City of Austin

Recommendation for Action

File #: 26-1216, **Agenda Item #:** 25. 3/12/2026

Posting Language
Approve a resolution authorizing the City Manager to increase the amount of a low-interest loan from an amount not to exceed $446,842,000 to an amount not to exceed $1,000,000,000 from the United States Environmental Protection Agency's Water Infrastructure Finance and Innovation Act loan program for the Walnut Creek Wastewater Treatment Plant expansion and enhancements projects. Funding: Contingent upon available funding in future Austin Water operating budgets.

Lead Department
Austin Water.

Fiscal Note
Funding is contingent upon available funding in future Austin Water operating budgets.

Prior Council Action:
July 18, 2024 - Council authorized the City Manager to apply for a low-interest loan for up to $446,842,000 from the United States Environmental Protection Agency's Water Infrastructure Finance and Innovation Act loan program for the Walnut Creek Wastewater Treatment Plant expansion and enhancements projects and authorized payment of an application fee of $100,000.

For More Information:
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Council Committee, Boards and Commission Action:
July 17, 2024 - Water and Wastewater Commission recommended that the City Manager be authorized to apply for a low-interest loan for up to $446,842,000 from the United States Environmental Protection Agency's Water Infrastructure Finance and Innovation Act loan program for the Walnut Creek Wastewater Treatment Plant expansion and enhancements projects and pay an application fee of $100,000.

March 11, 2026 - To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:
Council previously authorized the City Manager to apply for up to $446,842,000 funding from the United States Environmental Protection Agency (USEPA) for a federal low-interest loan with a term not to exceed 35 years as part of the USEPA's Water Infrastructure Finance and Innovation Act (WIFIA) loan program for the Walnut Creek Wastewater Treatment Plant (WWTP) expansion and enhancements projects. Since that authorization, construction cost estimates have increased to approximately $1,500,000,000. To maximize the WIFIA program's funding limit, this action authorizes the City Manager to apply for an additional $553,158,000 from WIFIA funding. If approved, the total loan authorization amount will increase to $1,000,000,000, which includes an option to capitalize interest to smooth borrowing costs related to the Walnut Creek WWTP expansion and enhancements projects.

Walnut Creek WWTP is permitted to treat and discharge an average daily flow of 75 million gallons per day

(MGD) and 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.

The Walnut Creek WWTP projects summarized below are included in the proposed WIFIA loan.

The Walnut Creek WWTP Expansion to 100 MGD and Enhancements project will expand the plant to treat and discharge an annual average daily flow of 100 MGD and 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 Texas Commission on Environmental Quality (TCEQ) regulations and the requirements of the Texas Administrative Code. Additionally, 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. 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, new peak flow treatment, new influent siphons, new effluent pipe and outfall, and a flood wall around the site.

The Walnut Creek WWTP Influent Lift Station project will replace the existing influent lift station and receive the increased flows from the Johnny Morris Wastewater Interceptor and pump the flow to Walnut Creek WWTP headworks.

The Walnut Creek WWTP Headworks #1 Improvements project will rehabilitate and make improvements to the existing Headworks #1, including screening and grit removal, as well as mechanical, electrical, HVAC, odor control, and structural improvements.

The Walnut Creek Primary Clarifier and Flow Equalization Basin Rehabilitation project will rehabilitate the existing Primary Treatment Complexes #1 and #2, including clarifier mechanism replacements, electrical, HVAC, odor control, and structural improvements.