

## A G E N D A



## Recommendation for Council Action

Austin City Council - Commissioner's Court Meeting	Item ID	34743	Agenda Number	9.
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Meeting Date:	8/28/2014	Department:	Austin Water Utility
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## Subject

Authorize negotiation and execution of a contract with Creedmoor-Maha Water Supply Corporation for wholesale water service.

## Amount and Source of Funding

There is no anticipated fiscal impact.

## Fiscal Note

Purchasing Language:	
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Prior Council Action:	June 14, 2001- Council approved a resolution authorizing the negotiation and execution of the 1965 Water Supply Agreement. June 23, 2011- Council approved an ordinance authorizing the negotiation and execution to continue wholesale water service to Creedmoor.
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For More Information:	Bart Jennings, 512-972-0118; Denise Avery, 512-972-0104
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Boards and Commission Action:	August 13, 2014 - Recommended by the Water and Wastewater Commission on a vote of 6-1 with Commissioner Fishbeck voting against. Recommendation No. 20140813-D10
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MBE / WBE:	
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Related Items:	
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## Additional Backup Information

Since 1965, the City of Austin (City) has provided wholesale water service to Creedmoor-Maha Water Supply Corporation (Creedmoor) through wholesale water agreements. Creedmoor has a water certificate of convenience and necessity (CCN) and obtains its water supply through multiple sources such as the City, the Barton Springs Edwards Aquifer Conservation District, and Aqua Water Supply Corporation. Creedmoor serves approximately 350 customers in the City's extraterritorial jurisdiction (ETJ). City Council authorized the execution of a renewal of a wholesale water contract on June 23, 2011.

In the executed 2011 renewal contract, Creedmoor agreed to transfer to the City all 14,269 acres of CCN located within the City's ETJ over a period of time for the City's provision of retail water service. The board of Creedmoor had authorized the execution of the contract, but later disagreed with transfer of the CCN area, and refused to pursue the transfer of CCN at the Texas Commission of Environmental Quality (TCEQ). Creedmoor obtained support of its actions from its primary funding entities (CoBank and the United States Department of Agriculture's Rural Utility Service). Accordingly, TCEQ returned the transfer application to Creedmoor. The City's litigation on the matter was unsuccessful.

Since the 2011 renewal contract includes consideration for the transfer of CCN area to the City and that Creedmoor refused to pursue the transfer of the CCN area, City staff wanted to re-negotiate the terms of the 2011 renewal contract. The proposed ten-year wholesale water services agreement, approved by Creedmoor's board, reverts to terms and conditions applicable prior to the 2011 renewal contract. More specifically:

- the existing number of master meter connections to the City's water system remain the same;
- the volume of water service does not exceed the previous level of water service of 520 gpm;
- Creedmoor will adhere to the City's water conservation ordinance, and
- the wholesale service is limited to only a portion of Creedmoor's CCN.

The City's capital recovery fees will be assessed and collected on new water connections within the wholesale service area.