



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 2/2/2022

ALL

Item Creation Date:

HPW - 20DWO70- 2022 O&M Budget for Trinity River Authority - Lake Livingston Project

Agenda Item#: 3.

Background:

RECOMMENDATION:

Approve the 2022 Operations and Maintenance Budget for the Lake Livingston Project, operated by the Trinity River Authority, in the amount of \$4,696,170.00.

NOTICE/JUSTIFICATION:

The Trinity River Authority ("TRA") is a conservation and reclamation district created by the 54th Legislature in 1955. TRA manages Lake Livingston for the benefit of the City of Houston ("City") and TRA, with the City owning 70% of the surface water rights (806 MGD) and TRA owning 30% of the surface water rights (314 MGD). Lake Livingston surface water rights are about 73% of the City's total water rights, which are approximately 1.1 billion gallons per day.

On September 2, 1964, the City and TRA entered into a contract ("1964 Contract") for the construction, operation, and maintenance of Lake Livingston. Under the 1964 Contract, the City pays for 70% of the operation and maintenance ("O&M") costs, along with debt service on construction bonds ("Lake Livingston Project"). The 1964 Contract remains in effect until all bonds are paid and for so long as the City and TRA take water from Lake Livingston.

Section 9.16 of the 1964 Contract requires TRA to submit to the City an annual budget for the Lake Livingston Project. The proposed 2022 budget by TRA is \$4,696,170.00. This budget reflects a funding decrease of 1.10% as compared to TRA's 2021 budget of \$4,748,613.00, which was approved by City Council on January 6, 2021, Motion No. 2021-0009.

This decrease is due to TRA's cost reduction in the following categories:

- Supplies - This category contains a decrease of approximately \$1,350 related to office supplies, dues and subscriptions, and maintenance and operating supplies.
- Services and Charges- This category contains a decrease of approximately \$107,200 related to the reduction in engineering services, utilities, power costs and repair and maintenance expenses.

Houston Public Works (HPW) reviewed the submitted budget and concluded that the budget is reasonable given the work proposed.

The funds are allocated in the HPW budget the following fiscal year according to TRA's annual budget submittal during the month of October. TRA's Fiscal Year 2022 starts on December 1, 2021 and ends on November 30, 2022. Seven months of TRA's budget are allocated to the City's FY22 Budget (December 2021 to June 2022) and the remaining five months are allocated to the City's FY23 Budget (July 2022 to November 2022). Payments made to TRA are based upon documented actual monthly O&M expenditures.

This Project was described and briefed to the Transportation, Technology and Infrastructure Committee on September 2, 2021.

It is recommended that City Council approve the 2022 TRA O&M budget for the Lake Livingston Project in the amount of \$4,696,170.00.

FISCAL NOTE:

Funding for this item is included in the FY22 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

DocuSigned by:

1/20/2022

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

Estimated Spending Authority

Department	FY2022	Out Years	TOTAL
Houston Public Works	\$2,381,749.00	\$2,314,421.00	\$4,696,170.00

Prior Council Action:

Motion No. 2021-0009, January 6, 2021

Amount and Source of Funding:

\$4,696,170.00 From Fund No. 8300 – Water and Sewer System Operating Fund

\$2,381,749.00 Allocation for FY22 (December 2021 – June 2022)

\$2,314,421.00 Allocation for FY23 (July 2022 – November 2022)

Contact Information:

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ATTACHMENTS:

Description	Type
Signed Coversheet	Signed Cover sheet
SAP Documents	Financial Information
FY22 TRA Budget	Backup Material
TRA Contract (1964)	Backup Material
Prior Council Action	Backup Material
TTI Agenda	Backup Material
Annual Fees	Backup Material
Funding Verification	Financial Information