



City of Austin

Recommendation for Action

File #: 26-2732, **Agenda Item #:** 47.

1/22/2026

Posting Language

Approve a resolution authorizing the City Manager to apply for and accept funding from the Texas Water Development Board (TWDB) for a zero-interest loan in an amount not to exceed \$3,500,000 through the TWDB Flood Infrastructure Fund Program for the Fallwell Lane Capital Renewal Project. Funding: Contingent upon available funding in future Austin Water budgets

Lead Department

Austin Water.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

November 21, 2024 - Council approved an ordinance amending the Fiscal Year 2024-2025 Capital Delivery Services Special Revenue Fund (Ordinance No. 20240814-007) to accept and appropriate \$50,000,000 in grant funds from the Federal Emergency Management Agency through the Texas Department of Emergency Management and amending the Fiscal Year 2024-2025 Capital Delivery Services Capital Budget to transfer in and appropriate \$50,000,000 for the South Austin Regional Wastewater Treatment Plant/Sand Hill Energy Center Flood Mitigation project

May 2, 2024 - Council authorized negotiation and execution of an amendment to the professional services contract for engineering services for the Fallwell Lane Capital Renewal project with Halff Associates, Inc. in the amount of \$5,500,000, for a revised total contract amount not to exceed \$9,000,000.

Nov 2, 2023 - Council approved an amendment to a contract for engineering services for the Fallwell Lane Capital Renewal with Halff Associates, Inc. to increase the amount by \$500,000, for a revised total contract amount not to exceed \$3,500,000

May 19, 2022 - Council approved a resolution authorizing the submittal of the Fallwell Lane, Sand Hill Energy Center, and the South Austin Regional Wastewater Treatment Plant Access and Flood Potential Mitigation projects as candidates for the Federal Emergency Management Agency's Hazard Mitigation Assistance grant programs.

August 3, 2017 - Council authorized negotiation and execution of a professional services agreement with Halff Associations, Inc. (staff recommendation) or one of the other qualified responders to the Request for Qualifications Solicitation No. CLMP225 to provide engineering services for the Fallwell Lane Capital Renewal Project, for a total contract amount not to exceed \$3,000,000.

For More Information:

Vicky Addie, Austin Water Program Coordinator at 512-972-0332 or vicky.addie@austintexas.gov.

Council Committee, Boards and Commission Action:

January 14, 2026 - Recommended by the Water and Wastewater Commission on a 10-0 vote with

Commissioner Penn absent.

Additional Backup Information:

Floodwaters caused significant damage to Fallwell Lane on October 31, 2013, and again on October 30, 2015. This road serves as the only access point to the South Austin Regional Wastewater Treatment Plant (SAR WWTP) and the Sand Hill Energy Center (SHEC), both of which are essential for the City's utility operations. During the flooding, Onion Creek overflowed, inundating low-lying areas as it flowed into the Colorado River, leading to severe bank erosion. Extensive restoration and stabilization efforts were necessary to address the damage.

Temporary measures were implemented to manage local traffic on Fallwell Lane. A permanent solution is needed to reconstruct and realign Fallwell Lane, retrofit water intake structures, and stabilize berms and channels around the two plants to guard against flood overflows from Onion Creek.

This project (now divided into two subprojects) is being managed by Austin Capital Delivery Services, through collaboration with Austin Water (AW), Austin Energy, Austin Watershed Protection, and Austin Transportation and Public Works. The Phase A subproject involves realigning Fallwell Lane, relocating and extending water lines, and protecting the Colorado Riverbank adjacent to Fallwell Lane. Phase A is fully funded and is under construction.

Phase B aims to establish berms, extend levees, and construct floodwalls to protect these two crucial Austin Water and Austin Energy facilities, which are vital to the City's infrastructure. The estimated budget for the Phase B project is approximately \$115 million.

On November 21, 2024, Council approved the acceptance and appropriation of \$50,000,000 in grant funds from the Federal Emergency Management Agency (FEMA) through the Texas Division of Emergency Management (TDEM) for the Building Resilient Infrastructure and Communities (BRIC) grant program. This funding was specifically designated for the implementation of Phase B. However, in April 2025, FEMA suspended the BRIC program funding for projects that had already been approved and were in progress.

On January 28, 2025, the City signed an agreement with TDEM to fund the initial scope of engineering design work totaling \$5,731,460 out of this original \$50,000,000 BRIC grant. The City will not be receiving any additional funding from this initial \$50,000,000 FEMA BRIC grant beyond the \$5,731,460 that has already been received, due to the federal suspension of the BRIC program.

AW is leading an effort to secure a Texas Water Development Board (TWDB) loan through TWDB's Flood Infrastructure Fund (FIF) program. Funding for Phase B engineering design services for this project was included in TWDB's approved Fiscal Year 2024-2025 FIF flood mitigation project prioritization list. On November 17, 2025, TWDB informally notified the City that a formal invitation to apply for this \$3,500,000 FIF loan would follow soon.

The \$3,500,000 zero-interest loan proposed in this Council action will support the local match requirement for the \$5,731,460 BRIC grant that has been awarded to the City. The federal share of the \$5,731,460 grant is \$2,496,050.83 (43.55%) and the local share is \$3,235,409.17 (56.45%) for design of the Phase B project. Engineering design work for Phase B is already underway through a contract awarded to Halff Associates, Inc.

On April 14, 2025 the City also applied through TDEM for a new grant of \$50,000,000 from FEMA's Hazard Mitigation Assistance Disaster Recovery Program, under the July 2024 Hurricane Beryl disaster declaration (DR-4798-TX). The City has not been notified yet by TDEM if this new federal grant will be awarded.