



Recommendation for Action

File #: 23-3505, **Agenda Item #:** 66.

12/14/2023

Posting Language

Approve a resolution authorizing the City Manager to apply for low-interest loans in a total amount not to exceed \$22,160,000 from the Texas Water Development Board's Clean Water State Revolving Fund for the Buttermilk Creek Water Quality Improvements Project.

Lead Department

Watershed Protection Department.

For More Information:

Anupa Gharpurey, Financial Manager III, 512-974-2543 or Anupa.Gharpurey@austintexas.gov [<mailto:Anupa.Gharpurey@austintexas.gov>](mailto:Anupa.Gharpurey@austintexas.gov); Taja Beekley, Associate Project Manager, 512-974-3301 or Taja.Beekley@austintexas.gov [<mailto:Taja.Beekley@austintexas.gov>](mailto:Taja.Beekley@austintexas.gov).

Additional Backup Information:

The Clean Water State Revolving Fund (CWSRF) is administered for the U.S. Environmental Protection Agency and the Texas Water Development Board (TWDB). The program provides low-cost financing to eligible applicants for a wide range of wastewater, stormwater, reuse, and other pollution control projects. It includes planning, acquisition, design, and construction.

Watershed Protection submitted a Project Information Form (PIF) on March 3, 2023, for the Buttermilk Creek Water Quality Improvements Project for the State Fiscal Year 2024 CWSRF. PIFs from across the State were scored, ranked, and included in the CWSRF Intended Use Plan (IUP) by TWDB. Buttermilk Creek was number one in the Project Priority List under Nonpoint Source and made the Initial Invited Projects List. TWDB formally adopted the IUP on November 9, 2023, and distributed an official invitation to apply. The Department must submit a completed application within 60 days.

This multi-phase green project is located in northeast Austin within the St. John's and Coronado Hills neighborhoods. It will improve the overall water quality of Buttermilk Creek through new stormwater control measures, removal and/or relocation of deteriorating wastewater infrastructure, and restoration of stream stability and riparian habitat. Buttermilk Creek contributes flow to Walnut Creek, which is on the 2022 Texas 303(d) List of impaired waterways.

The CWSRF offers below-market fixed interest rates with the possibility of principal loan forgiveness for green infrastructure and disadvantaged communities. The reduced interest rate will save costs compared to traditional general obligation bond financing for a loan term up to 30 years. The CWSRF loans will be secured by City of Austin bonds based on the TWDB fixed lending rate reduction. A bond ordinance will be presented to Council for approval to authorize the issuance of bonds before the loan closing, which is estimated to occur by September 2024. In addition, up to 70 percent principal loan forgiveness, up to a maximum of \$10 million, may be granted, increasing overall cost savings for the project.