



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/13/2020

ALL

Item Creation Date: 6/5/2020

HPW – 20WR233R Harris-Galveston Subsidence District – Groundwater Over Conversion Credits

Agenda Item#: 41.

Background:

SUBJECT: Payment approval in the sum of \$1,218,373.77 to the Harris-Galveston Subsidence District for the purchase of 29,916,100,000 gallons of groundwater over conversion credits.

RECOMMENDATION: It is recommended that City Council approve a Motion for payment of \$1,218,373.77 to the Harris-Galveston Subsidence District for the purchase of 29,916,100,000 gallons of groundwater over conversion credits.

SPECIFIC EXPLANATION: The Harris-Galveston Subsidence District (the District) is a special purpose district created by the 64th Texas Legislature in 1975 to provide for the mitigation of subsidence through the regulation of groundwater withdrawals.

The District's regulatory plan is divided into three areas, with the majority of Houston and its ETJ existing within Area II and Area III. Currently Area III requires that 30% of a groundwater permittee's total water demand be from an alternative source of water, limiting groundwater withdrawals to 70%. In 2025 groundwater withdrawals must be limited to 60% of total water demand, and in 2035 groundwater withdrawals must be limited to 20% of total water demand. Permittees that violate this groundwater reduction requirement must pay disincentive fees.

Houston has consistently reduced groundwater usage by more than what is required by the District's regulatory plan. As a result, Houston has the opportunity to purchase 29,916,100,000 gallons of groundwater over conversion credits for the 2011-2017 permit terms. These credits never expire and can be used to offset groundwater usage in excess of the District's groundwater reduction requirements that would otherwise be subject to disincentive fees (disincentive fees are currently \$9.24 per thousand gallons). These credits ensure that the city can withdraw groundwater supplies beyond regulatory limits, without penalty, when other surface water supplies are not available, such as in times of drought.

Houston Public Works is requesting that City Council approve a total payment of \$1,218,373.77 to the Harris-Galveston Subsidence District for the purchase of 29,916,100,000 gallons of groundwater over conversion credits.

This matter was presented to the Transportation, Technology, and Infrastructure Committee on October 1, 2020.

FISCAL NOTE: Funding for this item is included in the FY2021 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

DocuSigned by:

A blue ink signature of Carol Ellinger Haddock.

10/1/2020

A93C410B72B3453...

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

ESTIMATED SPENDING AUTHORITY

Department	FY21	Out-Years	Total Amount
Houston Public Works	\$1,218,373.77	\$0	\$1,218,373.77

Amount of Funding:

\$1,218,373.77 from Fund No. 8300 - Water and Sewer System Operating Fund

Contact Information:

Sharon Citino, J.D.
Planning Director
Houston Water

Phone: (832) 395-2712

ATTACHMENTS:

Description

Financial Documents

Invoice

annual fees

Funding Verification

Type

Financial Information

Backup Material

Backup Material

Financial Information