City of Austin

Recommendation for Action

File #: 26-1222, **Agenda Item #:** 16. 3/12/2026

Posting Language
Authorize an amendment to the construction contract for the Walnut Creek Wastewater Treatment Plant Expansion to 100 Million Gallons per Day Project with MWH Constructors Inc., to increase the contingency by $600,000,000, for a revised total contract amount not to exceed $1,500,000,000. Funding: $600,000,000 is available in the Capital Budget of Austin Water.

Lead Department
Financial Services Department.

Managing Department
Capital Delivery Services.

Fiscal Note
Funding is available in the Capital Budget of Austin Water.

Procurement Language:
Contract Amendment.

MBE / WBE:
This contract was awarded in compliance with City Code 2-9A (Minority-Owned and Women-Owned Business Enterprise Procurement Program). Current participation to date is 9.95% MBE and 7.32% WBE.

Prior Council Action:
December 8, 2022 - City Council approved Construction Manager-at-Risk methodology

May 30, 2024 - City Council authorized negotiation and execution of a contract for pre-construction and construction services for the Walnut Creek Wastewater Treatment Plant Expansion to 100 Million Gallons per Day project with MWH Constructors Inc. in an amount not to exceed $900,000,000.

For More Information:
Direct questions regarding this Recommendation for Council Action to Austin Financial Services - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Council Committee, Boards and Commission Action:
March 11, 2026 - To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:
The Walnut Creek Wastewater Treatment Plant (WWTP) is undergoing an expansion from its current permitted capacity of an average daily flow of 75 million gallons per day (MGD) and a 2-hour peak flow of 165 MGD to an average daily flow of 100 MGD and a 2-hour peak flow of 300 MGD. This expansion is needed based on projected future flows of wastewater into the plant, in accordance with Texas Commission on Environmental Quality (TCEQ) regulations and the requirements of Texas Administrative Code. The construction is scheduled

for completion in 2032.

The Walnut Creek WWTP Expansion to 100 MGD is a large-scale, highly complex project involving multiple distinct work areas, intricate site utilities and connections, and the rehabilitation and upgrade of existing treatment trains-all under a critical schedule with potential regulatory implications. To effectively manage these complexities and risks, the Construction Manager-at-Risk (CMR) delivery method was approved by City Council on December 8, 2022. The opinion of construction cost estimate of $900,000,000 was set at that time based on the preliminary engineering report.

Unlike the traditional design- bid- build method of project delivery, when delivering a project using the CMR method, the general contractor is brought on early in the design phase to oversee the project and collaborate closely with the City, the City's design team, and the CMR's subcontractors. This early involvement allows for real-time input on scope, constructability, and cost estimation, helping to optimize the design, improve coordination, and proactively manage construction risks.

The selected CMR firm, MWH Constructors, Inc., has initiated pre-construction services, which include collaboratively working with the design firm to advance construction drawings and technical specifications, conducting constructability reviews, assisting in preparing maintenance of plant operation (MOPO) plans during construction, identifying value engineering cost savings opportunities, and updating the opinion of construction cost.

Since the initial cost estimate was prepared in December 2022, prior to the selection of the CMR Firm, the design team and CMR Firm have significantly advanced the level of detail and specificity of the project's drawings and specifications. Based on this process, the updated 2025 opinion of construction cost prepared by MWH Constructors has increased to $1,500,000,000.

Increased construction costs are driven by several key factors, the most significant being the inflation-related escalation in the cost of goods and services. Additional contributors include constructability constraints that require additional bypass treatment, site access limitations that necessitate specialized equipment or sequencing, scope changes related to permitting and regulatory compliance, such as tunneling the 120-inch effluent pipeline to avoid removing trees, ongoing skilled labor shortages, and more detailed construction drawings that result in more comprehensive and accurate cost estimates.

In addition to the capacity expansion, the project will implement Biological Nutrient Removal (BNR) in the existing facilities and proposed facilities to meet more stringent effluent quality limits in the plant's discharge permit issued by TCEQ that go into effect with the expansion. The project will also convert the disinfection method from chlorine gas to ultraviolet (UV) disinfection, an inherently safer technology. The project includes several distinct components: a new 25 MGD treatment train with BNR and UV, upgrade of the existing treatment to BNR and UV, upgrade of odor control facilities, new peak flow treatment, new influent siphons, new effluent pipe and outfall, and a flood wall around the site.

The Walnut Creek WWTP is a vital part of Austin's infrastructure, providing high-quality service to much of the city. It is one of the top WWTPs in the nation, recognized by the National Association of Clean Water Agencies for their Platinum Peak Performance Award. This project will further strengthen its environmental performance -benefiting both the Austin community and downstream neighbors by improving water quality and ecological health in the Colorado River. Located in East Austin on FM 969 east of Highway 183, Austin Water is committed to being a good neighbor by addressing community impacts and engaging residents throughout the project. Although this construction project will take place within the existing boundary of the Walnut Creek Wastewater Treatment Plant, anticipated impacts may include construction traffic on FM 969, and possible traffic detours on FM 969 near Johnny Morris Rd.

By authorizing the additional contingency funding, Council is authorizing any change orders within the contingency amount.

This project is time sensitive and is critical to the improvement of the infrastructure stability of Austin's wastewater treatment system. Delay or deferral of the requested authority will affect the ability to perform the improvements and upgrades in a timely manner to reliably accept and treat the increased wastewater flows and meet TCEQ requirements.

The project is located within zip code 78724, District 1.

AUTHORIZATION HISTORY

AMOUNT	DATE	DESCRIPTION
$900,000,000.00	05/30/24	(Council) - Contract awarded for the Walnut Creek Wastewater Treatment Plant Expansion to 100 Million Gallons Per Day
$ 74,000.00	05/30/24	(Administrative Authority) - City Manager's Authority
$600,000,000.00	03/12/26	Proposed (Council) - Additional Construction Services Authority in support of funding for GMPs 6-8.
$1,500,074,000.00	*Total Contract Authorization*	

CONTRACT HISTORY

AMOUNT	DATE	DESCRIPTION
$17,934,033.00	06/14/24	Pre-Construction Phase Services
$19,250,000.00	03/19/25	SA #1 - Addition of Contractor Controlled Insurance Program
$92,686,621.55	06/26/25	SA #2 - GMP2 Site Mobilization
$122,648,610.98	07/02/25	SA #3 - GMP1 Headworks 1 and Influent Lift Station
$83,559,113.79	10/02/25	SA #4 - GMP 3 Long Lead Equipment and Early Works
$80,291,497.79	01/14/26	SA #5 - GMP 4 Floodwall work package
$600,000,000.00	03/12/26	Proposed (Council) - Additional Construction Services Authority in support of funding for GMPs 6-8.
$1,016,369,877.11	*Total Contract History*	