



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/14/2017

District F

Item Creation Date: 9/21/2017

20WR01A Second Amend Utility Functions and Services Allocation Agreement Harris
County MUD No. 359

Agenda Item#: 32.

Summary:

ORDINANCE approving and authorizing Second Amendment to the Utility Functions and Services Allocation Agreement between the City of Houston and **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359** (Approved by Ordinance No. 1992-1142, as amended) - **DISTRICT F - LE**

Background:

SUBJECT: Approve an ordinance to execute a Second Amendment to Utility Functions and Services Allocation Agreement between the City of Houston and Harris County Municipal Utility District No. 359.

RECOMMENDATION: It is recommended that City Council adopt an Ordinance approving the Second Amendment to Utility Functions and Services Allocation Agreement between the City of Houston and Harris County Municipal Utility District No. 359.

Specific Explanation:

The City of Houston, City Council, approved a Utility Functions and Services Allocation Agreement with Harris County Municipal Utility District No. 359 (the "District") on August 26, 1992, by Ordinance No. 92-1142 for the creation of the district and to provide for the development of storm drainage and water and wastewater service, including collection, treatment, distribution and water supply facilities. The District is entirely within the corporate limits of the City. City Council approved a First Amendment to Utility Functions and Services Allocation Agreement on October 15, 1997, by Ordinance No. 97-1234 so that the District could construct a second point of connection to the City's wastewater collection system and utilize the City's Dairy Ashford No. 4 Lift Station and convey its waste to the Upper Braes Regional Wastewater Treatment Plant.

The Utility Functions and Services Allocation Agreement, as amended, requires the use of wastewater meters to calculate payments due from the City to the District for wastewater service. In or about September 2015, the wastewater meters stopped functioning. Therefore, the City has been unable to calculate the payment due to the District for wastewater service since August 2015. The funds that would have been paid to the District have been held by Public Works in anticipation of a resolution of the calculation issue.

Both parties agree replacing the wastewater meters is not cost-effective. Additionally, given that the District is fully developed, both agree that sufficient data exists to estimate the wastewater usage for purposes of calculating payments due to the District for wastewater service.

This Second Amendment provides for the sharing of the cost of the abandonment of the wastewater meters and provides for calculation of payments due to the District for wastewater service based on the estimated usage of 7,467,000 gallons per month or metered water usage; whichever is less.

If this Second Amendment is approved by Council, Public Works will release funds currently due to the District based on the estimated usage. Using this methodology, funds due to the District from September 2015 through June 2017, which have been held by Public Works and which have previously been authorized for payment under the Utility Functions and Services Allocation Agreement, total \$660,612.25.

City payments to the District for wastewater services are rebates from the sewer revenues collected from the District and are calculated as the difference between the City's existing retail sewer rate and the District's contracted wholesale rate.

Carol Ellinger Haddock, P.E.

Acting Director

Department of Public Works and Engineering

Fiscal Note:

No funding required. Therefore, no Fiscal Note is required as stated in the Financial Policy Ord. 2014-1078.

Prior Council Action:

(O) 92-1142; Date: 8/26/1992

(O) 97-1234; Date: 10/15/1997

Amount of Funding:

Contact Information:

Yvonne W. Forrest

Deputy Director

Phone: (832) 395-2847

ATTACHMENTS:

Description

Prior Council Action

Prior Council Action

Agreement

ordinance

Type

Backup Material

Backup Material

Contract/Exhibit

Ordinance/Resolution/Motion