



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 7/16/2019

ALL

Item Creation Date:

HPW- 20PMG02 Consent Decree

Agenda Item#: 22.

**Summary:**

ORDINANCE approving and authorizing a consent decree between the City of Houston, **THE UNITED STATES of AMERICA**, and **THE STATE of TEXAS** regarding the City's sanitary sewer system; committing to perform certain improvements to the City's sanitary sewer system; containing provisions relating to the subject and declaring an emergency - \$4,600,000.00 - Enterprise Fund

**Background:**

**Subject:** Consent Decree to Settle Clean Water Act and Texas Water Code Claims

**Recommendation:** Adopt an Ordinance approving and authorizing a Consent Decree with the United States and the State of Texas to settle Clean Water Act and Texas Water Code claims regarding the City's sanitary sewer system; payment for civil penalties and attorney's fees and committing to perform certain improvements to the City's sanitary sewer system and allocate funds.

**Description and Scope:** The Director of Houston Public Works requests City Council approval of an ordinance approving and authorizing a Consent Decree between the City of Houston, the United States and the State of Texas. The Consent Decree will resolve Clean Water Act claims brought by the United States and the State of Texas regarding the City's sanitary sewer system. The Consent Decree formalizes the work the City has agreed to undertake to improve the City's wastewater and sewer system infrastructure for the benefit of its ratepayers. The work will be undertaken over a period of 15 years and the costs to perform the obligations will be included in Houston Public Work's annual operating and CIP budgets for Houston Water to be approved by Council.

While the total amount of the investment to be made in the wastewater system will not be known until HPW completes the assessment work to identify the condition and remedial measures needed, it is estimated that the City may be required to invest an additional \$2B over 15 years to upgrade the wastewater system pursuant to the Consent Decree. HPW is currently performing a water/wastewater rate study that will take into account this additional investment in wastewater infrastructure in evaluating impacts on future wastewater rates. However, initial estimates do not indicate a substantial rate increase and rates are expected to remain well below EPA's affordability guidelines.

The Consent Decree requires the payment of \$4,400,000.00 in penalties to be shared equally between the United States and the State of Texas and a payment of \$200,000.00 in attorney's fees to the State of Texas.

This item was presented in a public hearing to the Budget and Fiscal Affairs committee on July 9, 2019.

**FISCAL NOTE:**

No fiscal note is required. Civil penalty was recognized as an expense and recorded in a liability account in FY16.

DocuSigned by:

*Carol P. Haddock*

Carol P. Haddock, P.E.

Director

Houston Public Works

**Amount of Funding:**

\$4,600,000.00

Water and Sewer System Operating Fund

Fund 8300

**Contact Information:**

Phillip Goodwin

Regulatory Compliance Director

Houston Water

Phone: 832-395-3075

**ATTACHMENTS:**

**Description**

Funding Doc

Agenda - Budget & Fiscal Affairs Meeting

U.S. v. COH Consent Decree ORD (Revised 7-10-19)

**Type**

Financial Information

Backup Material

Ordinance/Resolution/Motion