

## A G E N D A



## Recommendation for Council Action

Austin City Council		Item ID	56429	Agenda Number	5.
Meeting Date:	4/21/2016			Department:	Austin Water Utility
Subject					
Approve a resolution authorizing the City Manager to apply for funding from the Texas Water Development Board (TWDB) for loans in an amount not to exceed \$86,980,456 as part of the TWDB’s State Water Implementation Fund for Texas loan program for the implementation of multiple capital improvement projects associated with Austin Water’s wastewater and reclaimed water systems. Related to Item # 4.					
Amount and Source of Funding					
There is no unanticipated fiscal impact					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:					
Prior Council Action:	January 28, 2016 – Council approved a contract with Matous Construction, LTD., for the South Austin Regional Wastewater Treatment Plant Tertiary Filter Improvement project.				
For More Information:	Charles Celauro, 512-972-0208; Dan Pedersen, 512-972-0074; Joseph Gonzales, 512-972-0131; and Heather Cooke, 512-972-0083				
Council Committee, Boards and Commission Action:	April 13, 2016-Recommended unanimously by the Water and Wastewater Commission on a 11-0 vote.				
MBE / WBE:					
Related Items:					
Additional Backup Information					
Austin’s portion of the 2016 Region K Water Plan for the Lower Colorado River Basin includes a series of projects to improve the filter capacity of Austin Water’s two major wastewater treatment plants and expand Austin’s reclaimed water system. Austin Water is requesting approval to seek loan funding from the Texas Water Development Board for the following listed projects:					
<ul style="list-style-type: none"><li>Rehabilitation and expansion of the tertiary filtration system at South Austin Regional WWTP to improve effluent quality and increase capacity to 72 MGD (plant located in District 2 but project will serve the entire southern portion of the City)</li><li>Rehabilitation of the tertiary filtration system at Walnut Creek WWTP to improve effluent quality, increase reliability, and improve capacity to 75 MGD (plant located in District 1 but project will serve the entire northern portion of the City)</li><li>Construction of 19,000 feet of reclaimed main on Decker Lane to serve the Colony Park development and</li></ul>					

park, as well as the Travis County Expo Center (District 1)

- Construction of 18,000 feet of reclaimed main to serve several cemeteries, a school, UT facilities, Huston-Tillotson University, and parks (Districts 1&9)
- Construction of 12,000 feet of reclaimed main to establish a pressure zone in the Burleson area and allow for expansion of the reclaimed system to the Onion Creek area (Districts 2&3)
- Construction of 25,000 feet of reclaimed main to serve parks, a golf course, a school and developments in the Onion Creek area (Districts 2&5)
- Construction of a 4 million gallon ground storage tank and pump station for the reclaimed water system in the Montopolis area (District 3 and will serve a wider area)

All projects listed above are included in the Austin Water's 5-year CIP plan and will be brought to Council for approval through the routine construction contract approval process. The construction contract for the tertiary filter project for the South Austin Regional WWTP was already awarded by Council on January 28, 2016.

The low-interest loans that are being sought from the Texas Water Development Board would come from the State Water Implementation Fund for Texas (SWIFT) that was established by the Texas Legislature in 2013. Funding would be requested in annual increments through FY 2022-2023, in accordance with Austin Water's CIP spending plan. This multi-year loan process would involve annual loan closings with potential adjustments to loan terms. Austin could adjust the loan amounts each year and would not be obligated to borrow funds every year. The initial loan closing is anticipated to occur by December 2016. For loan terms of up to twenty years, the Texas Water Development Board is currently offering a 35% reduction on the interest rates they can obtain, based on their AAA bond rating. These reduced interest rates will save ratepayers financing costs for the funding of this project as compared to traditional bond financing.

#### Proposed SWIFT Loan Schedule □ Wastewater Plant Improvements and Reclaimed Water Projects

Project Name	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	Totals
SAR WWTP	4,402,909	6,000,000	6,000,000	6,000,000	5,930,000			28,332,909
Walnut WWTP	5,075,547	6,000,000	4,900,000	2,525,000	1,500,000			20,000,547
Decker Lane Main	1,015,000	2,755,000	2,402,000	300,000				6,472,000
Cemetery Main	150,000	625,000	1,620,000	1,570,000	560,000			4,525,000
Burleson Rd Main	3,970,000	1,360,000	240,000					5,570,000
Onion Creek Main	530,000	1,155,000	1,930,000	2,045,000	1,120,000	1,925,000	2,225,000	10,930,000
Montopolis Tank/Pump	5,285,000	4,695,000	1,050,000	120,000				11,150,000
<b>Combined Projects</b>	<b>20,428,456</b>	<b>22,590,000</b>	<b>18,142,000</b>	<b>12,560,000</b>	<b>9,110,000</b>	<b>1,925,000</b>	<b>2,225,000</b>	<b>86,980,456</b>