

AGENDA



Thursday, December 17, 2009

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION****Item No. 5**

Subject: Approve an ordinance amending the Fiscal Year 2009-2010 Austin Water Utility Capital Budget of Ordinance 20090914-003 to appropriate \$31,815,000 for the design and construction of the Hornsby Bend Biosolids Plant Upgrades.

Amount and Source of Funding: Funding is from a 30-year no interest loan from the Texas Water Development Board (TWDB) to be funded with Federal Stimulus Dollars as part of the American Recovery and Reinvestment Act of 2009.

Fiscal Note: A fiscal note is attached.

For More Information: David Anders, 972-0323; Denise Avery, 972-0104

Boards and Commission Action: Recommended by the Water and Wastewater Commission. Related to Item #4.

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

This amendment is necessary to increase the Capital Budget appropriation of the Austin Water Utility (AWU) and provide funding for expenditures related to 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.

Funding for this item is from a 30-year no interest loan from the Texas Water Development Board (TWDB). The loan, secured by revenue bonds, is funded with federal stimulus dollars as part of the American Recovery and Reinvestment Act of 2009. 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.

There are two major construction contracts involved with the Hornsby Bend Biosolid Plant Upgrades project using TWDB funding which includes: Concrete Compost Pad Improvements estimated at \$6.9 million; and Digester Improvements and Sustainability Projects estimated at \$27.9 million.