

## AGENDA



Thursday, December 17, 2009

**Austin Water Utility  
RECOMMENDATION FOR COUNCIL ACTION**

**Item No. 4**

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**Subject:** Approve an ordinance authorizing the issuance of City of Austin, Water and Wastewater System Revenue Bonds, Series 2010, in an amount not to exceed \$31,815,000, and approving related documents.

**Amount and Source of Funding:** \$1,060,000 estimated debt service requirement and \$175 annual paying agent/registrar fee will be provided in the 2012-2013 Proposed Budget of the Utility Revenue Bond Redemption Fund.

**Fiscal Note:** A fiscal note is not required.

**For More Information:** David Anders, 972-0323; Art Alfaro, 974-7882; Denise Avery, 972-0104

**Boards and Commission Action:** Recommended by the Water and Wastewater Commission. Related to Item #5.

**Prior Council Action:** June 18, 2009 - Authorized Loan Application to Texas Water Development Board

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On November 19, 2009, the Austin Water Utility (AWU) received approval from the Texas Water Development Board (TWDB) to borrow \$31,815,000 for the design and construction of Hornsby Bend Biosolids Plant Upgrades. The proposed project will significantly reduce the plant's carbon footprint by expanding the composting operations, increasing methane gas capture for electricity generation, reducing diesel fuel and polymer requirements, and improving energy efficiency throughout the plant. Other environmental benefits include increased diversion of green waste from landfills, use of green building materials and reduction of plant odors.

The City will issue revenue bonds at 0% interest. These bonds are then purchased by the TWDB using American Recovery and Reinvestment Act federal stimulus funds. The bonds are the security for a no interest 30-year loan from the TWDB to the City to complete the improvements to the Hornsby Bend Biosolids plant. The use of the 30-year no interest loan from the TWDB will save the AWU approximately \$30.7 million in financing costs over the 30 years.

This item has been posted for not later than 2:00 p.m. to allow City Council action prior to the close of financial markets.

Fulbright & Jaworski, L.L.P. will serve as bond counsel for this transaction.