Item 2
Water & Wastewater Commission: July 16, 2025
Council: July 24, 2025

Posting Language

Recommend approval of a resolution authorizing the City Manager to apply for a 30-year low interest loan from the Texas Water Development Board (TWDB) through the Clean Water State Revolving Fund (CWSRF) loan program in an amount not to exceed $59,000,000 for the Walnut Creek Wastewater Treatment Plant Expansion project. Funding is contingent upon available funding in future budgets.

Lead Department

Austin Water.

Fiscal Note

Funding is contingent upon available funding in future budgets.

Prior Council Action:

May 30, 2024 – Council authorized negotiation and execution of a contract for pre-construction and construction services for the Walnut Creek Wastewater Treatment Plant Expansion to 100 Million Gallons per Day project with MWH Constructors Inc. in an amount not to exceed $900,000,000.

Council Committee, Boards and Commission Action:

July 16, 2025 – To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

The Clean Water State Revolving Fund (CWSRF) loan program is administered for the U.S. Environmental Protection Agency (EPA) and the State of Texas by the Texas Water Development Board (TWDB). This program provides low interest loans to eligible applicants. The CWSRF loans offer financial assistance for a wide range of wastewater, storm water, reuse, and other pollution control projects.

CWSRF loans offer below-market fixed interest rates, as CWSRF loans carry an interest rate subsidy of approximately 40% off the Austin Water's underlying bond credit rating. The reduced interest rates will save ratepayers financing costs for these projects as compared to traditional revenue bond financing for loan terms up to 30 years. SRF loan financial assistance will be secured by Austin Water bonds based on the TWDB fixed lending rate reduction. A bond ordinance would be presented to City Council for approval authorizing the issuance of bonds before loan closing. The loan closing is estimated to occur by the Fall of 2025.

The Walnut Creek Wastewater Treatment Plant (WWTP) receives wastewater flow from Austin Water's wastewater collection system. The plant was originally built in 1977. Over the years, the treatment plant has undergone numerous improvements and upgrades to modernize treatment methods as well as expand treatment capacity to 75 million gallons per day (MGD) with a 2-hour peak flow of 165 MGD. Treated plant effluent is discharged into the Colorado River. A portion of the treated effluent is used for non-potable water (NPW) on the plant site and supplies much of the City's Reclaimed Water program.

This project will expand the plant to treat and discharge an annual average daily flow of 100 MGD and a 2-hour peak flow of 300 MGD. The expansion is needed based on projected future flows of wastewater into the plant, in accordance with the Texas Commission on Environmental Quality (TCEQ) regulations and the requirements of Texas Administrative Code. Additionally, the project will implement Biological Nutrient Removal (BNR) in both the existing and proposed facilities to meet more stringent effluent quality limits in the plant's discharge permit issued by TCEQ that will go into effect with the expansion. The project includes several distinct components: a new 25 MGD treatment train with BNR, upgrade of the existing treatment to BNR, new peak flow treatment, new influent siphons, new effluent pipe and outfall, and a flood wall around the site.