

AGENDA



Thursday, August 20, 2009

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

Subject: Approve an ordinance authorizing the application for and acceptance of State and Tribal Assistance Grant funds in the amounts of \$286,000 (Phase I) and \$291,000 (Phase II) from the United States Environmental Protection Agency (EPA); and amending the Fiscal Year 2008-2009 Austin Water Utility Operating Budget Special Revenue Fund of Ordinance No. 20080908-002 to appropriate \$577,000 for activities associated with the mitigation of Sanitary Sewer Overflows.

Amount and Source of Funding: Funding is available from the United States EPA. A 45% local match requirement of \$260,000 will be provided through 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; Steven Schrader, P.E., 703-6635; Denise Avery, 972-0104

Purchasing Language: Grant funding along with the matching funds are used to rehabilitate deteriorated facilities and all contracts are processed by the Contract & Land Management Department through competitive bidding.

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

Prior Council Action: June 10, 2004 - Council approved original grant amounts, Phase I grant in the amount of \$2,073,200; June 21, 2007 - Council approved Phase II and III grants in the amount of \$959,000. 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.

As part of the original grant, the U.S. Congress approved direct appropriations to the City in the amount of \$3,150,000 during the period of 2004 to 2007 from the U.S. Environmental Protection Agency's (EPA) State and Tribal Assistance Grant budget account to support activities associated with the mitigation of SSOs. The EPA closed this grant and awarded the money to the City for the work the City completed.

Subsequently, the U.S. Congress approved direct appropriations to the City in the amounts of \$600,000 (\$300,000 for Phase I and \$300,000 Phase II) during the period of 2008 to 2009 from the EPA's State and Tribal Assistance Grant budget account. The EPA initiated a new grant and has requested the City submit appropriate paper work to apply for and receive the funding.

A portion of the grant amount is set aside by the EPA from each authorized grant to be used by the EPA to fund the cost of grant management and for a rescission requirement. The EPA will deduct funds from the grant amount and will pay the remaining amount as the City completes the work and fulfills the grant

requirements. The additional grant amount estimated to be paid to the City is \$577,000 (\$286,000 for Phase I and \$291,000 for Phase II).

The grant will help the Austin Water Utility to continue the wastewater pipeline rehabilitation improvements that have been initiated as part of the Austin Clean Water Program. These improvements will provide for a sustainable wastewater collection system and improved water quality and environment due to reduced sanitary sewer overflows.

This action authorizes the Director of the Austin Water Utility or his designee to submit the applications along with all required submittals to the U.S. EPA on behalf of the City for the application, release, acceptance and utilization of the grant funding. This action also amends the Austin Water Utility budget to appropriate the funds when they are received.