



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 1/30/2018

ALL

Item Creation Date:

20HW03 2018 O&M Budget - Coastal Water Authority (CWA) – Lake Houston Facilities

Agenda Item#: 2.

Summary:

RECOMMENDATION from Director of Houston Public Works for approval of the 2018 Operations and Maintenance Budget for the **LAKE HOUSTON FACILITY PROJECT** operated by the Coastal Water Authority - \$2,749,900.00 - Enterprise Fund

Background:

NOTICE/JUSTIFICATION:

The Coastal Water Authority ("CWA") operates the raw surface water transportation system for the City of Houston 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 (the "Contract"), approved by City Council on October 25th, 1995 by Ordinance No. 95-1141, pursuant to which CWA agreed to operate and maintain the Lake Houston canal and pump station (the "Lake Houston Facilities") and to perform grounds maintenance along and below the dam. On December 5th, 2003, the City and CWA entered into a First Amendment to the Contract (the "First Amendment"), approved by City Council on November 25th, 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 facility decisions. 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 2018 operations and maintenance budget for the Lake Houston Facilities in the amount of \$2,749,900.00. This budget reflects a funding decrease of \$11,788.00 as compared to the 2017 budget, that was approved by City Council on February 8, 2017, Motion Number 2017-0082. The Department of Public Works and Engineering 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 PWE budget according to CWA's annual budget submittal during the month of October. CWA's Fiscal Year 2018 starts on January 1, 2018 and ends on December 31, 2018. Six months of CWA's budget are allocated to the COH's FY18 Budget (January 2018 to June 2018) and the remaining six months are allocated to the COH's FY19 Budget (July 2018-December 2018). Payments made to CWA are based upon documented actual monthly O&M expenditures.

It is recommended that City Council approve the 2018 CWA operations and maintenance budget for the Lake Houston Facilities in the amount of \$2,749,900.00.

FISCAL NOTE:

Funding for this item is included in the FY2018 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy

Ord. 2017-1078.

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

Prior Council Action:

Motion No. 2017-0082, February 8, 2017

Motion No. 2003-1137, November 25, 2003

Amount of Funding:

\$2,749,900.00 From Fund No. 8300 – Water and Sewer System Operating Fund

\$1,374,950.00 Allocation for FY18 (January 2018– June 2018)

\$1,374,950.00 Allocation for FY19 (July 2018 – December 2018)

Contact Information:

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ATTACHMENTS:**Description**

Prior Year Council Motion

Form 3

Prior Year RCA

FY18 Budget Analysis

FY18 Annual Budget

Contract

SAP Document

Finance Funding Document

Budget Annual Permits, Renewal, Membership Fees

Cover Sheet

Type

Backup Material

Backup Material

Backup Material

Backup Material

Backup Material

Contract/Exhibit

Backup Material

Financial Information

Backup Material

Signed Cover sheet