

AGENDA



Thursday, June 18, 2009

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION****Item No. 2**

Subject: Approve a resolution authorizing the City Manager to apply for funding from, and negotiate and execute any necessary agreements with, the Texas Water Development Board (TWDB) as part of the American Recovery and Reinvestment Act of 2009 in the amount up to \$53,700,000 to access capital funding for the implementation of wastewater projects that are in the Austin Water Utility's 5-year Capital Improvement Program.

Amount and Source of Funding: There is no unanticipated fiscal impact.

Fiscal Note: A fiscal note is not required

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

Boards and Commission Action: Recommended by the Water and Wastewater Commission. Related to Item #8.

During the April 30, 2009, Federal Stimulus Update briefing to Council, staff provided a list of 38 clean water and drinking water projects that were submitted to the Texas Water Development Board to potentially be funded with Federal Stimulus Dollars. As part of the American Recovery and Reinvestment Act of 2009, the Texas Water Development Board (TWDB) made available \$171,957,024 for financial assistance to implement wastewater collection and treatment, nonpoint source pollution control, and estuary management projects in Texas under the special Clean Water State Revolving Fund (CWSRF) capitalization grant.

Over the past several months, TWDB established criteria to rank the submitted projects and to determine how funding will be awarded to the applicants. A draft project priority list of all state-wide projects requesting funding was released by TWDB on May 14, 2009. Based largely on their "green" components, several of the AWU projects are ranked high on the list for potential funding. The top three City of Austin ranked projects are: Hornsby Bend Biosolids Plant Upgrades, Walnut Creek Wastewater Treatment Plant Upgrades, and the rehabilitation of the ABIA Transmission Main. Once TWDB has approved the projects for funding, which is anticipated to occur at their June 18, 2009 meeting, the applicant has thirty (30) days in which to apply for and accept the funds. Once the funds are accepted, the construction contracts for the projects must be executed by February 2010.

AWU intends to access the financial assistance in the form of no interest loans or grants for its projects up to a maximum amount not to exceed \$53,700,000, which are included in the Utility's 5-year Capital Improvement Program.