



City of Austin

Recommendation for Action

File #: 24-6183, **Agenda Item #:** 58.

12/12/2024

Posting Language

Approve an ordinance amending the Fiscal Year 2024-2025 Watershed Protection Department Capital Budget (Ordinance No. 20240814-007) to increase appropriations by \$15,860,000 and amending the Fiscal Year 2024-2025 Austin Water Capital Budget (Ordinance No. 20240814-007) to increase appropriations by \$6,300,000 for the Buttermilk Creek Water Quality Improvements Project. Funding: Funding is available from the future issuance of taxable general obligation bonds. Related to Item #13.

Lead Department

Watershed Protection Department.

Sub Department

Austin Water.

Fiscal Note

Funding is available from the future issuance of taxable general obligation bonds. A fiscal note is attached.

Prior Council Action:

July 18, 2024 - Council approved the publication of an Official Notice of Intention to Issue \$22,160,000 City of Austin, Texas, Combination Tax and Surplus Revenue Certificates of Obligation, Series 2024 on an 11-0 vote.

December 14, 2023 - Council authorized the City Manager to apply for low-interest loans in a total amount not to exceed \$22,160,000 from the Texas Water Development Board's Clean Water State Revolving Fund for the Buttermilk Creek Water Quality Improvements Project on a 10-0 vote.

For More Information:

Albert Castro, Watershed Protection Department Financial Manager III at 512-974-4852; Taja Beekley, Watershed Protection Department Associate Project Manager at 512-974-3301; and Heather Cooke, Austin Water Chief Administrative Officer at 512-972-0083.

Additional Backup Information:

On December 14, 2023, City Council authorized the City Manager to apply for a low-interest loan from the Texas Water Development Board (TWDB) through the Clean Water State Revolving Fund (CWSRF) which is administered for the U.S. Environmental Protection Agency (EPA) and the State of Texas by TWDB. This financial assistance program provides low-cost financing to eligible applicants for a wide range of wastewater, stormwater, reuse, and other pollution control projects.

CWSRF offers below-market fixed interest rates with the possibility of principal loan forgiveness for green infrastructure and disadvantaged communities. CWSRF loan financial assistance will be secured by City of Austin bonds based on the TWDB fixed lending rate reduction. In addition, up to 70% principal loan forgiveness may be granted at a maximum amount of \$10 million increasing overall cost savings for the project.

The Buttermilk Creek Water Quality Improvements Project is located in northeast Austin within the St. Johns and Coronado Hills neighborhoods. It will improve the overall water quality of Buttermilk Creek, through new stormwater control measures, removal/relocation of deteriorating wastewater infrastructure, and restoration of stream stability and riparian habitat. Buttermilk Creek contributes flow to Walnut Creek, an impaired waterway on the 2022 Texas 303(d) List.

This budget amendment will increase appropriations for a total amount of \$22,160,000 as follows:

Watershed Protection Department - \$15,860,000
Austin Water - \$6,300,000.