



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

Item Creation Date: 12/13/2019

HPW - 20DWO47 2020 O&M Budget - Coastal Water Authority (CWA) - Lake Houston  
Facilities

Agenda Item#:

### **Background:**

#### **RECOMMENDATION:**

Approve the 2020 Operations and Maintenance Budget for the Lake Houston Facilities Project operated by the Coastal Water Authority in the amount of \$5,196,900.00.

#### **BACKGROUND:**

The Coastal Water Authority ("CWA") operates the raw surface water transportation system for the City of Houston ("City") and provides conveyance for many governmental and industrial users. CWA plays an essential role in the City's program of increased surface water use.

On November 20, 1995, the City and CWA entered into a Contract for the Operation and Maintenance of the Lake Houston Pump Station, West Canal and Related Facilities ("Contract"), approved by City Council on October 25, 1995 by Ordinance No. 95-1141, pursuant to which CWA agreed to operate and maintain the Lake Houston canal and pump station and to perform grounds maintenance along and below the dam ("Lake Houston Facilities Project"). On December 5, 2003, the City and CWA entered into a First Amendment to the Contract ("First Amendment"), approved by City Council on November 25, 2003 by Ordinance No. 2003-1137, to add the Lake Houston Dam to the list of Lake Houston Facilities to be operated and maintained by CWA. The City owns the Lake Houston Facilities and has control over all decisions regarding them.

Article II, Section H of the Contract requires CWA to prepare and submit to the City an annual operating budget setting forth in detail proposed expenditures during the ensuing fiscal year for operation, maintenance, administration, and repair costs associated with the facilities. CWA presented the City with the proposed 2020 operations and maintenance ("O&M") budget for the Lake Houston Facilities Project in the amount of \$5,196,900.00. This budget reflects a funding increase of \$2,403,200.00 as compared to the 2019 budget. This increase is to support the additional activities and responsibilities that CWA will encounter during 2020 including the following:

- Funding of the Lake Houston Water Quality Study
- Funding of a major pump and pump motor repair
- Allocation of field staff support to the operations on the lake and the retirement benefits due to an employee.

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 2020 starts on January 1, 2020 and ends on December 31, 2020. Six months of CWA's budget are allocated to the City's FY20 Budget (January 2020 to June 2020), and the remaining six months are allocated to the City's FY21 Budget (July 2020-December 2020). 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 February 6, 2020.

It is recommended that City Council approve the 2020 CWA O&M budget for the Lake Houston Facilities in the amount of \$5,196,900.00.

#### **FISCAL NOTE:**

Funding for this item is included in the FY20 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

DocuSigned by:

A handwritten signature in black ink, appearing to read "Carol E. Hanger".

Carol E. Hanger, P.E., Director  
Houston Public Works

### **Prior Council Action:**

Motion No. 2019-0148, March 27, 2019  
Ordinance No. 2003-1137, November 25, 2003

**Amount of Funding:**

\$5,196,900.00 From Fund No. 8300 - Water and Sewer System Operating Fund

\$2,598,450.00 Allocation for FY20 (January 2020 - June 2020)

\$2,598,450.00 Allocation for FY21 (July 2020 - December 2020)

**Contact Information:**

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Houston Water  
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**ATTACHMENTS:**

**Description**

Funding Documents  
FY20 Annual Budget  
Lake Houston Contract  
Prior FY19 Coversheet and Motion  
annual fees  
Prior Ordinance and Amendment  
TTI Agenda

**Type**

Financial Information  
Backup Material  
Backup Material  
Backup Material  
Backup Material  
Signed Cover sheet  
Backup Material