

AGENDA



Thursday, June 21, 2007

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 6

Subject: Approve an ordinance authorizing the application for and acceptance of State and Tribal Assistance Grant funds in the amounts of \$481,100 (Phase II) and \$477,900 (Phase III) from the United States Environmental Protection Agency (EPA); amending the Fiscal Year 2006-2007 Austin Water Utility Special Revenue Fund Operating Budget of Ordinance No. 20060911-001 to appropriate \$959,000 for activities associated with the mitigation of Sanitary Sewer Overflows bringing the total grant award to \$3,032,200; and amending the Fiscal Year 2006-2007 Austin Water Utility Capital Budget of Ordinance No. 20060911-002 to appropriate \$959,000 from the Austin Water Utility Special Revenue Fund Operating Budget.

Amount and Source of Funding: Funding in the amount of \$3,032,200 is awarded by the United States EPA in three phases with an allowable project cost of \$5,513,092. There is a 45% of the allowable project cost local match requirement of \$2,480,892 which will be provided through previously authorized expenditures associated with the corrective actions of Sanitary Sewer Overflows.

Fiscal Note: A fiscal note is attached.

For More Information: Gopal Guthikonda, P.E., 972-0240; Denise Avery, 972-0104

Purchasing Language: Grant funding along with the matching funds are used to rehabilitate deteriorated wastewater pipeline facilities and all contracts are processed by the Purchasing Office through competitive bidding.

Boards and Commission Action: Recommended by the Water and Wastewater Commission.

Prior Council Action: Phase I (Original) grant in the amount of \$2,073,200 and a matching funds in the amount of \$1,696,255 were approved by the City Council on June 10, 2004; As part of the subsequent Capital Improvement Program annual budgets, City Council authorized funding for the SSO correction projects.

The Austin Water Utility, through the City's Government Relations Office, has aggressively pursued Federal Funding to support the considerable effort associated with the elimination of Sanitary Sewer Overflows (SSOs) within the City's wastewater collection system.

The U.S. Congress has approved direct Appropriations to the City of Austin in the amounts of \$2,150,000 (Phase I), \$500,000 (Phase II), and \$500,000 (Phase III) from the U.S. EPA's State and Tribal Assistance Grant budget account to support activities associated with the mitigation of SSO's. Three percent (\$64,500 for Phase I amount and \$15,000 for Phases II and \$15,000 for Phase III) was set aside from each authorized grant to be used by the EPA to fund the cost of grant management and 0.59% (\$12,300 for Phase I), 0.8% (\$3,900 for Phase II) and 1.047% (\$7,100 for Phase III) of the remaining award amount was set aside by the Federal Government for rescinding (recision) requirement. The remaining amount of \$2,073,200 (Phase I) and \$481,100 (Phase II) and \$477,900 (Phase III) were awarded to the City of Austin. The City is required to match with a local share requirement of 45% or \$1,696,255 (Phase I) and \$393,628 (Phase II) and \$391,009 (Phase III) for a total amount of \$2,480,892.

This action authorizes the Director of Austin Water Utility to submit all applications along with all required submittals to the U.S. EPA on behalf of the City of Austin to accept the grant, and to request the release of grant funding.