



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/12/2023

ALL

Item Creation Date: 11/9/2023

HPW - 20DWO107 - 2024 O&M Budget - Coastal Water Authority (CWA) - Trinity River Water Conveyance Project

Agenda Item#: 9.

Summary:

NOT A REAL CAPTION

RECOMMENDATION from Director Houston Public Works for approval of the 2024 Operations and Maintenance Budget for the **LAKE LIVINGSTON PROJECT** operated by the **Trinity River Authority** - \$31,954,500.00 - Enterprise Fund

Background:

RECOMMENDATION: Approve the 2024 Operations and Maintenance Budget for the Trinity River Water Conveyance Project, operated by the Coastal Water Authority, in the amount of \$31,954,500.00.

NOTICE/JUSTIFICATION: 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 21, 1995 by City Ordinance No. 1995-0676 ("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 2024 operations and maintenance ("O&M") budget for the Trinity River Water Conveyance Project in the amount of \$31,954,500.00. This budget reflects a funding increase of \$2,213,700.00 as compared to the 2023 budget of \$29,740,800.00 which was approved by City Council on March 29, 2023, Motion Number 2023-0201.

This increase is primarily due to:

- An 8% increase in water demands for the City compared to the 2023 budget. One of the corresponding increases in 2024 is the cost of the additional electricity to operate the pumping equipment for this additional water demand.
- Repairs needed at the pump station.

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 2024 starts on January 1, 2024 and ends on December 31, 2024. Six months of CWA's budget are allocated to the City's FY24

Budget (January 2024 to June 2024), and the remaining six months are allocated to the City's FY25 Budget (July 2024 to December 2024). 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 November 9, 2023.

It is recommended that City Council approve the 2024 CWA O&M budget for the Trinity River Water Conveyance Project in the amount of \$31,954,500.00.

FISCAL NOTE: Funding for this item is included in the FY24 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Authorized by:

 12/7/2023
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Carol Ellinger Haddock, P.E.,
 Director Houston Public Works

Estimated Spending Authority			
Department	FY2024	Out Years	TOTAL

Houston Public Works	\$15,977,250.00	\$15,977,250.00	\$31,954,500.00
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Prior Council Action:

Ordinance Number 1995-0676, June 21, 1995
 Motion Number 2023-0201, March 29, 2023

Amount and Source of Funding:

\$31,954,500.00 From Fund No. 8300 - Water and Sewer System Operating Fund

\$15,977,250.00 Allocation for FY24 (January 2024 – June 2024)

\$15,977,250.00 Allocation for FY25 (July 2024 – December 2024)

Contact Information:

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ATTACHMENTS:

Description	Type
SAP Documents	Financial Information
FY24 CWA Budget	Backup Material
CWA-TRA Conveyance Contract	Backup Material
Prior Council Action	Backup Material
Annual Fees	Backup Material
TTI Agenda	Backup Material
Signed Coversheet	Signed Cover sheet
Funding Verification	Financial Information