

# AGENDA



## Recommendation for Council Action

### AUSTIN CITY COUNCIL

Regular Meeting: March 22, 2018

Item Number: 006

### Austin Water

Authorize the negotiation and execution of a wholesale water contract with Marsha Water Supply Corporation located in north Travis County.

**District(s) Affected:** District 7

<b>Lead Department</b>	Austin Water
<b>Fiscal Note</b>	This item has no fiscal impact.
<b>For More Information</b>	Bart Jennings, 512-972-0118; Denise Avery, 512-972-0104
<b>Council Committee, Boards and Commission Action</b>	March 7, 2018- Recommended by the Water and Wastewater Commission on a 7-3 vote with Commissioners Schmitt, Parton, and Maia dissenting and Commissioner Lee absent.

### Additional Backup Information:

The Marsha Water Supply Corporation (“Marsha”) is a member-owned water supply corporation that currently provides retail water service to approximately 60 lots. Wastewater service is provided via individual on-site sewage facilities for each lot. The Marsha’s wholesale service area is located in north Travis County adjacent to I.H. 35 within the City of Austin’s (“City”) extraterritorial jurisdiction, Austin Water’s water service area, and the Desired Development Zone (see the attached map).

Marsha has been a wholesale water customer of the City since April 1992. The City has been the sole water supplier for Marsha. The wholesale water contract has recently expired and Marsha desires to renew the contract. The City is continuing to provide water service on an interim basis under the terms of the recently expired contract. There are no financially viable water supply options for Marsha other than the City. The amount of water supply provided will not exceed an annual monthly average of 1,300,000 gallons per month, which is consistent with their historical water usage and their recently expired contract. The wholesale water service area is built-out.

Major provisions of the contract include:

- continued provision of wholesale water service under terms generally similar to Austin's other wholesale water customers,
- continued compliance with Austin Water's water conservation programs, rules and regulations,
- continued compliance with backflow prevention measures at the master water meter,
- payment of capital recovery fees for any redevelopment,
- payment of monthly charges and fees based on metered usage similar to those of Austin's other wholesale water customers,
- the ability for Austin Water to require that Marsha obtain their own separate raw water contract with the Lower Colorado River Authority so that Marsha's water consumption is not counted against Austin's raw water contract,
- the option, at the sole discretion of Austin Water, for Marsha to convey its water system to Austin Water to the City at the end of the term of the contract, and
- the term of the contract is 30 years.

The Marsha wholesale water service area is located adjacent to District 7.