



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/4/2020

District E

Item Creation Date: 6/9/2020

20EPR10R - Wastewater Treatment Capacity Lease Agreement

Agenda Item#: 37.

### **Background:**

**SUBJECT:** Wastewater Treatment Capacity Lease Agreement between the City of Houston and Generation Park Management District for Wastewater Treatment Services.

**RECOMMENDATION:** Adopt an Ordinance approving the Wastewater Treatment Capacity Lease Agreement between Generation Park Management District and the City of Houston in the amount of approximately \$5,400,000.00 for capital and operating costs over the 10 year lease for wastewater treatment services.

**SPECIFIC EXPLANATION:** The Northeast Water Purification Plant (NEWPP) currently discharges the facility's wastewater to Harris County Municipal Utility District No. 342 (MUD 342) for treatment. When the NEWPP Expansion Project is fully operational, with a water treatment capacity of at least 320 MGD, the NEWPP will discharge approximately 141,000 gallons of wastewater per day. MUD 342 cannot accommodate this increased wastewater flow. Due to the limited options for wastewater treatment in the vicinity of the NEWPP, the City of Houston has decided to enter into a new lease agreement with Generation Park Management District (GPMD). Under the Lease Agreement, GPMD will expand its existing wastewater treatment facility to allow the City of Houston to discharge wastewater flows for the requested capacity requirement of approximately 141,000 gallons of wastewater per day. Generation Park Management District will treat the wastewater at the cost and expense of the City of Houston and the City's four water authority partners in accordance with the Lease Agreement.


The Lease Agreement through January 1, 2033 includes (1) The Capital Cost of \$3.2 million to pay for GPMD's wastewater facility expansion. The funding for the Capital Cost was previously appropriated under Ordinance 2019-0529, dated July 10, 2019. (2) The approximate Operations and Maintenance Cost of \$2.2 million for the term of the lease agreement. The future operational and maintenance costs will be assessed each year and allocated annually from the NEWPP Operations and Maintenance Budget beginning in FY22. The City of Houston's share of the total contract value, \$5.4 million, will be approximately \$864,000.00 (16%). The remaining \$4,536,000.00 (84%) of the contract will be contributed by the City's four water authority partners for the NEWPP Expansion Project: Central Harris County Regional Water Authority, North Harris County Regional Water Authority, North Fort Bend Water Authority, West Harris County Regional Water Authority.

Houston Public Works recommends approval of the Wastewater Treatment Capacity Lease Agreement between the City of Houston and Generation Park Management District.

**LOCATION:** This project is located at the Generation Park Management District Wastewater Facility.

**FISCAL NOTE:** No significant Fiscal Operating impact is anticipated as a result of this project.

DocuSigned by:

  
A93C410B72B3453...

7/24/2020

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

### **Prior Council Action:**

Ordinance No. 2019-0529; dated: 07-10-2019

**Amount of Funding:**

No additional funding required.

(\$3,200,000.00 Previously Appropriated from Ordinance 2019-0529: \$512,000.00 from Fund 8506 – HPW-NEWPP Construction Fund and \$2,688,000.00 from Fund 8505 – Water Authorities Capital Contrib-NEWPP Fund)

**Contact Information:**

Rajinder Singh - 713-725-9759

**ATTACHMENTS:****Description**

Signed Coversheet  
SAP Documents  
Agreement  
Prior Council Actions  
Ordinance

**Type**

Signed Cover sheet  
Financial Information  
Contract/Exhibit  
Backup Material  
Ordinance/Resolution/Motion