

AGENDA



Thursday, August 26, 2010

**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 No. 20090914-003 to appropriate \$22,500,000 for Whisper Valley and Indian Hills water and wastewater improvements.

Amount and Source of Funding: Funding is available from a Reimbursement Resolution.

Fiscal Note: A fiscal note is attached.

For More Information: Bart Jennings, 972-0118, Denise Avery, 972-0104

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

Prior Council Action: May 27, 2010 – Council approved an ordinance amending the Fiscal Year 2009-2010 Austin Water Utility Capital Budget of Ordinance No. 20090914-003 to appropriate \$2,000,000 for Whisper Valley and Indian Hills for a cost reimbursement agreement related to water improvements.

September 14, 2009 – Council approved the City's official intent to reimburse itself from the proceeds of tax-exempt obligations to be issued through October 2010 for acquisition and construction costs in an aggregate maximum principal amount of \$250,000,000 related to Fiscal Year 2009-2010 Austin Water Utility Capital Improvement Projects.

This amendment is necessary to increase the Capital Budget appropriation of the Austin Water Utility and provide funding for expenditures related to Whisper Valley and Indian Hills water and wastewater improvements. As is the practice of the Austin Water Utility, these expenditures will be initially funded through the issuance of Commercial Paper and then refinanced with Utility Revenue Bonds at a later date.

The developer of the Whisper Valley and Indian Hills properties plans to construct single-family, multi-family, and commercial development that will require an estimated 9,900 units of water service. This amendment allows for funding of an amended and restated cost reimbursement agreement for the design and construction of various water and wastewater infrastructure by the developer.