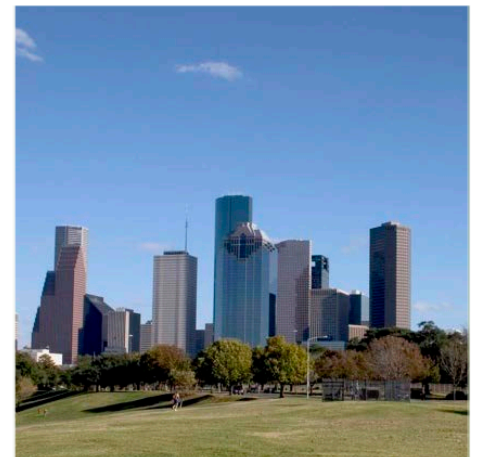
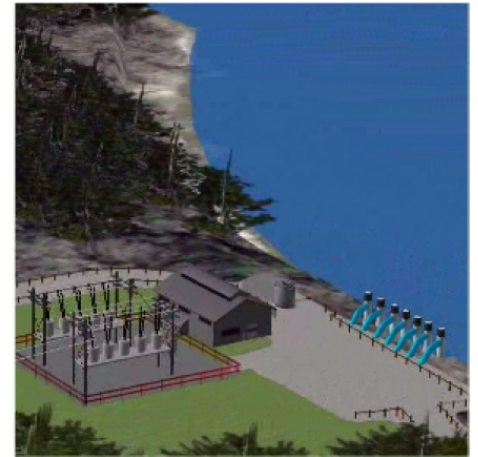


Construction Funding for Luce Bayou Inter-basin Transfer Project (LBITP)

Houston City Council

Committee for Transportation,
Technology, & Infrastructure

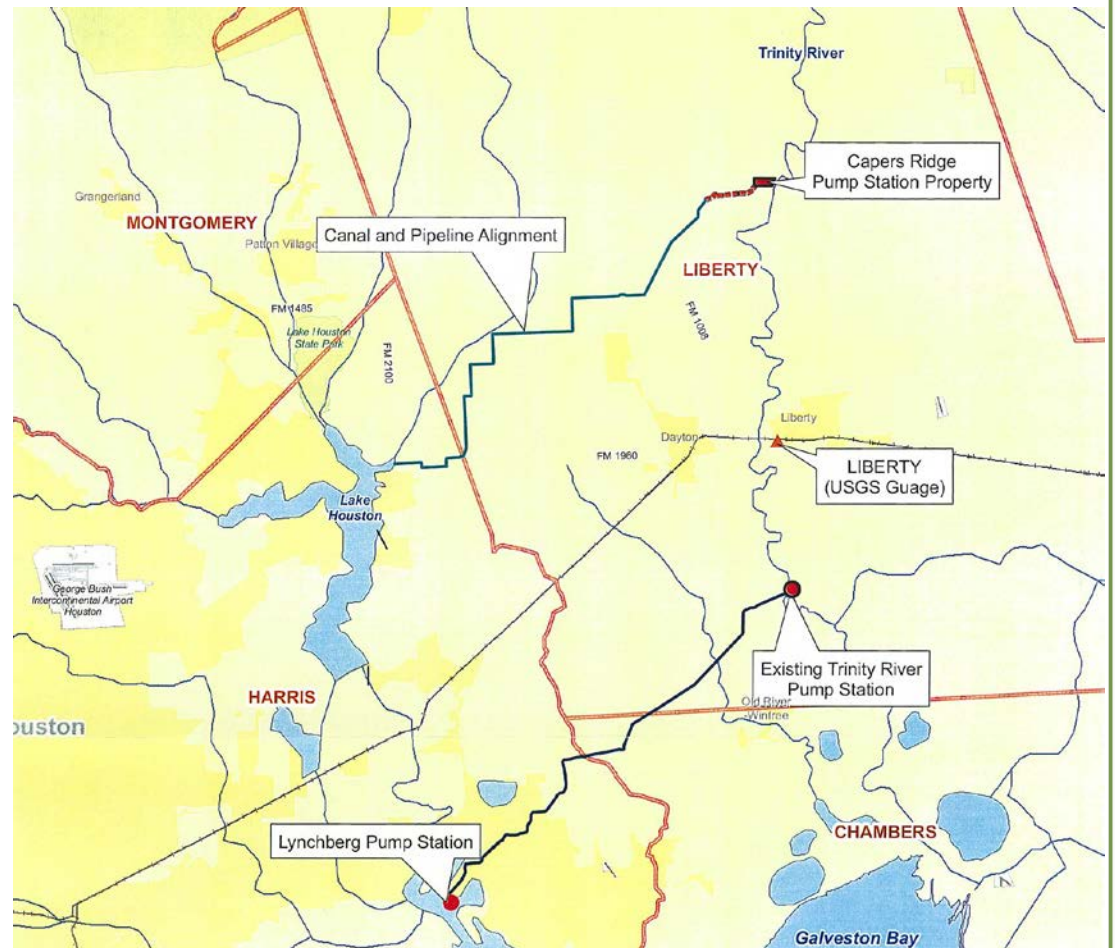
March 22, 2012



Luce Bayou Inter-basin Transfer Project (LBITP)

Highlights

- ▶ Convey existing COH water supply from the Trinity River Basin to Lake Houston
- ▶ Key regional water supply strategy in the State's Region H Water Plan since 2001
- ▶ Partnered effort of City with Coastal Water Authority (CWA)
- ▶ Estimated Project Cost: \$297 million

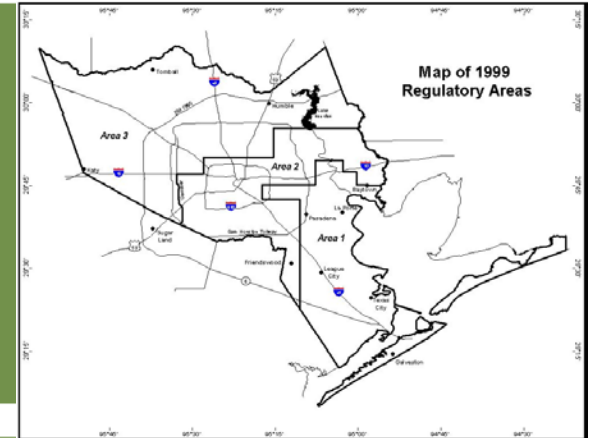


Project Description

- ▶ Capacity to convey 450,000 acre feet per year (400 MGD average daily flow) from the Trinity River to Lake Houston
 - ▶ New 500 MGD pump station located on 90-acre parcel
 - ▶ Approximately 3.6 miles of pipeline
 - ▶ Settling basin and Maintenance Facility
 - ▶ Approximately 23 miles of new canal
 - ▶ Outfall structure at Lake Houston



Meeting State Mandates



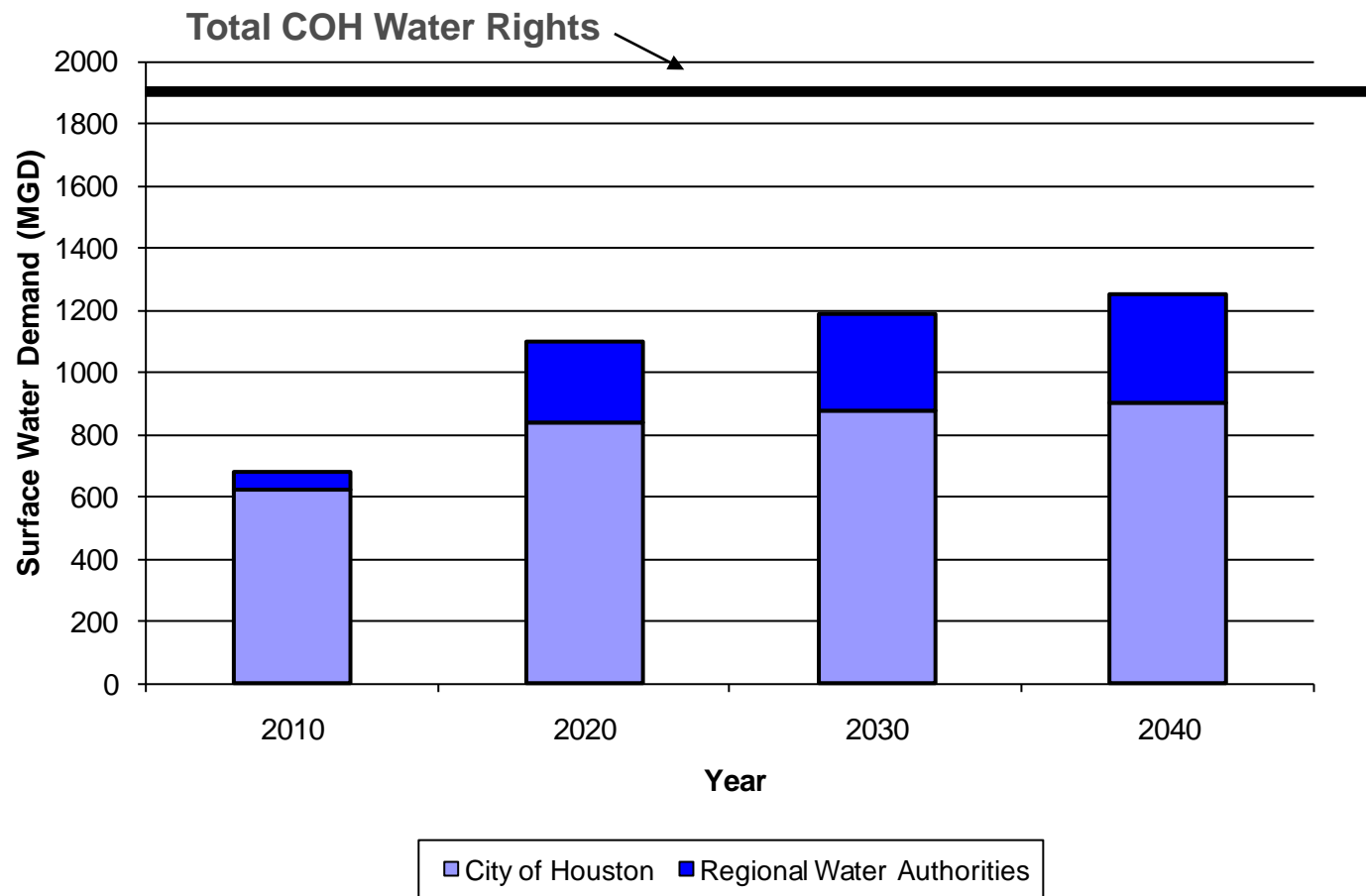
- ▶ City of Houston (Area 3) and Harris County WA's must convert to:
 - ▶ 30% surface water by 2010
 - ▶ 70% surface water by 2020
 - ▶ 80% surface water by 2030

- ▶ Fort Bend County must convert to:
 - ▶ 30% surface water by 2014
 - ▶ 60% surface water by 2025

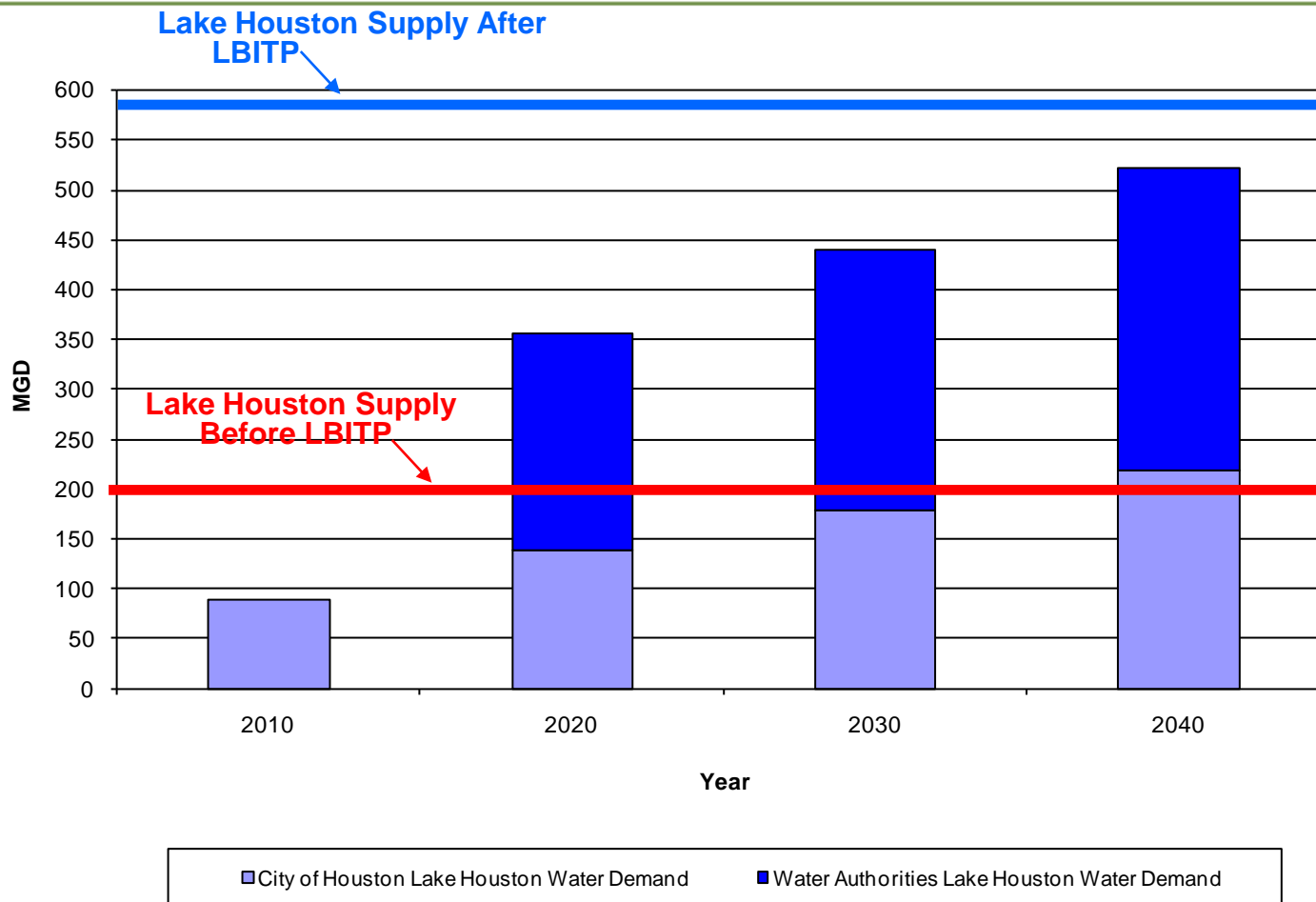
- ▶ Lone Star Groundwater Conservation District regulates for Montgomery County



Demand for the Project



Projected Demand vs. Supply in Lake Houston



Progress to Date

- ▶ May 2005-COH requested CWA proceed with the initial development
- ▶ Apr 2006-Project evaluation initiated
- ▶ Jan 2009-COH/CWA agreement for acquisition, design and construction
- ▶ Jan 2011-Preliminary Engineering Report complete
- ▶ Currently in progress(complete Dec 2012):
 - ▶ Right of way acquisition
 - ▶ Environmental Impact Statement in progress by USACE, Galveston District

Project Schedule

- ▶ Receive USACE permits by 1st Qtr 2013
- ▶ Begin final design March 2013
- ▶ Complete design December 2015
- ▶ Start construction June 2016
- ▶ Complete construction by 7/1/2019



Project Funding

Environmental Studies/Design Engineering:

- ▶ Type: Texas Water Development Board (TWDB) Water Infrastructure Fund Loans
- ▶ \$33m

Real Estate Acquisition

- ▶ Type: SEALS/Direct
- ▶ \$20m

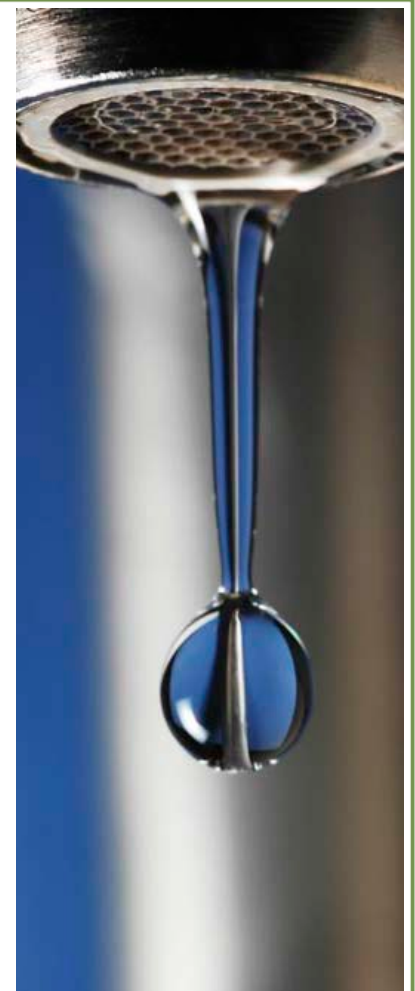
Construction

- ▶ Type: State Participation Program
- ▶ \$244m



State Participation Program

- ▶ Enables TWDB to assume a temporary ownership interest in a regional project when the local sponsors are unable to assume debt for the optimally sized facility
- ▶ Cost of the funding is repaid to the TWDB based upon purchase payments on a deferred timetable
- ▶ LBITP recognized as a participation project that creates a new supply of water
- ▶ TWDB funds up to 80% of costs/20% by sponsors
- ▶ At least 20% of the total capacity of the proposed project will serve existing needs



Financial Impact To City's CIP and Utility Infrastructure

	FY16	FY17	FY18	FY19	FY20	Later years
With State Participation Funding	\$ 9.35	\$ 23.80			\$ 22.10	\$ 110.50
<u>Without State Participation Funding</u>	<u>\$ 46.75</u>	<u>\$ 119.00</u>			-	-

\$Million





Prior Council actions—

- Approval of COH-CWA agreement
- Approval of COH-RWA agreements

Upcoming action—Motion for Council support of CWA/Houston application (*Apr 4*)

Construction Funding for Luce Bayou Inter-basin Transfer Project (LBITP)

