



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 11/15/2024

HPW - 20DWO123 - FY25 O&M Budget for CWA - Lake Houston Project

Agenda Item#:

Background:

RECOMMENDATION: Approve the 2025 Operations and Maintenance Budget for the Lake Houston Facilities Project, operated by the Coastal Water Authority (CWA), in the amount of \$4,737,260.00.

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 2025 operations and maintenance (“O&M”) budget for the Lake Houston Facilities Project in the amount of \$4,737,260.00. This budget reflects a funding increase of \$322,560.00 as compared to the 2024 budget of \$4,414,700.00, which was approved by City Council on December 6, 2023, Motion Number 2023-0814.

The budget increases in 2025 are primarily due to the need for a major pump motor repair and enhanced security fencing along the West Canal.

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, 2025 and ends on December 31, 2025. Six months of CWA’s budget are allocated to the City’s FY25 Budget (January 2025 to June 2025), and the remaining six months are allocated to the City’s FY26 Budget (July 2025 to December 2025). Payments made to CWA are based upon documented actual monthly O&M expenditures.

This Project was described and briefed to the Service Delivery Committee on December 12, 2024.

It is recommended that City Council approve the 2025 CWA O&M budget for the Lake Houston Facilities in the amount of \$4,737,260.00.

FISCAL NOTE: Funding for this item is included in the FY25 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

DocuSigned by:

BE463EE0DE454EB

Randall V. Macchi
Director, Houston Public Works

Estimated Spending Authority			
Department	FY2025	Out Years	TOTAL
Houston Public Works	\$2,368,630.00	\$2,368,630.00	\$4,737,260.00

Prior Council Action:

Ordinance No. 1995-1141, October 25, 1995
Ordinance No. 2003-1137, November 25, 2003
Motion No. 2023-0814, December 6, 2023

Amount and Source of Funding:

\$4,737,260.00 From Fund No. 8300 - Water and Sewer System Operating Fund

\$2,368,630.00 Allocation for FY25 (January 2025 – June 2025)

\$2,368,630.00 Allocation for FY26 (July 2025 – December 2025)

Contact Information:

Name	Service Line	Contact No.
Roberto Medina, Interim Chief of Staff	DO-HPW Government Relations	832.395.2456
Maria Perez, HPW Agenda Coordinator	DO-HPW Government Relations	832.395.2282
Gabriel Mussio, Senior Assistant Director	HPW Houston Water	832.395.4947

ATTACHMENTS:

Description

SAP Documents
FY25 CWA-Lake Houston Budget
CWA - Lake Houston Contract
Prior Council Action
Annual Fees Table
SDC Agenda

Type

Financial Information
Backup Material
Backup Material
Backup Material
Backup Material
Backup Material