



City of Austin

Recommendation for Action

File #: 26-1696, **Agenda Item #:** 48.

5/28/2026

Posting Language

Authorize negotiation and execution of an advance funding agreement with the Texas Department of Transportation for water and wastewater capacity improvements associated with the relocation and adjustments of existing lines and appurtenances in conflict with the Interstate Highway 35 (IH-35) Capital Express University Roadway Project in the amount of \$4,551,603, plus a contingency of \$455,160, for a total agreement amount not to exceed \$5,006,763. Funding: \$5,006,763 is available in the Capital Budget of Austin Water.

Lead Department

Austin Water

Fiscal Note

Funding in the amount of \$5,006,763 is available in the Fiscal Year 2025-2026 Capital Budget of Austin Water.

For More Information:

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Council Committee, Boards and Commission Action:

May 20, 2026 - To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

The roadway in this Advance Funding Agreement was identified as a transportation improvement project by TxDOT. Austin Water's existing water and wastewater lines in conflict with the TxDOT transportation improvements are required to be relocated to accommodate the proposed improvements. This agreement will allow water and wastewater infrastructure capacity to be increased as a part of the relocation. Executing this Advanced Funding Agreement will bring together the efforts of TxDOT and Austin Water in the design and construction of the roadway improvement and utility adjustments to reduce impacts to the public and reduce cost.

This project includes the relocation and adjustments of existing water and wastewater lines along IH-35 from Martin Luther King Blvd. (MLK Blvd) to US290 East, also known as IH-35 Capital Express University Project. The work consists of relocating and construction of approximately 21,009 linear feet of water lines, ranging from eight inches to forty-eight inches in diameter, and approximately 7,617 linear feet of wastewater lines, ranging from eight inches to thirty inches in diameter, along with associated appurtenances, all located within the IH-35 right-of-way.

The roadway project is federally funded, according to the approved Standard Utility Agreement and in accordance with the regulations for federally funded projects, TxDOT is responsible for providing 100% of the engineering and construction costs as well as reimbursing the city for inspection, administrative cost and all associated soft costs of the projects, except all costs associated with the betterments.

The project provides an opportunity for Austin Water to upgrade its existing infrastructure to better serve the growing Austin Metropolitan area. The requested upgrades and additions are considered "betterments" and

will be constructed by TxDOT as part of the project and funded by Austin Water. Of the entire 21,009 linear feet of water lines, ranging from eight inches to forty-eight inches in diameter, and approximately 7,617 linear feet of wastewater lines, ranging from eight inches to thirty inches in diameter, the betterment portion of the project includes the construction of approximately 16,913 linear feet of water lines, ranging from twelve inches to thirty-six inches in diameter, and approximately 6,022 linear feet of wastewater lines, ranging from eight inches to thirty inches in diameter.

The scope also includes the installation of new appurtenances, including service lines, manholes, gate valves, wet connections, and air release valves within the project limits.

Due to the potential for unforeseen and unknown site conditions, a 10% contingency in funding has been included to allow for the expeditious processing of any change orders to cover any unforeseen construction costs associated with the project. By authorizing the additional contingency funding, Council is authorizing any change orders within the contingency amount.

The construction of the roadway improvement of IH-35 from MLK Blvd to US 290 East is tentatively scheduled to start within six to eight months after the TxDOT letting process starts. The letting process is tentatively scheduled for July 2026. The water and wastewater line relocations and construction are scheduled to be done first as part of the roadway improvement construction. All dates are dependent upon TxDOT design and construction contracts.

This project is located within the Austin Full Purpose Jurisdiction of Council Districts 1, 4, and 9.