



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date:

HPW - 20DWO71 - 2022 O&M Budget - Coastal Water Authority (CWA) - Lake Houston Facilities Project

Agenda Item#:

Background:

RECOMMENDATION:

Approve the 2022 Operations and Maintenance Budget for the Lake Houston Facilities Project, operated by the Coastal Water Authority, in the amount of \$3,485,500.00.

NOTICE/ JUSTIFICATION:

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. 1995-1141, 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 2022 operations and maintenance ("O&M") budget for the Lake Houston Facilities Project in the amount of \$3,485,500.00. This budget reflects a funding increase of \$108,600.00 as compared to the 2021 budget of \$3,376,900.00, which was approved by City Council on January 6, 2021, Motion Number 2021-0011.

This increase is to support the anticipated expenses and responsibilities that CWA will encounter during 2022 in the following categories:

- Field Salaries- Increase due to allocation of Field Staff support of completing Lake Houston Water Quality Study.
- Utilities- Anticipated increase in storm cost recovery fee from energy provider.
- General Operating Expenses (Insurance)- Anticipated increase in renewal of employee medical and dental insurance policies.

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 2022 starts on January 1, 2022 and ends on December 31, 2022. Six months of CWA's budget are allocated to the City's FY22 Budget (January 2022 to June 2022), and the remaining six months are allocated to the City's FY23 Budget (July 2022 to December 2022). 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 September 2, 2021.

It is recommended that City Council approve the 2022 CWA O&M budget for the Lake Houston Facilities in the amount of \$3,485,500.00.

FISCAL NOTE:

Funding for this item is included in the FY22 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

DocuSigned by:

A handwritten signature in blue ink that reads "Carol Haddock".

12/28/2021

A93C410B72B3453

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

Estimated Spending Authority

Department	FY2022	Out Years	TOTAL
Houston Public Works	\$1,688,450.00	\$1,797,050.00	\$3,485,500.00

Prior Council Action:

Motion Number 2021-0011, January 6, 2021
Ordinance No. 2003-1137, November 25, 2003
Ordinance No. 1995-1141, October 25, 1995

Amount and Source of Funding:

\$3,485,500.00 From Fund No. 8300 - Water and Sewer System Operating Fund

\$1,688,450.00 Allocation for FY22 (January 2022 - June 2022)
\$1,797,050.00 Allocation for FY23 (July 2022 - December 2022)

Contact Information:

Sharon Citino, Planning Director
Houston Water
Phone: 832-395-2712

ATTACHMENTS:

Description	Type
SAP Documents	Financial Information
FY22 CWA Budget	Backup Material
Lake Houston Contract	Backup Material
TTI Agenda	Backup Material
Prior Council Action	Backup Material
Annual Fees	Backup Material