



City of Austin

Recommendation for Action

File #: 25-1336, **Agenda Item #:** 19.

7/24/2025

Posting Language

Approve a resolution authorizing the City Manager to apply for a 30-year low interest loan from the Texas Water Development Board through the Clean Water State Revolving Fund loan program in an amount not to exceed \$59,000,000 for the Walnut Creek Wastewater Treatment Plant expansion project. Funding: 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:

May 30, 2024 - Council authorized negotiation and execution of a contract for pre-construction and construction services with MWH Constructors, Inc. in an amount not to exceed \$900,000,000 for the Walnut Creek Wastewater Treatment Plant expansion project to expand treatment capacity to 100 million gallons per day (MGD).

For More Information:

Heather Cooke, Austin Water Chief Administrative Officer at 512-972-0083 or Heather.Cooke@austintexas.gov.

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 through the Texas Water Development Board (TWDB). This program provides low-interest loans to eligible applicants for a wide range of wastewater, storm water, reuse, and other pollution control projects.

CWSRF loans offer below-market fixed interest rates, made possible because these loans carry an interest rate subsidy of approximately 40 percent off the Austin Water's underlying bond credit rating. The reduced interest rates will save ratepayers financing costs for this project as compared to traditional revenue bond financing for loan terms up to 30 years. CWSRF loan financial assistance will be secured by Austin Water bonds based on TWDB's fixed lending rate reduction. A bond ordinance will 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 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 MGD, with a two-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 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, with a two-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 Title 30, Part 1. 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, which 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.