



This is an update from the originally submitted item. This update was made before court and reflects what the court voted to approve. The original submission is recapped on the request for court action report at the end of this item.

Harris County Commissioners Court

Request for Court Action

Primary Department: County Administration

Primary Department Head/Elected Official: Diana Ramirez, County Administrator

Secondary Department: County Engineer

Secondary Department Head/Elected Official: Dr. Milton Rahman, Executive Director / County Engineer

Regular or Supplemental RCA: Regular RCA

Type of Request: Discussion Item

Project ID (if applicable): N/A

Vendor/Entity Legal Name (if applicable): N/A

MWBE Contracted Goal (if applicable): N/A

MWBE Current Participation (if applicable): N/A

Justification for 0% MWBE Participation Goal: N/A - Goal not applicable to request

Grant Indirect Costs Rate (if applicable): N/A

Justification for 0% Grant Indirect Costs Rate (if applicable): N/A - Not a grant item

Request Summary (Agenda Caption):

..**title**

Request by the Office of County Administration for discussion and possible action on recommendations related to the Subdivision Drainage Program developed in collaboration with the Office of Management and Budget, the Office of the County Engineer, and the Flood Control District.

..**end**

Presented to Commissioners Court

March 27, 2025

Background and Discussion:

Approve: *See attached orders

On February 6, 2025, Commissioners Court approved the following motion:

To direct the Office of Management and Budget to work with Flood Control, County Engineering, and any relevant departments to return to Court with proposed options and recommendations using any and all County resources for closing the shortfall on the Harris County Engineering Department Subdivision Drainage Program and ensuring the implementation of the Flood Bond framework adopted by Commissioners Court. The financial analysis should include, at a minimum, the entire program showing all projects completed, projects under construction with any potential changes in contract, active projects awaiting funding, remaining available funds, and updated prioritization scores for all projects now that the project budgets have been increased.

On February 27, 2025, Commissioners Court approved the following motion:

To direct the Harris County Flood Control District to work with the Office of Management and Budget, the Office of County Administration, and any other relevant departments to develop a comprehensive report detailing the status of all projects and sub-projects within a Project ID in the 2018 Flood Bond Program. OCA will provide the report at the May 22nd meeting. The report should include, at minimum: Prioritization scores and a clear demonstration of how the Flood Bond framework is being implemented and tracked related to the prioritization of planning, designing, constructing, and funding Flood Bond projects; Financial analysis showing all projects and sub-projects completed, projects and subprojects under construction, and projects awaiting funding; List of all partnership agreements of projects and sub-projects identified as “committed,” if there are signed ILA and/or agreements, or the commitment is still in discussion; Remaining available funds; Offer recommendation that would maximize the goal of finishing projects according to the prioritization framework, with highest scoring projects finishing first; and Quarterly updates.

The recommended motions for this agenda item included at the end of this section were developed by the Office of County Administration (OCA) in collaboration with the Office of Management and Budget (OMB), the Office of the County Engineer (OCE), and the Flood Control District (FCD) and are intended to address the motions from February 6th. Today’s recommended motions address the question of how to close the OCE-identified Subdivision Drainage Program funding gap of approximately \$113 million. Other recommended motions relate to the timing of long-term direction regarding the 2018 Flood Bond and Subdivision Drainage Programs, creation of a standard reporting framework, and beginning work on an enterprise financial system replacement.

Today’s (March 27th) motions are not comprehensive yet, as we are still working on the report by FCD due back on May 22, 2025, regarding the rest of the 2018 Flood Bond Program. Members of Commissioners Court have publicly discussed revisiting the previously-identified funding gap that resulted in a hold being placed on 36 projects on February 21, 2023 (the number of projects has since changed due to grantor requirements to combine to split various projects). In addition, Court members discussed that reconsideration of the February 21, 2023, Court actions would open up the need for a broader review of the original subdivision drainage project list going back to 2018 to consider a more equal distribution of the projects across precincts.

Our intention in setting up these recommendations to come in a series of defined steps is to aid Commissioners Court in making clear-eyed, fully informed decisions on next steps with the Subdivision Drainage Program and the 2018 Flood Bond Program. We are committed to implementing the Court’s directives via approved motions to ensure the successful completion of the Subdivision Drainage Program and the 2018 Flood Bond Program.

2018 Flood Bond Program → Subdivision Drainage Improvement Program History (Condensed)

To set the stage for the OCA recommendations, it is important to revisit the many decisions Commissioners Court has made over the past seven years, and the changing project landscape (i.e., development of more detailed project scopes; cost escalation due to changing market conditions; and changes to project feasibility related to unwilling sellers, environmental permitting requirements, and unrealized partnership opportunities). It is also important to reiterate that \$2.5 billion in flood bond funding is insufficient to complete construction of all bond projects, and that this fact was identified during the early stages of the program and clearly discussed since the days leading up to the bond election. This fact has been acknowledged by Commissioners Court members and County staff since 2018.

However, this is not to say that the continuing and ever-increasing budget shortfalls are not of great concern. That is why we intend to keep Commissioners Court updated on a more frequent basis going forward.

Further, there has been a lack of clarity in Court agenda items (RCA and backup) on this topic over the years, which makes it more difficult and time-consuming to answer Commissioners Court’s questions about the program. Department heads, senior management, and staff of OCA, OCE, FCD, and OMB as well as the staff of the Court offices have spent countless hours asking and answering questions and reviewing data to understand how we got here. We are determined to improve this situation, and it will require significant changes to how information is tracked and shared.

The following entries summarize Commissioners Court meetings where the 2018 Flood Bond Program and, later, the related Subdivision Drainage Improvement Program were discussed, and in most instances, action(s) taken.

June 12, 2018

Commissioners Court unanimously approves an order calling for the Harris County Flood Control District bond election.

August 14, 2018

FCD recommends a Bond Program Project List for the bond election after receiving feedback during a series of public meetings. The list includes 237 individual line items and funding allocations with an estimated cost at the time of \$5.51 billion comprised of the following funding sources:

Bond Proceeds Projects	\$1,740,700,000	
Contingency	500,000,000	
Bond Administration	<u>10,000,000</u>	
Subtotal Bond Proceeds	\$2,250,700,000	
Remaining Bond Proceeds	\$249,300,000	Max Bond Proceeds of \$2.5 billion minus Subtotal

In addition, FCD estimates at the time that partnership/grant funding of \$2,389,261,250 could be expected to be realized, requiring additional local matching funds of \$872,493,750. The RCA states that “there exists a shortfall of approximately \$620 million,” referring to the difference between the remaining bond proceeds of \$249,300,000 and the estimated local matching funds requirement of \$872,493,750.

According to the project list, the Subdivision Drainage Improvement Program has a total cost of \$451M.

The project list was approved unanimously.

August 25, 2018

On the first anniversary of Hurricane Harvey, the FCD Bond Election passes with 85% of the vote and 6.7% voter turnout.

August 27, 2019

FCD presents a draft Prioritization Framework for implementation of the 2018 Bond Program as well as a Summary of draft Bond Project Scores with a Quartile scheduling framework. The scored projects total 99, with the following types of projects excluded from the scoring framework:

- Projects that had already been initiated,

- Several projects that were in final design or that had bid-ready construction plans prior to the bond election and could quickly be executed by bond funding,
- Buyout projects,
- Subdivision drainage improvement projects, and
- Countywide projects such as the flood warning system.

Commissioners Court approves the Prioritization Framework by a 3-2 vote.

May 19, 2020

HCFCFCD requests approval of a Bond Program Update that addresses administrative corrections, reflects secured partnership funding, provides updated cost estimates for some initiated projects, and updates the number and status of projects within the program. FCD also requests permission to acquire properties needed for project implementation that had not yet been initiated based on the Bond Prioritization Framework, including Woodridge Village property in Montgomery County contingent on City of Houston funding half the cost of acquisition, half the cost of the project to be built on the land, and its adoption of Atlas 14 in the city limits and extraterritorial jurisdiction.

According to the project list, the Subdivision Drainage Improvement Program has a total cost of \$461M.

The motions passed unanimously, while also stating that “any subsequent action to land acquisitions, such as engineering, will only commence once the project is initiated per the Prioritization Framework.”

March 9, 2021

The Budget Management Department (BMD, now OMB) presents the Capital Improvement Plan, which highlights a higher-than-projected amount of *unsecured* partner funding across the entire Flood Bond Program. This partner funding shortfall ranged from \$900M to \$1.35B “to complete all capital projects as currently constituted.”

In addition, this agenda transmittal states that the cost to complete the Subdivision Drainage Improvement Program totals \$521M. Of this amount, less than half, \$248M, is secured. The \$248M secured includes funding from the 2018 Flood Bond, 2015 Road Bonds, CDBG-DR grant funding, and local utility districts.

Commissioners Court approves the following motion:

Harris County Flood Control District shall work with Harris County Budget Management Department to develop a plan by June 30th, 2021 to address the funding gap in flood mitigation projects under the 2018 bond issuance while maintaining an equitable approach to the expenditure of funds, including plans to lobby federal, state, and local partners for the funding, identification of alternative funding options, a description of projects that are currently stalled due to incomplete funding, and how that affects the timing of project completion, and a potential timeline for a future potential bond election on the funding of current and future flood control projects.

If the county is unable to secure funding to complete all proposed projects, the plan should address how the county should prioritize the investment of existing resources to ensure equitable flood protection in compliance with the prioritization framework adopted by Harris County.

Commissioners Court unanimously approves the CIP.

April 27, 2021

BMD presents an updated financial framework to fund 100% of the Subdivision Drainage Improvement Program with non-HCFCD bond funding sources. The estimated cost of the “current framework” is \$535M, \$14M higher than the previous month’s report. With the “updated framework,” the cost is increased to approximately \$590M, by adding an estimated 10% contingency to the total cost of the Program. The “updated framework” provides \$230M HCTRA surplus revenue already transferred to Harris County, split equally by precinct, to fund the program initially. The plan also identifies future HCTRA surpluses, additional 2015 Road Bonds, and/or additional County resources as a backstop for unrealized partner funding, including replacing the 2018 Flood Bond funding with subsequent HCTRA surplus revenue transfers or Road Bonds.

Commissioners Court approves the updated financial framework unanimously.

June 29, 2021

FCD and BMD present a full funding plan for flood risk reduction efforts for FCD proposing the creation of the Harris County Flood Resilience Trust to be funded at least in part by an annual mobility transfer. In addition, the proposal calls for expansion of the Prioritization Framework to include all watershed-specific Bond Program projects (“BMD recommends that Commissioners Court expand the Prioritization Framework to apply to all watershed-specific (non-Subdivision Drainage Program or non-countywide) Bond Program projects”) and to use the expanded framework to allocate funds from the Flood Resilience Trust to bond program projects that need funding to avoid delays and be completed.

Commissioners Court approves the funding plan unanimously.

October 26, 2021

The County Engineer presents a Status Update for the Subdivision Drainage Projects. The costs for the 91 projects total \$512,490,496.

December 14, 2021

OCA recommends approval of a \$20 million allocation from the Flood Resilience Trust to advance engineering studies for high-priority flood control projects not included in the 2018 Bond Program.

Commissioners Court approves the allocation by a vote of 3-2.

April 26, 2022

FCD transmits the revised 2022 Prioritization Framework for the allocation of funds from the Flood Resilience Trust. The submission mentions subdivision drainage improvement projects as part of the list of projects that may be scored using the Prioritization Framework.

May 10, 2022

OCE recommends adding two more projects to the list of 91 to support subdivision drainage work in multiple subdivisions. OMB recommends approval of two actions to finance the Subdivision Drainage Program (now 93 total projects) through the end of 2022, providing approximately 75% of the funding needed to complete the program.

1. Allocate \$60 million in unallocated 2015 road bonds to the Subdivision Program, and
2. Due to redistricting, remove restrictions that the prior \$230 million in mobility funds allocated to the Subdivision Program be spent evenly in each precinct.

The total project costs are estimated at \$657.5M with \$571.4M being the County's share. With \$442M of County funding secured, the projected shortfall beyond 2022 is \$129.4M.

The motions are approved by Commissioners Court unanimously.

February 21, 2023

As previously directed by Court, OMB, in consultation with OCA, OCE, FCD and HCTRA to address continued cost escalation of the Subdivision Drainage Program (estimated at \$832.2M as of 2/21/23), recommends the following:

1. Fund to completion 26 subdivision projects that had advanced into the construction phase or beyond.
2. Place 13 projects (Table 1) on hold. These projects no longer have participating partners, or projects have limited impact. The projects may be resumed once partners or additional funding are identified.
3. Place 7 projects (Table 2) on hold. These projects score below 5.0 on the Prioritization Framework and have not yet progressed to procurement. They may be resumed once partners or additional funding are identified. In addition, a precinct may choose to use available funding at the precinct level to complete projects on this list.
4. Direct OMB, HCTRA, and CAO to review surplus mobility funds and subject to legal limitations, make a recommendation on additional transfers above what has been approved by Commissioners Court. The mobility transfers could be applied to the subdivision program or other drainage needs.

Commissioners Court unanimously approves recommendations 1, 2, and 4 and adds the following directive: pause the projects identified on Table 3 (totaling 23 projects) pending additional partner participation or precinct funding.

On a 4-0 vote with 1 abstention, Commissioners Court approves the allocation of the additional mobility transfer proposed by recommendation 4 to the precincts according to the distribution percentages used for the 2022 road and parks bond and to change the language of the recommendation so that it reads, in part: "subdivision program or other street drainage needs."

While Commissioners Court does not take action on the projects included in Table 2, OCE has merged the projects in Table 2 with those in Table 3 and has been reporting them in that manner since then. In addition, as reported by OCE, projects in Table 1 must be taken to Commissioners Court for approval before they can move forward.

(Note: We intend to update the above history as needed in the future in the event that any corrections or updates are needed.)

Financial Analysis

Work on the financial analysis requested by Commissioners Court is still being finalized and will be shared under separate cover. In addition, per Commissioners Court's request, OCE is undertaking the scoring of projects using the 2022 Prioritization Framework.

Application of the Prioritization Framework to Subdivision Drainage Program Projects

- The Prioritization Framework (described as the Flood Bond framework in the February 6, 2025, motion) was originally approved by Commissioners Court in 2019 (“2019 Prioritization Framework”), and did not apply to the subdivision drainage projects at that time.
- On June 29, 2021, BMD made changes (approved by Commissioners Court) to the Prioritization Framework that expanded the application of the Prioritization Framework while still explicitly not including the Subdivision Drainage Program.
- The Flood Control District provided an updated framework to Commissioners Court in April 2022 (“2022 Prioritization Framework”). While OCA could not find clearly and comprehensively documented history of the Prioritization Framework changing over time with respect to how and when it should be applied, analysis to date shows that the first mention of the application of the Prioritization Framework to the Subdivision Drainage Program appeared in the 2022 Prioritization Framework.
- In February 2023, the Prioritization Framework ratings were used to determine which Subdivision Drainage Program projects that had not yet started construction would move forward, and as a result, 57 total projects, including those already under construction, were identified to proceed. (Thus, the first motion below provides recommended funding sources for closing the shortfall as it relates to any remaining projects from the list of 57 projects approved to proceed with fully identified funding by Commissioners Court in February 2023.)

Recommended Motions and Alternatives

Motion 1: Address the \$113 million shortfall only

Motion to direct all relevant departments to fill the previously identified funding gap of approximately \$113 million for Subdivision Drainage Program projects previously classified in February 2023 as part of a group of 57 projects with a Prioritization Framework rating of 7.4 or higher using the following sources:

- A. \$50,000,000 from the Flood Control District of 2018 Flood Bond Program funds originally allocated as matching funds for the home buyout program that are no longer needed;
- B. \$30,000,000 from the Flood Control District of 2018 Flood Bond Program funds originally allocated for major maintenance projects that have alternative funding sources identified;
- C. \$19,000,000 from interest earned on METRO fund cash balance; and
- D. \$14,200,000 of Gulf of Mexico Energy Security Act (GOMESA) grant funds for projects that meet the eligible use requirements.

Alternatives include: (1) funding some or all of the projects put on hold during the February 21, 2023, Commissioners Court meeting (Table 1 projects were put on indefinite hold and Tables 2 and 3 projects were put on hold until such time as additional partners and funding could be identified to fully fund the project); (2) funding new/additional subdivision drainage projects that are not part of the original Subdivision Drainage Program project list but that result in a more equal distribution of Subdivision Drainage projects across precincts; and (3) some combination of the various motions.

The only likely funding for these alternatives would have to be identified from the 2018 Flood Bond Program, as part of the recommendations brought to the Commissioners Court on June 26, 2025, following the presentation of the information Court directed staff to prepare for May 22, 2025. In addition, these alternatives may require action to clarify the Prioritization Framework to ensure its effective implementation.

Notes on Motion 1:

- Approving the recommended motion will allow the remaining projects in the group of 57 projects with a Prioritization Framework rating of 7.4 or higher to keep progressing without delay.
- Going forward, OMB and OCE will share with Court offices all proposed fund source changes at the project level for their review and feedback, and ultimately for Commissioners Court approval.
- Currently, the only way to ensure implementation of the Prioritization Framework based on what Commissioners Court has authorized is to focus on addressing this specific shortfall as defined by OCE.

Additional Motions Focused on Program Administration

2. Motion to direct OCA to continue working with OMB, OCE, and FCD to develop any longer-term options and recommendations that may be needed regarding the funding and management of the 2018 Flood Bond Program and the Subdivision Drainage Program, with a target date of the June 26, 2025, Commissioners Court meeting (pending any other approved motions from Commissioners Court in the interim) to discuss and consider any recommendations.

Notes on Motion 2:

- Approving this motion will allow the relevant departments to work together to consider possible recommendations regarding changes that could be made to ensure effective implementation of the Prioritization Framework, while also potentially providing options for how the Prioritization Framework could be applied to (a) other Subdivision Drainage Program projects originally included as part of the 2018 Flood Bond Program, (b) other projects outside of the 2018 Flood Bond Program that have already been identified, and (c) other potential subdivision drainage projects that are yet to be identified or defined.
- We will be better prepared to provide such recommendations regarding both the Subdivision Drainage Program and the 2018 Flood Bond Program after taking into account the information to be provided by FCD (associated with Court's directive on February 27, 2025) by May 22, 2025.

3. Motion to direct OCE, FCD, OMB, and OCA to work to develop a standard reporting framework for the Subdivision Drainage Program and the 2018 Flood Bond Program to ensure Commissioners Court can easily see the status of each project, expected time to completion, how the project cost has changed over time, whether there was a change in scope, and the sources of funding for each project, and come back with a proposed reporting framework by June 26, 2025.

Notes on Motion 3:

- Approving this motion will allow for increased consistency and clarity regarding reporting on projects across both programs, drawing on the positive aspects of current reporting while also incorporating additional best practices.

4. Motion to direct OCA and US to begin working on a plan to improve the County's electronic financial system in collaboration with the Auditor's Office, OCE, FCD, OMB, and CAO to create a single system of record regarding the County's finances.

Notes on Motion 4:

- This will necessarily entail a multi-year project, but if we start working on this now, we can be much better prepared to track and report on large capital programs in the years to come.

Expected Impact:

Closing the funding shortfall as it relates to any remaining projects from the list of 57 projects that were approved to proceed with fully identified funding by Commissioners Court in February 2023, while also directing the relevant departments to explore, develop, and recommend any changes that might be needed regarding the funding and management of the 2018 Flood Bond Program and the Subdivision Drainage Program, and improving tracking of and reporting on projects, will allow for the transparent and sustainable implementation of the two programs while effectively using the Prioritization Framework.

Alternative Options:

Continue to seek other funding sources at the risk of delaying execution of the Subdivision Drainage Program. Continue the current approach to tracking and reporting on these projects. Please see alternatives to Motion 1 above.

County Strategic Plan Goal: 2. Connect our community with safe, reliable, equitably distributed, and well-maintained infrastructure.

County Strategic Plan Objective: H: Improve the condition and resilience of County transportation, flood control, and other infrastructure.

Justice/Safety Initiative (Goal 1): N/A

Infrastructure Initiative (Goal 2): H6: Expand neighborhood drainage programs.

Economy Initiative (Goal 3): N/A

Health Initiative (Goal 4): N/A

Climate/Resilience Initiative (Goal 5): N/A

Housing Initiative (Goal 6): N/A

Additional notes related to the Strategic Plan: The recommended actions support the Guiding Principle of Investing Responsibly.

Prior Court Action (if any):

Date	Agenda Item #	Action Taken
8/27/19	2.g	That the Harris County Commissioners Court approves the proposed Prioritization Framework for the Harris County Flood Control District 2018 Bond Projects.
4/26/22	229	Transmittal by the Flood Control District of the 2022 Prioritization Framework for the Allocation of Funds from the Flood Resilience Trust.
2/6/25	271	To direct the Office of Management and Budget to work with Flood Control, County Engineering, and any relevant departments to return to Court with proposed options and recommendations using any and all County resources for closing the shortfall on the Harris County Engineering Department Subdivision Drainage Program, and ensuring

		the implementation of the Flood Bond framework adopted by Commissioners Court. The financial analysis should include, at a minimum, the entire program showing all projects completed, projects under construction with any potential changes in contract, active projects awaiting funding, remaining available funds, and updated prioritization scores for all projects now that the project budgets have been increased.
2/27/25	128	To direct the Harris County Flood Control District to work with the Office of Management and Budget, the Office of County Administration, and any other relevant departments to develop a comprehensive report detailing the status of all projects and sub-projects within a Project ID in the 2018 Flood Bond Program. OCA will provide the report at the May 22nd meeting. The report should include, at minimum: Prioritization scores and a clear demonstration of how the Flood Bond framework is being implemented and tracked related to the prioritization of planning, designing, constructing, and funding Flood Bond projects; Financial analysis showing all projects and sub-projects completed, projects and subprojects under construction, and projects awaiting funding; List of all partnership agreements of projects and sub-projects identified as “committed,” if there are signed ILA and/or agreements, or the commitment is still in discussion; Remaining available funds; Offer recommendation that would maximize the goal of finishing projects according to the prioritization framework, with highest scoring projects finishing first; and Quarterly updates.

Location:

Address (if applicable): N/A

Precinct(s): Countywide

Fiscal and Personnel Summary

Service Name				
	Current Fiscal Year Cost			Annual Fiscal Cost
	Labor	Non-Labor	Total	Recurring Expenses
Funding Sources				
Existing Budget				
Choose an item.	\$	\$	\$	\$
Choose an item.	\$	\$	\$	\$
Choose an item.	\$	\$	\$	\$
Total Existing Budget	\$	\$	\$	\$
Additional Budget Request (<i>Requires Fiscal Review Request Form</i>)				
Choose an item.	\$	\$	\$	\$

Choose an item.	\$	\$	\$	\$
Choose an item.	\$	\$	\$	\$
Total Additional Budget Request	\$	\$	\$	\$
Total Funding Sources	\$	\$	\$	\$

Grants – Proposed Budget <i>(For Grants Items only)</i>				
	Labor	Non-Labor	Total	No. of Grant Years
Local Match Source - Existing Budget: Choose an item.	\$	\$	\$	
Local Match Source - Additional Budget Request: Choose an item.	\$	\$	\$	
Grant Funds Applied for/Awarded (Total)	\$	\$	\$	

Personnel <i>(Fill out section only if requesting new PCNs)</i>				
Current Position Count for Service	-	-	-	-
Additional Positions Request	-	-	-	-
Total Personnel	-	-	-	-

Anticipated Court Date: 3/27/2025

Anticipated Implementation Date (if different from Court date): Click or tap to enter a date.

Emergency/Disaster Recovery Note: Not an emergency, disaster, or COVID-19 related item

Contact(s) name, title, department: Diana Ramirez, County Administrator, Office of County Administration; Daniel Ramos, Executive Director, Office of Management and Budget; Dr. Milton Rahman, Executive Director / County Engineer, Office of the County Engineer; Dr. Tina Petersen, Executive Director, Harris County Flood Control District

Attachments (if applicable): PowerPoint and Subdivision Drainage Program tables under separate cover (still under development)

ORDER OF COMMISSIONERS COURT

The Commissioners Court of Harris County, Texas, convened at a meeting of the Court at the Harris County Administration Building in the City of Houston, Texas, on March 27, 2025 with all members present except Judge Hidalgo.

Commissioner Garcia introduced an order and made a motion that the same be adopted. Commissioner Ellis seconded the motion for adoption of the order. The motion, carrying with it the adoption of the order, prevailed by the following vote:

Vote of the Court	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Judge Hidalgo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ellis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Garcia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ramsey, P.E.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Comm. Briones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Commissioner Ellis thereupon announced that the motion had duly and lawfully carried and that the order had been duly and lawfully adopted. The order thus adopted follows:

IT IS ORDERED:

To direct the Office of County Administrator and Flood Control District to come up with a spending plan from the 2018 Flood Bond Funds. This project delivery plan should include projects, their respective spending, prioritization scores, and construction schedule for each Precinct from now to June of 2026, and that it should be presented by the May 8, 2025 Court; and to remove the \$14.2 million of GOMESA funds.

Presented to Commissioners Court

March 27, 2025

Approve: G/E

ORDER OF COMMISSIONERS COURT

The Commissioners Court of Harris County, Texas, convened at a meeting of the Court at the Harris County Administration Building in the City of Houston, Texas, on March 27, 2025 with all members present except Judge Hidalgo.

Commissioner Garcia introduced an order and made a motion that the same be adopted. Commissioner Ellis seconded the motion for adoption of the order. The motion, carrying with it the adoption of the order, prevailed by the following vote:

Vote of the Court	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Judge Hidalgo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ellis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Garcia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ramsey, P.E.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Comm. Briones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Commissioner Ellis thereupon announced that the motion had duly and lawfully carried and that the order had been duly and lawfully adopted. The order thus adopted follows:

IT IS ORDERED:

To direct all relevant departments to fill the previously identified funding gap of approximately \$99 million for Subdivision Drainage Program projects previously classified in February 2023 as part of the group of 57 projects with a Prioritization Framework rating of 7.4 or higher using the following sources: \$50 million from Flood Control District of 2018 Flood Bond Program funds originally allocated as matching funds for the home buyout program that are no longer needed; \$30 million from the Flood Control District 2018 Flood Bond Program funds originally allocated for major maintenance projects that have alternative funding sources identified; and \$19 million from interest earned on METRO fund cash balance.

Presented to Commissioners Court

March 27, 2025

Approve: G/E

ORDER OF COMMISSIONERS COURT

The Commissioners Court of Harris County, Texas, convened at a meeting of the Court at the Harris County Administration Building in the City of Houston, Texas, on March 27, 2025 with all members present except Judge Hidalgo.

Commissioner Briones introduced an order and made a motion that the same be adopted. Commissioner Ellis seconded the motion for adoption of the order. The motion, carrying with it the adoption of the order, prevailed by the following vote:

Vote of the Court	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Judge Hidalgo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ellis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Garcia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ramsey, P.E.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Briones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Commissioner Ellis thereupon announced that the motion had duly and lawfully carried and that the order had been duly and lawfully adopted. The order thus adopted follows:

IT IS ORDERED:

That the forthcoming discussions and recommendations for the Flood Bond Program, including the subdivision drainage program, should include an update on all current projects and should include expert recommendations for any potential projects.

Presented to Commissioners Court

March 27, 2025

Approve: B/E

ORDER OF COMMISSIONERS COURT

The Commissioners Court of Harris County, Texas, convened at a meeting of the Court at the Harris County Administration Building in the City of Houston, Texas, on March 27, 2025 with all members present except Judge Hidalgo.

Commissioner Briones introduced an order and made a motion that the same be adopted. Commissioner Ellis seconded the motion for adoption of the order. The motion, carrying with it the adoption of the order, prevailed by the following vote:

Vote of the Court	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Judge Hidalgo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ellis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Garcia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ramsey, P.E.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Briones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Commissioner Ellis thereupon announced that the motion had duly and lawfully carried and that the order had been duly and lawfully adopted. The order thus adopted follows:

IT IS ORDERED:

To direct OCA and Universal Services to begin working on a plan to improve the County's electronic financial system in collaboration with the Auditors' Office, OCE, FCD, OMB, and CAO to create a single system of record regarding the County's finances.

Presented to Commissioners Court

March 27, 2025

Approve: B/E



Subdivision Drainage Program

March 27, 2025

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Overview & Introduction

- On 2/6/25, OCA, OMB, HCED and FCD were directed to develop proposed options and recommendations using any and all County resources for closing the shortfall on the Harris County Engineering Department Subdivision Drainage Program
- The 2/27/25 motion gives Flood Control until the 5/22/25 Commissioners Court meeting to return with a comprehensive report on their work related to 2018 Flood Bond projects
- Thus, for today's 3/27/25 Commissioners Court meeting, we are focusing on the Subdivision Drainage Program projects and funding the gap of approximately \$113M for the projects authorized to proceed by Court in February 2023
- We recommend that any changes to prior Court Actions that placed projects on hold be considered after Commissioners Court has FCD's report (including any additional data points Court may direct staff to prepare through further motions)
- Longer-term recommendations will continue to be developed as ongoing work progresses, with a target date of the 6/26/25 Commissioners Court meeting to discuss them



Commissioners Court motions

February 6, 2025

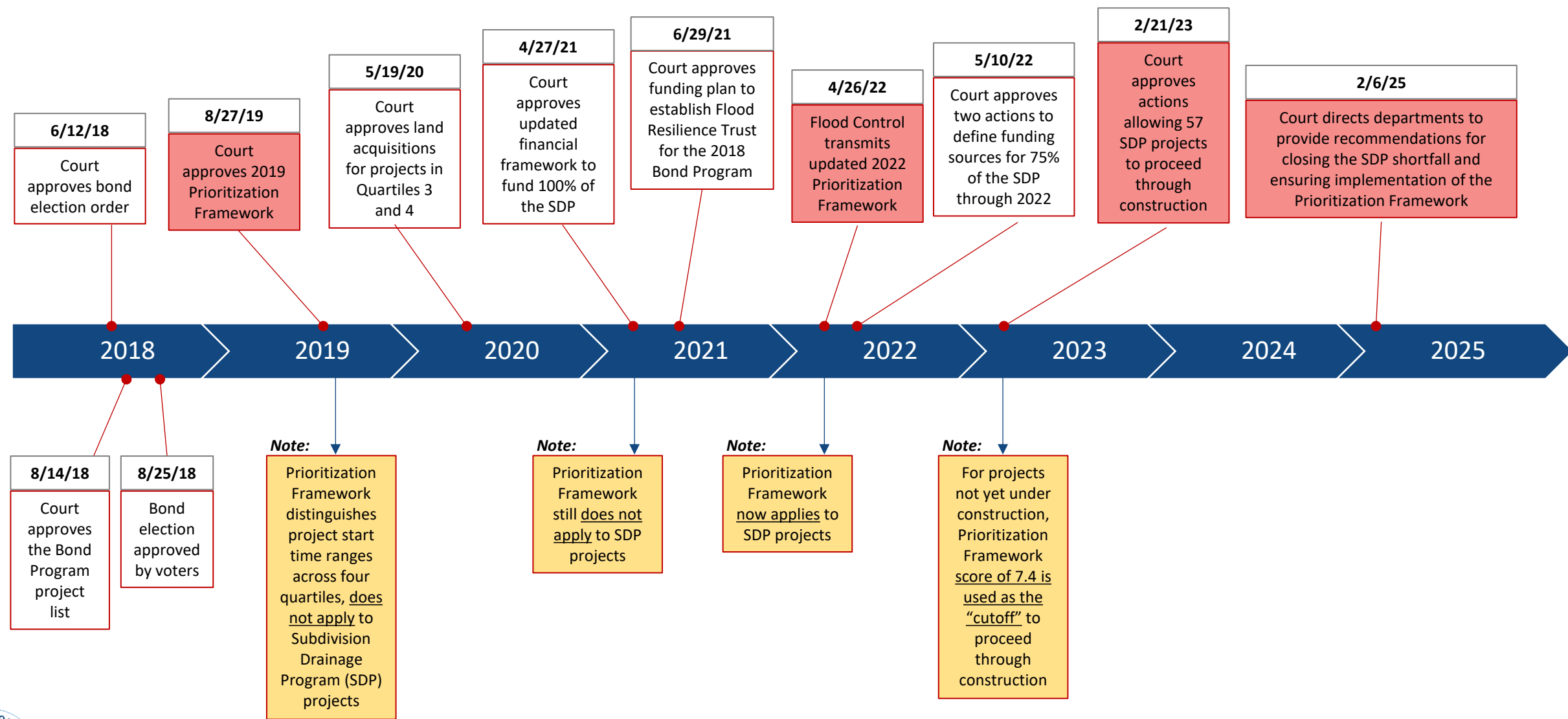
To direct the Office of Management and Budget to work with Flood Control, County Engineering, and any relevant departments to return to Court with proposed options and recommendations using any and all County resources for closing the shortfall on the Harris County Engineering Department Subdivision Drainage Program and ensuring the implementation of the Flood Bond framework adopted by Commissioners Court. The financial analysis should include, at a minimum, the entire program showing all projects completed, projects under construction with any potential changes in contract, active projects awaiting funding, remaining available funds, and updated prioritization scores for all projects now that the project budgets have been increased.

February 27, 2025

To direct the Harris County Flood Control District to work with the Office of Management and Budget, the Office of County Administration, and any other relevant departments to develop a comprehensive report detailing the status of all projects and sub-projects within a Project ID in the 2018 Flood Bond Program. OCA will provide the report at the May 22nd meeting. The report should include, at minimum: Prioritization scores and a clear demonstration of how the Flood Bond framework is being implemented and tracked related to the prioritization of planning, designing, constructing, and funding Flood Bond projects; Financial analysis showing all projects and sub-projects completed, projects and subprojects under construction, and projects awaiting funding; List of all partnership agreements of projects and sub-projects identified as “committed,” if there are signed ILA and/or agreements, or the commitment is still in discussion; Remaining available funds; Offer recommendation that would maximize the goal of finishing projects according to the prioritization framework, with highest scoring projects finishing first; and Quarterly updates.

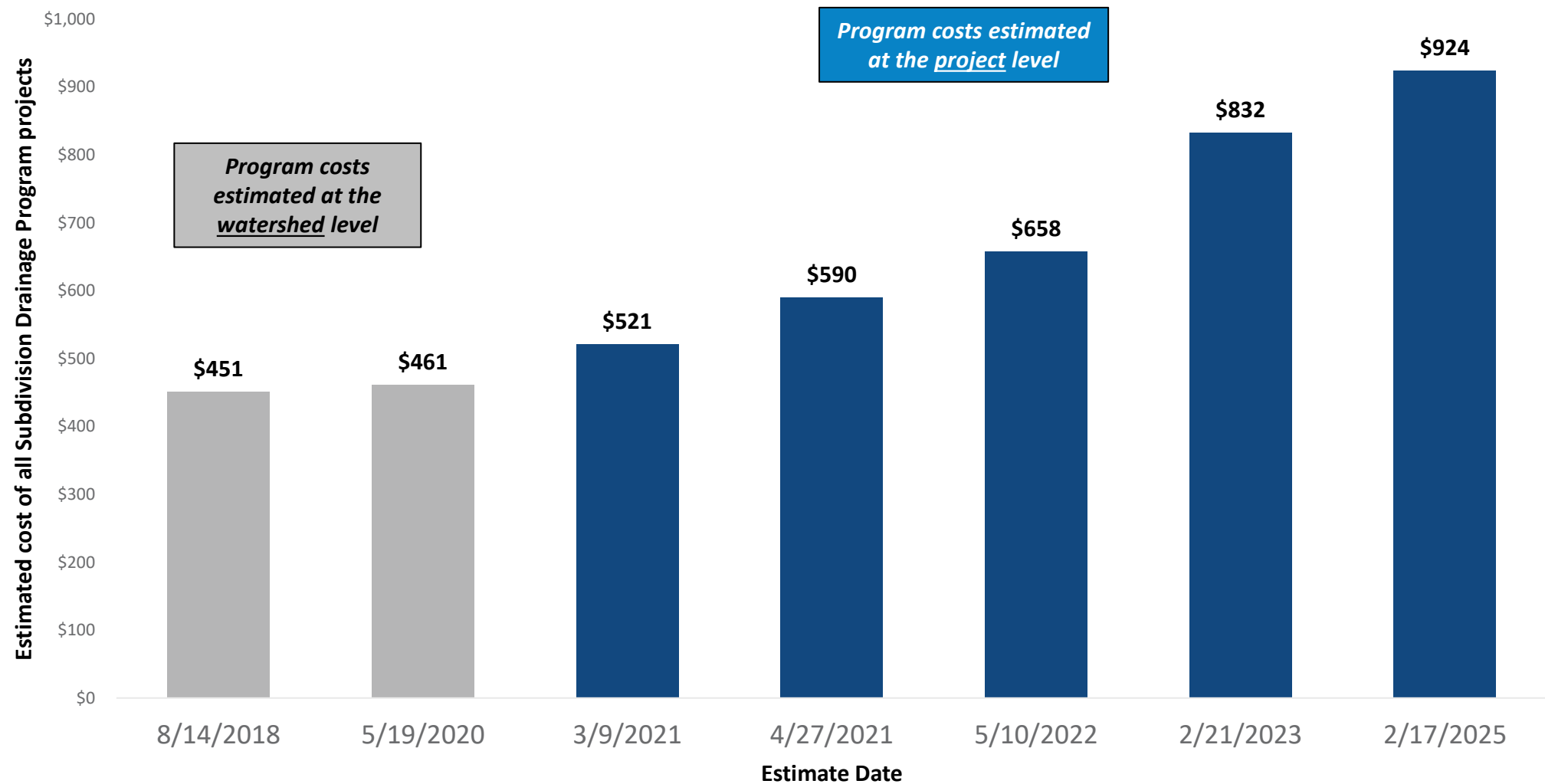


Summary Timeline of Key Actions from 2018 to Present



Note: This is a non-exhaustive summary.

Subdivision Drainage Program Costs Over Time (\$ in millions)



Subdivision Drainage Program (SDI) Funding

SDI Budget from February 21, 2023, RCA Approval

HCTRA Transfer 2021	\$201,000,000
HCTRA Flood Bond Refunding 2021	\$28,300,000
2015 Road Bonds	\$60,000,000
HCTRA Subdivision Transfer FY23	\$115,000,000
HCTRA Trust Transfer FY23	\$40,000,000
Total	\$444,300,000

Available SDI Budget

Original SDI full budget	\$444,300,000
SDI Spent/Committed - 57 Projects	\$328,856,324
Minus: SDI toward Tables 1, 2 and 3 Projects	\$24,459,414
Remaining SDI budget	\$90,984,262



Note: The \$24,459,414 in SDI funding spent on Tables 1, 2, and 3 projects was prior to those projects being put on hold on February 21, 2023.

57 Projects List – Breakdown of Cost Estimate vs Funding Available

	Precinct				Total
	1	2	3	4	
Cost estimate as of 2/17/25	\$164,361,980	\$201,413,762	\$171,996,297	\$43,606,674	\$581,378,713
Funding - Secured					
SDI: Spent	\$51,196,662	\$107,350,330	\$89,809,690	\$27,634,066	\$275,990,748
SDI: Committed	\$7,714,715	\$22,566,368	\$21,536,336	\$1,048,157	\$52,865,575
Precinct funding - Secured	\$1,307,548	\$3,073,656	\$12,906,465	\$33,796	\$17,321,464
Grant funding - Secured		\$17,311,222	\$15,150,679	\$0	\$32,461,901
Partnership funding - Secured	\$521,329	\$8,874,205	\$1,809,631	\$5,241,554	\$16,446,719
Subtotal All Secured Funding	\$60,740,253	\$159,175,782	\$141,212,800	\$33,957,573	\$395,086,408
Subtotal Budget/(Shortfall)	(\$103,621,727)	(\$42,237,980)	(\$30,783,497)	(\$9,649,101)	(\$186,292,305)
Estimated Project Delivery Cost					\$58,386,752
Anticipated Precinct/Grant/Partner funding					\$39,876,697
Subtotal Budget/(Shortfall)					(\$204,802,360)
Remaining SDI Budget					\$90,984,262
Funding Shortfall Identified by OCE					(\$113,818,098)
Number of Projects*	14.5	13.5	26.0	3.0	57.0

*Precincts 1 and 2 each share a project that crosses precinct boundaries.

Notes: (1) Costs for projects in multiple precincts were split across the precincts evenly for this summary table.
 (2) These are cost estimates based on currently known conditions. Delays and market conditions may cause further cost escalation.



Tables 2/3 Projects List – Breakdown of Cost Estimate vs Funding Available

	Precinct				Total
	1	2	3	4	
Cost Estimate as of 2/17/25	\$50,300,816	\$71,572,369	\$136,502,684	\$37,691,903	\$296,067,773
Funding - Secured					
SDI: Spent	\$8,042,380	\$3,543,747	\$8,107,131	\$1,231,288	\$20,924,546
SDI: Committed	\$170,038	\$79,543	\$422,388	\$317,812	\$989,780
Precinct funding - Secured	\$1,424,852	\$639,755	\$18,938,145	\$7,431,270	\$28,434,021
Grant funding - Secured	\$37,500,000	\$37,500,000	\$6,001,564	\$0	\$81,001,564
Partnership funding - Secured	\$0	\$0	\$14,699,978	\$0	\$14,699,978
Subtotal All Secured Funding	\$47,137,269	\$41,763,045	\$48,169,205	\$8,980,370	\$146,049,889
Subtotal Budget/(Shortfall)	(\$3,163,547)	(\$29,809,325)	(\$88,333,479)	(\$28,711,533)	(\$150,017,884)
Estimated Project Delivery Cost					\$22,502,683
Anticipated Grant/Partner funding					\$43,385,424
Subtotal Budget/(Shortfall)					(\$129,135,142)
Number of Projects*	3.0	3.0	13.0	2.0	21.0

*Two of the five original Table 2/3 projects (Pine Trails, Phase 1/2) in Precinct 2 were combined with a "57" project at the grantor's request.

Note: Secured partner funding includes \$14,699,978 of Z-funding.



Table 1 Projects List – Breakdown of Cost Estimate vs Funding Available

	Precinct				Total
	1	2	3	4	
Cost Estimate as of 3/25/25	\$305,368	\$11,533,403	\$34,482,948	\$0	\$46,321,719
Funding - Secured					
SDI: Spent	\$0	\$0	\$3,346,428	\$0	\$3,346,428
SDI: Committed	\$0	\$0	\$230,345	\$0	\$230,345
Precinct funding - Secured	\$0	\$0	\$0	\$0	\$0
Grant funding - Secured	\$0	\$0	\$0	\$0	\$0
Partnership funding - Secured	\$0	\$0	\$0	\$0	\$0
Subtotal All Secured Funding	\$0	\$0	\$3,576,773	\$0	\$3,576,773
Subtotal Budget/(Shortfall)	(\$305,368)	(\$11,533,403)	(\$30,906,175)	\$0	(\$42,744,946)
Estimated Project Delivery Cost					TBD
Anticipated Grant/Partner funding	\$0	\$0	\$0	\$0	\$0
Subtotal Budget/(Shortfall)					(\$42,744,946)
Number of Projects	1.0	2.0	10.0	-	13.0



Recommended motions (1/4)

Motion 1: Address the \$113 million shortfall only

Motion to direct all relevant departments to fill the previously identified funding gap of approximately \$113 million for Subdivision Drainage Program projects previously classified in February 2023 as part of a group of 57 projects with a Prioritization Framework rating of 7.4 or higher using the following sources:

- A. \$50,000,000 from the Flood Control District of 2018 Flood Bond Program funds originally allocated as matching funds for the home buyout program that are no longer needed;
- B. \$30,000,000 from the Flood Control District of 2018 Flood Bond Program funds originally allocated for major maintenance projects that have alternative funding sources identified;
- C. \$19,000,000 from interest earned on METRO fund cash balance; and
- D. \$14,200,000 of Gulf of Mexico Energy Security Act (GOMESA) grant funds for projects that meet the eligible use requirements.

Notes on Motion 1:

- Approving the recommended motion will allow the remaining projects in the group of 57 projects with a Prioritization Framework rating of 7.4 or higher to keep progressing without delay.
- Going forward, OMB and OCE will share with Court offices all proposed fund source changes at the project level for their review and feedback, and ultimately for Commissioners Court approval.
- Currently, the only way to ensure implementation of the Prioritization Framework based on what Commissioners Court has authorized is to focus on addressing this specific shortfall as defined by OCE.



Recommended motions (2/4)

2. Motion to direct OCA to continue working with OMB, OCE, and FCD to develop any longer-term options and recommendations that may be needed regarding the funding and management of the 2018 Flood Bond Program and the Subdivision Drainage Program, with a target date of the June 26, 2025, Commissioners Court meeting (pending any other approved motions from Commissioners Court in the interim) to discuss and consider any recommendations.

Notes on Motion 2:

- Approving this motion will allow the relevant departments to work together to consider possible recommendations regarding changes that could be made to ensure effective implementation of the Prioritization Framework, while also potentially providing options for how the Prioritization Framework could be applied to (a) other Subdivision Drainage Program projects originally included as part of the 2018 Flood Bond Program, (b) other projects outside of the 2018 Flood Bond Program that have already been identified, and (c) other potential subdivision drainage projects that are yet to be identified or defined.
- We will be better prepared to provide such recommendations regarding both the Subdivision Drainage Program and the 2018 Flood Bond Program after taking into account the information to be provided by FCD (associated with Court's directive on February 27, 2025) by May 22, 2025.



Recommended motions (3/4)

3. Motion to direct OCE, FCD, OMB, and OCA to work to develop a standard reporting framework for the Subdivision Drainage Program and the 2018 Flood Bond Program to ensure Commissioners Court can easily see the status of each project, expected time to completion, how the project cost has changed over time, whether there was a change in scope, and the sources of funding for each project, and come back with a proposed reporting framework by June 26, 2025.

Notes on Motion 3:

- Approving this motion will allow for increased consistency and clarity regarding reporting on projects across both programs, drawing on the positive aspects of current reporting while also incorporating additional best practices.

Recommended motions (4/4)

4. Motion to direct OCA and US to begin working on a plan to improve the County's electronic financial system in collaboration with the Auditor's Office, OCE, FCD, OMB, and CAO to create a single system of record regarding the County's finances.

Notes on Motion 4:

- This will necessarily entail a multi-year project, but if we start working on this now, we can be much better prepared to track and report on large capital programs in the years to come.

Next Steps

- OCE is in the process of finalizing updated Prioritization Framework scores for the original 90+ Subdivision Drainage Program projects and reviewing the scores with the Precinct Offices
- FCD will work with OCA, OMB, and others as needed to keep Court offices updated in advance of their completion of the report for the 5/22/25 Commissioners Court meeting
- OCE and OCA are completing the QA/QC on the project list to finish the project-level reporting of all projects completed and projects under construction with any potential changes in contract
- OCA, OCE, FCD, and OMB will continue to work with the Court offices to develop any recommendations needed to ensure the long-term success of the two programs for presentation on 6/26/25



Appendix: Details on Recommended Funding Sources (1 of 2)

Recommended funding sources:

Matching funds for buyout program	\$50,000,000 These are matching funds set aside in bond program that we have not utilized yet.
Maintenance project funding reallocation	\$30,000,000 These are maintenance projects that could be funded out of future maintenance tax funding, pending court direction
GOMESA	\$14,200,000 Work is still underway to verify the specific projects that could be funded, but we are looking at two different strategies: 1. Funding a future construction project that meets criteria and is within the right project area. This review is underway. 2. If for some reason we aren't able to locate a project that meets the grant criteria, then we will shift to identifying a project where we could "recode" funding to use GOMESA, and reallocate the bond funding. This work is underway as well.
METRO fund interest	\$19,000,000 Interest earned on METRO fund cash balance
TOTAL	\$113,200,000

Appendix: Details on Recommended Funding Sources (2 of 2)

Guidelines for use of each of the recommended funding sources:

	Geographic Usage	Permitted Uses	Non-permitted Uses
HCTRA Mobility Funds Funds 1070 & 1080	Countywide	Roadway ditches, channels, detention ponds, conduits, drains and outlets to reduce roadway ponding effects and mitigate runoff	General mitigation costs: There must be an appropriate nexus to roads, streets, or highways.
METRO General Mobility (GMP) Fund 3002	Within METRO Service Area	Making drainage improvements as reasonable and necessary for effective use of transportation facilities	General mitigation costs
Road & Bridge Bonds	Countywide	Street drainage	General mitigation costs
Flood Control Bonds	Countywide	Flood control projects for FCD, including land, ROW, easements, structures, detention basins, channel modifications, and other suitable works for use in connection with flood damage reduction	Items not listed in permitted uses or projects not done for FCD



Harris County, Texas

1001 Preston St., 1st Floor
Houston, Texas 77002

Commissioners Court

Request for Court Action

File #: 25-1998

Agenda Date: 3/27/2025

Agenda #: 28.
