



Posting Language

Recommend approval to authorize negotiation and execution of a financing agreement with the Texas Water Development Board (TWDB) for a low-interest loan in the amount of \$10,000,000 as part of the TWDB's State Water Implementation Fund for Texas (SWIFT) loan program, for Austin Water's Travis Heights Reclaimed Water Main project (also known as the Direct Reuse Strategy Project). Funding is contingent upon available funding in future Austin Water budgets.

Lead Department

Austin Water.

Fiscal Note

Funding is contingent upon available funding in future Austin Water budgets.

Prior Council Action:

April 16, 2025 –Water and Wastewater Commission authorized the City Manager to apply from funding from the TWDB for a low-interest SWIFT loan, not to exceed \$10,000,000 for Austin Water's Travis Heights Reclaimed Water Main project.

May 8, 2025 – Council authorized the City Manager to apply from funding from the TWDB for a low-interest SWIFT loan, not to exceed \$10,000,000 for Austin Water's Travis Heights Reclaimed Water Main project.

Council Committee, Boards and Commission Action:

August 20, 2025 – To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

On July 24, 2025, the Texas Water Development Board (TWDB) approved the City of Austin's application for a low interest loan in the amount of \$10,000,000 through the State Water Implementation Fund for Texas (SWIFT) for the implementation of Austin Water's Travis Heights Reclaimed Water Main project.

The Travis Heights Reclaimed Water Main project aims to increase the use of reclaimed water and decrease the demand for potable water. It will accomplish this by installing 4,500 linear feet of 24-inch reclaimed water main to expand the reclaimed water distribution system and in the Travis Heights neighborhood, specifically along Fairmount Avenue, Alameda Drive, East Side Drive, and Monroe Street.

Austin Water anticipates bringing the related construction contract to Council for award at a future meeting. This project will be located in Council District 9.

This financing agreement will cover Austin Water's FY2025-2026 CIP spending plan costs for the project.

The closing on this loan is anticipated to occur in November 2025. The City anticipates receiving up to a 25% reduction on the interest rates that TWDB obtains during their fall 2025 bond sale, 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.