



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 2/6/2018

ALL

Item Creation Date:

20HW04 2018 O&M Budget - Coastal Water Authority (CWA) – Trinity River Conveyance Project

Agenda Item#: 3.

Summary:

RECOMMENDATION from Director of Houston Public Works for approval of the 2018 Operations and Maintenance Budget for the **TRINITY RIVER CONVEYANCE PROJECT** operated by the Coastal Water Authority - \$19,972,200.00 - Enterprise Fund

Background:

NOTICE/JUSTIFICATION:

The Coastal Water Authority (CWA) operates the raw water transportation system for the City of Houston. 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.

The City and Coastal Water Authority entered into a contract under date of May 28, 1968 (referred to herein as the "Initial Contract") where the City agreed to pay the annual costs and expenses incurred by CWA for maintenance, operation and repair of the Trinity River Conveyance Project. The Operating Contract was amended, restated and superseded on June 15, 1995 and approved by City Ordinance #95-676. The provisions of the contract shall remain in effect until the earlier of June 15, 2035 or the termination of both the initial contract and the project contract.

Section 205 of the Amended Operating Contract requires that CWA submit to the City an annual budget covering these cost categories. The funds are allocated in the HPW budget the following fiscal year according to CWA's annual budget submittal during the month of October. CWA's Fiscal Year 2018 starts on January 1, 2018 and ends on December 31, 2018. Six months of CWA's budget are allocated to the COH's FY18 Budget (January 2018 to June 2018) and the remaining six months are allocated to the COH's FY19 Budget (July 2018 to December 2018). Payments made to CWA are based upon documented actual monthly O&M expenditures.

The proposed 2018 budget by CWA is \$19,972,200.00 The budget reflects a funding decrease of \$382,692.00 as compared to the 2017 budget which was approved by City Council on January 8, 2017, Motion Number 2017-0083. Houston Public Works met with CWA officials to review the submitted budget and concluded that the budget presented by CWA is reasonable given the work proposed.

It is recommended that City Council approve the 2018 CWA Operations and Maintenance Budget for the Trinity River Conveyance Project in the amount of \$19,972,200.00

FISCAL NOTE:

Funding for this item is included in the FY2018 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy Ord. 2017-1078.

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

Prior Council Action:

Motion No. 2017-0083, February 8, 2017

Ordinance No. 95-676, June 15, 1995

Amount of Funding:

\$19,972,200.00 From Fund No. 8300 – Water and Sewer System Operating Fund

\$9,986,100.00 Allocation for FY18 (January 2018– June 2018)

\$9,986,100.00 Allocation for FY19 (July 2018 – December 2018)

Contact Information:

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ATTACHMENTS:

Description

Signed Coversheet

Type

Signed Cover sheet