



City of Austin

Recommendation for Action

File #: 26-1357, **Agenda Item #:** 10.

4/23/2026

Posting Language

Approve an ordinance authorizing the issuance of City of Austin, Water and Wastewater System Revenue Bonds, Series 2026A (CWSRF), in the par amount of \$59,000,000 to implement Austin Water's Walnut Creek Wastewater Treatment Plan Expansion and related enhancement projects, and approve related documents. Funding: Fiscal Year 2025-2026 debt service requirements for the proposed bond issuance are included in the 2025-2026 Approved Budget of the Combined Utility Revenue Bond Redemption Fund.

Lead Department

Austin Financial Services

Fiscal Note

Fiscal Year 2025-2026 debt service requirements for the proposed bond issuance are included in the 2025-2026 Approved Budget of the Combined Utility Revenue Bond Redemption Fund.

Prior Council Action:

Resolution 20250724-019 - City council approved 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.

For More Information:

Belinda Weaver, Treasurer, Austin Financial Services, 512-974-7885.

Additional Backup Information:

On February 19, 2026, the Texas Water Development Board (TWDB) approved the City's application for a low interest loan in the amount of \$59,000,000 through the Clean Water State Revolving Fund (CWSRF) for the implementation of Austin Water's Walnut Creek Wastewater Treatment Plan (WWTP) Expansion to 100 million gallons per day (MGD) and enhancements projects.

The CWSRF loan program is administered for the U.S. Environmental Protection Agency and the State of Texas through the 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% off 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.

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 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 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.