



City of Austin

Recommendation for Action

File #: 25-1319, **Agenda Item #:** 3.

8/28/2025

Posting Language

Approve a resolution declaring the City's official intent to reimburse itself from proceeds of tax-exempt obligations in the aggregate principal amount of \$260,000,000 for acquisition and construction costs related to Fiscal Year 2025-2026 Austin Water Capital Improvement Projects. Funding: available in Austin Water's Capital Budget. A fiscal note is attached.

Lead Department

Austin Water.

Fiscal Note

Issuance of \$260,000,000 in tax-exempt obligations to be issued through October 2026. A fiscal note is attached.

For More Information:

Inquiries should be directed to Austin Water Program Coordinator Vicky Addie, at 512-972-0332, or Vicky.Addie@austintexas.gov.

Additional Backup Information:

For the City to spend money today and reimburse itself from the issuance of debt obligations in the future, a reimbursement resolution is required by state and federal law. The resolution must contain certain information to protect the tax-exempt status of the future issuance. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the cost with the proceeds of tax-exempt obligations. Reimbursement debt generally must be issued 18 months after the later of, the date the expenditure was made, or the date that the project, with respect to which the expenditure was made, is placed in service.

This action expresses the City Council's intent to authorize the reimbursement for costs associated with Capital Budget items for water and wastewater system improvements as described below:

WATER SYSTEM

FUND	DESCRIPTION
3960	Improvements to and expansions of the waterworks system and facilities.
3990	Improvements to and expansions of the reclaimed water system.
4250	Texas Water Development Board loan reimbursements for State Water Implementation Fund of Texas Program.
4270	Texas Water Development Board loan reimbursements for State Revolving Fund Program.

WASTEWATER SYSTEM

FUNDD ESCRIP TION	
4530	Improvements to and expansions of wastewater system and facilities.
4570	Improvements to and expansions of the sanitary sewer system and wastewater facilities.
4600	Texas Water Development Board loan reimbursements for State Water Implementation Fund of Texas Program.
4620	Texas Water Development Board loan reimbursements for State Revolving Fund Program.
4630	Texas Water Development Board loan reimbursements for Flood Infrastructure Fund Program.
4680	Vehicle acquisitions.

RECLAIMED WATER SYSTEM

FUND	DESCRIPTION
3990	Improvements to and expansions of the reclaimed water system.
4020	Texas Water Development Board loan reimbursements for State Water Implementation Fund of Texas Program.
4030	Texas Water Development Board loan reimbursements for State Revolving Fund Program.