



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/5/2023

ALL

Item Creation Date: 11/9/2023

HPW - 20DWO105- 2024 O&M Budget for CWA – Lake Houston Facilities Project

Agenda Item#: 11.

Summary:

RECOMMENDATION from Director Houston Public Works for approval of the 2024 Operations and Maintenance Budget for the **LAKE HOUSTON FACILITIES PROJECT** operated by the **Coastal Water Authority** - \$4,414,700.00 - Enterprise Fund

Background:

RECOMMENDATION: Approve the 2024 Operations and Maintenance Budget for the Lake Houston Facilities Project, operated by the Coastal Water Authority (CWA), in the amount of \$4,414,700.00.

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 2024 operations and maintenance (“O&M”) budget for the Lake Houston Facilities Project in the amount of \$4,414,700.00. This budget reflects a funding increase of \$534,000.00 as compared to the 2023 budget of \$3,880,700.00, which was approved by City Council on March 1, 2023, Motion Number 2023-0148.

This increase is primarily due to an increase in the need for additional vegetation control on the lake along with concrete repairs on the West Canal and enhanced security fencing and guard services.

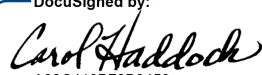
Houston Public Works (HPW) met with CWA officials to review the submitted budget and concluded that the budget presented by CWA is reasonable given the work proposed.

The funds are allocated in the HPW budget according to CWA’s annual budget submittal during the month of October. CWA’s Fiscal Year 2024 starts on January 1, 2024 and ends on December 31, 2024. Six months of CWA’s budget are allocated to the City’s FY24 Budget (January 2024 to June 2024), and the remaining six months are allocated to the City’s FY25 Budget (July 2024 to December 2024). 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 November 9, 2023.

It is recommended that City Council approve the 2024 CWA O&M budget for the Lake Houston Facilities in the amount of \$4,414,700.00.

FISCAL NOTE: Funding for this item is included in the FY24 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

DocuSigned by:

 12/1/2023
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 Carol Ellinger Haddock, P.E., Director
 Houston Public Works

Estimated Spending Authority			
Department	FY2024	Out Years	TOTAL
Houston Public Works	\$2,207,350.00	\$2,207,350.00	\$4,414,700.00

HOUSTON PUBLIC WORKS	\$2,207,350.00	\$2,207,350.00	\$4,414,700.00
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Prior Council Action:

Motion No. 2023-0148, March 1, 2023
Ordinance No. 2003-1137, November 25, 2003
Ordinance No. 1995-1141, October 25, 1995

Amount and Source of Funding:

\$4,414,700.00 From Fund No. 8300 – Water and Sewer System Operating Fund

\$2,207,350.00 Allocation for FY24 (January 2024 – June 2024)
\$2,207,350.00 Allocation for FY25 (July 2024 – December 2024)

Contact Information:

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Houston Public Works Department
Phone: (832) 395-2456

ATTACHMENTS:

Description	Type
SAP Documents	Financial Information
FY24 CWA-Lake Houston Budget	Backup Material
CWA-Lake Houston Contract	Backup Material
Prior Council Action	Backup Material
Annual Fees Table	Backup Material
TTI Agenda	Backup Material
Funding Verification	Financial Information