Item 16
Water & Wastewater Commission: November 10, 2026
Council: November 19, 2026

Posting Language

Recommend approval to authorize negotiation and execution of an Advance Funding Agreement with Texas Department of Transportation for the relocation and adjustments of existing water and wastewater lines and appurtenances in conflict with the IH-35 Capital Express Central Roadway Project Packages 3, 4, & 7, in the amount of $18,634,040 plus a 10% contingency of $1,863,404, for a total amount not to exceed $20,497,444. Funding: $20,497,444 is available in the Capital Budget of Austin Water.

Fiscal Note

Funding: $20,497,444 is available in the Capital Budget of Austin Water.

Council Committee, Boards and Commission Action:

November 10, 2026 - To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

The Texas Department of Transportation ("TxDOT") IH-35 Capital Express Central Roadway Project Packages 3, 4, & 7, includes the relocation of existing water and wastewater lines along IH-35 from Holly Street to MLK Blvd. The relocations of these water and wastewater lines will involve placing them within city right-of-way (ROW) bounded by E. 16th St to the north, Olander St to the east, Red River St to the west and E 5th St to the south. In accordance with the regulations for federally funded projects, TxDOT is responsible for providing 100% of the engineering and construction costs as well as reimbursing the City for inspection and administrative cost of relocating approximately 10,364 linear feet of water lines and 7,548 linear feet of wastewater lines and appurtenances within the IH-35 right-of-way.

The project also provides an opportunity for Austin Water to upgrade its existing infrastructure to better serve the growing Austin Metropolitan area. The requested upgrades and additions are considered "betterments" and will be constructed by TxDOT as part of the project and funded by Austin Water. The betterment portion consists of constructing about 10,527 LF of water lines and new appurtenances including service lines, gate valves, wet connections, and air release valves. Of the entire 7,548 LF of wastewater lines, the betterment portion consists of constructing about 7,299 LF of wastewater lines and construction of new appurtenances including service lines and manholes within the project limits.

The estimated total contract amount associated with construction, relocation, and adjustments of existing infrastructure, including betterments is $51,303,337. The Interlocal Agreement (ILA) allows Austin Water to pay TxDOT an amount of $ 18,634,040 for construction of betterments plus a 10% construction contingency in the amount of $1,863,404 for a total contract amount of $ 20,497,444. A 10% contingency in funding is requested to cover possible changes to the scope of betterments that may become necessary during construction due to unforeseen conditions.

The roadway in this Advance Funding Agreement was identified as a transportation improvement project by TxDOT. Austin Water's existing water and wastewater lines are required to be adjusted to accommodate the proposed roadway improvements, and this agreement will allow water and wastewater infrastructure in conflict to be adjusted. Executing this Advanced Funding Agreement will bring together the efforts of TxDOT and Austin Water in the design and construction of the roadway improvements and utility adjustments to reduce impacts to the public and save cost.

The construction of the roadway improvement of IH-35 from Holly Street to MLK Blvd is tentatively scheduled to start within six to eight months after the TxDOT letting process starts. The letting process is tentatively scheduled for March 2027. The water and wastewater line relocations and construction are scheduled to be done first as part of the roadway improvement construction. All dates are dependent upon TxDOT design and construction contracts.

This project is managed by Austin Water.

This project is located within zip codes 78701 and 78702 (Districts 1 & 9).

Austin Water

Project Location: 3212.202 - TXDOT IH35 CapEx Cen LBL AW Standalone Relocations: Packages 3, 4, & 7

