



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date:

HPW - 20DWO121 - FY25 O&M Budget for CWA - Trinity River Water Conveyance Project

Agenda Item#:

Background:

RECOMMENDATION: Approve the 2025 Operations and Maintenance Budget for the Trinity River Water Conveyance Project, operated by the Coastal Water Authority, in the amount of \$35,923,510.00.

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 2025 operations and maintenance (“O&M”) budget for the Trinity River Water Conveyance Project in the amount of \$35,923,510.00. This budget reflects a funding increase of \$3,969,010.00 as compared to the 2024 budget of \$31,954,500.00 which was approved by City Council on December 13, 2023, Motion Number 2023-0844.

This increase is primarily due to:

- A 12.42% increase in water demands for the City compared to the 2024 budget. One of the corresponding increases in 2025 is the cost of chlorine, a pre-treatment chemical added to the water delivered to the City’s water purification treatment facilities.
- 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 November. CWA’s Fiscal Year 2025 starts on January 1, 2025 and ends on December 31, 2025. Six months of CWA’s budget are allocated to the City’s FY25 Budget (January 2025 to June 2025), and the remaining six months are allocated to the City’s FY26 Budget (July 2025 to December 2025). Payments made to CWA are based upon documented actual monthly O&M expenditures.

This Project was described and briefed to the Service Delivery Committee on December 12, 2024.

It is recommended that City Council approve the 2025 CWA O&M budget for the Trinity River Water Conveyance Project in the amount of \$35,923,510.00.

FISCAL NOTE: Funding for this item is included in the FY25 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

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Randall V. Macchi
Director, Houston Public Works

Estimated Spending Authority			
Department	FY2025	Out Years	TOTAL
Houston Public Works	\$17,961,755.00	\$17,961,755.00	\$35,923,510.00

Prior Council Action:

Ordinance Number 1995-0676, June 21, 1995
Motion Number 2023-0844 December 13, 2023

Amount and Source of Funding:

\$35,923,510.00 From Fund No. 8300 - Water and Sewer System Operating Fund

\$17,961,755.00 Allocation for FY25 (January 2025 – June 2025)

\$17,961,755.00 Allocation for FY26 (July 2025 – December 2025)

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ATTACHMENTS:

Description

SAP Documents
FY25 Budget
CWA - TRA Conveyance Contract
Prior Council Action
Annual Fees
SDC Agenda

Type

Financial Information
Backup Material
Backup Material
Backup Material
Backup Material
Backup Material