER TREATMENT FACILITIES IN AN AMOUNT
NOT TO EXCEED \$2,175,282
August 3, 2005
REGULAR MEETING
VOTE: 9-0-0-0

Motion made by: Coleman
Commissioners Consenting: Raun, Friese, Warner, Chan, Lee, Scott-Ryan, Gonzalez, Pool
Commissioners Dissenting:
Commissioners Abstaining:
Commissioners Absent:

The Water and Wastewater Commission recommends the Council authorize the City Manager to negotiate and execute an agreement to purchase the wastewater treatment facilities and associated appurtenances from Dessau Utilities, Inc. in an amount not to exceed \$2,175,282 that provides wastewater service to customers in northeast Travis County.


Michael Warner Chairperson
Water and Wastewater Commission

8/3/05
Date