



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 3/28/2023

ALL

Item Creation Date: 2/21/2023

HPW-20DWO96 2023 Lake Conroe Contract by and between San Jacinto River Authority and the City of Houston, Texas

Agenda Item#: 9.

Summary:

ORDINANCE approving and authorizing a 2023 Contract by and between **SAN JACINTO RIVER AUTHORITY** and the City of Houston, Texas, relating to the ongoing operation of the Lake Conroe Dam and Reservoir

Background:

SUBJECT: 2023 Contract by and between San Jacinto River Authority and the City of Houston, Texas, relating to the ongoing operation of the Lake Conroe Dam and Reservoir.

RECOMMENDATION: The 2023 Contract by and between San Jacinto River Authority and the City of Houston, Texas, relating to the ongoing operation of the Lake Conroe Dam and Reservoir, be approved.

SPECIFIC EXPLANATION: The San Jacinto River Authority (the "Authority") and the City of Houston (the "City") entered into the 1968 Lake Conroe Contract that provided for the City's participation in the construction of the Lake Conroe Dam and Reservoir (the "Project"), the City's acquisition of an undivided two-thirds interest in Lake Conroe and in the yield permitted under Water Right Permit 1962 (now Certificate of Adjudication 10-49630), and the terms and conditions for the Authority's operation and maintenance of Lake Conroe. The 1968 Lake Conroe Contract was amended to address timelines for funding the Project. Under the 1968 Lake Conroe Contract, the Authority maintains the Lake Conroe Dam and Reservoir, and the City pays its proportionate two-thirds share annually of related capital and O&M costs. The 1968 Lake Conroe Contract expired in 2018, and the City and the Authority want to enter into a new contract relating to the ongoing operation of the Lake Conroe Dam and Reservoir.

The 2023 Lake Conroe Contract sets forth the terms and conditions for the parties' use, disposal, and sale of their respective water yields and the Authority's operation and maintenance of the Lake Conroe Dam and Reservoir. Changes from the 1968 Lake Conroe Contract include updated metering requirements and more detailed mediation, recourse, and allocation of liability and litigation protocols arising from the Authority's Hurricane Harvey litigation. The Lake Conroe Contract outlines when the Authority will provide its annual operating budget for review by the City and approval by the Houston City Council, when annual operating payments are due to the Authority from the City, and what the Authority's responsibilities are relating to the accounting of impounded and diverted water for both the Authority and the City.

The Authority has prepared and submitted to the City a budget setting forth in detail proposed expenditures during the ensuing Fiscal Year (FY) 2023, beginning from September 2022 through August 2023, for the operation, maintenance, and repair of Lake Conroe. Upon execution of this contract, Houston Public Works will bring the budget forward to City Council for approval and will continue to do so on an annual basis. Following Council approval each year, the City shall make payments to the Authority on a monthly basis. This Lake Conroe Contract shall continue in force and effect during the useful life of Lake Conroe unless terminated by mutual agreement of the Parties.

Additionally, the City has back payments owed to the Authority for FY21 (September 2020-August 2021) and FY22 (September 2021-August 2022) which are also pending execution of the 2023 Lake Conroe Contract. Each of these back payments will be included with the upcoming FY23 budget approval and will be paid to the Authority as a one-time lump sum.

This item was presented to the Transportation, Technology, and Infrastructure (TTI) Committee on January 12, 2023.

Approval of 2023 Lake Conroe Contract relating to the ongoing operation of Lake Conroe is requested.

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 3/22/2023

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ATTACHMENTS:

Description

Signed Coversheet
Signed Ordinance
Contract
TTI Agenda

Type

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