



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

Item Creation Date: 12/13/2019

HPW - 20DWO49 - 2020 O&M Budget - Coastal Water Authority (CWA) - Trinity River Water Conveyance Project

Agenda Item#:

### **Background:**

#### **RECOMMENDATION:**

Approve the 2020 Operations and Maintenance Budget for the Trinity River Water Conveyance Project operated by the Coastal Water Authority in the amount of \$21,594,600.00.

#### **BACKGROUND:**

The Coastal Water Authority ("CWA") operates the raw water transportation system for the City of Houston ("City"). CWA plays an essential role in the City's program of increased surface water use. CWA owns, operates, and maintains 36 miles of canals as part of the CWA raw water conveyance system. It also maintains the Trinity River intake pumping facility, the Lynchburg pumping facility, and the Bayport booster pumping facility (collectively, the "Trinity River Water Conveyance Project").

On May 28, 1968, the City and CWA entered into a contract ("Initial Contract") pursuant to which the City agreed to pay the annual costs and expenses incurred by CWA for maintenance, operation, and repair of the Trinity River Water Conveyance Project. The Initial Contract was amended and restated by a new contract approved by City Council on June 15, 1995 by City Ordinance #95-676 ("Amended Contract").

Section 205 of the Amended Contract requires CWA to prepare and submit to the City an annual operating budget for the Trinity River Water Conveyance Project. CWA presented the City with the proposed 2020 operations and maintenance ("O&M") budget for the Trinity River Water Conveyance Project in the amount of \$21,594,600.00. This budget reflects a funding increase of \$1,058,700.00 as compared to the 2019 budget. This increase is to support the additional activities and responsibilities that CWA will encounter during 2020 including the following:

- Additional utilization of pretreatment chemicals to accommodate the "B" and "C" system interconnection capabilities in delivering water to the City's East Water Purification Plant facilities.
- Increase in Salary Accounts to accommodate the anticipated retirement of several employees during 2020 and the allocation of field staff support on the Trinity River System.
- A reduction in the electricity cost at the Trinity River Pump Station due to the pass through of lower generation costs (natural gas).

Houston Public Works (HPW) met with CWA officials to review the submitted budget and concluded that the budget presented by CWA is reasonable given the work proposed.

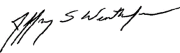
The funds are allocated in the HPW budget according to CWA's annual budget submittal during the month of October. CWA's Fiscal Year 2020 starts on January 1, 2020 and ends on December 31, 2020. Six months of CWA's budget are allocated to the City's FY20 Budget (January 2020 to June 2020), and the remaining six months are allocated to the City's FY21 Budget (July 2020-December 2020). Payments made to CWA are based upon documented actual monthly O&M expenditures.

This Project was described and briefed to the Transportation, Technology and Infrastructure Committee on February 6, 2020.

It is recommended that City Council approve the 2020 CWA O&M budget for the Trinity River Water Conveyance Project in the amount of \$21,594,600.00.

#### **FISCAL NOTE:**

Funding for this item is included in the FY20 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

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Carol Ellinger Haddock, P.E., Director  
Houston Public Works

**Prior Council Action:**

Motion No. 2019-0150, March 27, 2019  
Ordinance No. 95-676, June 21, 1995

**Amount of Funding:**

\$21,594,600.00 From Fund No. 8300 - Water and Sewer System Operating Fund

\$10,797,300.00 Allocation for FY20 (January 2020 - June 2020)  
\$10,797,300.00 Allocation for FY21 (July 2020 - December 2020)

**Contact Information:**

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**ATTACHMENTS:**

Description	Type
Funding Documents	Financial Information
2020 Annual Budget	Backup Material
Trinity River Water Conveyance Contract	Backup Material
Prior Council Action	Backup Material
annual fees	Backup Material
TTI Agenda	Backup Material