Item 14
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 I-35 Capital Express Central Downtown Project in the amount of $8,276,472 plus a 10% contingency of $827,647 for a total amount not to exceed $9,104,119. Funding: $9,104,119 is available in the Capital Budget of Austin Water.

Fiscal Note

Funding: $9,104,119 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:

This project includes the relocation and adjustments of existing water and wastewater lines in conflict with Texas Department of Transportation ("TxDOT") highway improvements along Interstate 35 (IH-35) from Martin Luther King JR. Blvd. to Holly Street. The work consists of relocating and construction of approximately 27,060 linear feet (LF) of water lines and 7,195 LF of wastewater lines and appurtenances. This project is federally funded, per the approved Standard Utility Agreement and in accordance with the regulations for federally funded projects, TxDOT is responsible for providing 100% of the engineering and construction costs and, reimbursing the city for inspection and administrative cost of or relocating approximately 27,060 LF of water lines and 7,195 LF 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 construction of approximately 2,262 LF of water lines and 1,344 LF of wastewater lines and new appurtenances including service lines, manholes, gate valves, wet connections, and air release valves.

The estimated total contract amount associated with construction, relocation, and adjustments of existing infrastructure, including betterments is $108,900,947. The Interlocal Agreement ILA allows the Austin Water Department to pay TxDOT an amount of $8,276,472 for construction of betterments plus a 10% construction contingency in the amount of $827,647 for a total contract amount of $9,104,119. 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 Martin Luther King JR. Blvd. to Holly Street is scheduled to start within five months of the bid open date. The bid open date is currently scheduled for February of 2027. The water and wastewater line relocations and construction are scheduled to be completed 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: 3212.205 - TXDOT IH35 CapEx Cen LBL AW Downtown Advanced Construction

