



ACTION ITEM REPORT

- Item Title:** City Manager Report
- A. Wastewater Collection System & Upgrade
 - B. Water Treatment Plant Expansion
 - C. Street Project
 - D. Drainage
 - E. Whipple Road
 - F. COVID-19
 - G. Veteran's Memorial
 - H. Water Funding
 - I. Wastewater Funding
 - J. Senior Citizens Program

Recommendation:

A. Wastewater Collection System & Upgrade - We have about \$700,000 in grant funds to complete additional projects at the Wastewater Plant. We received approval from TWDB to allow us to utilize the funds for areas that need improvement at the plant. Hanson Professional Services is working with TWDB to get the approval so we can get bids.

Additionally, the sewer relocation project on FM 1575 that is required by TxDot is almost complete.

B. Water Treatment Plant Expansion – There are only little items left to be completed. It is taking a long time due to certain products not being available. The plant is not operational at this time waiting for some tanks for chemicals to arrive and be installed, some vales and more of the electronic functions to be operational. We should start producing water by mid-April.

TCEQ conducted an inspection of our reservoirs. We are working on a plan to address the recommendations.

C. We have received a grant award for \$500,000 for the CDBG funding for the next cycle to repair 7th from Palma to Fresno; 9th from Mesquite to Olmo; 5th from Mesquite to Palma. We have solicited bids and should have it for approval in the April meeting.

Other streets in need of repair but not funded include (We have applied for a \$750,000 grant and should know it February if we received the grant): Canal from 1847 to Mesquite; Mesquite from 100 to Canal; 1st from Nogal to the cul-de-sac; 2nd from 1847 to Alamo; Ebano from 100 to 3rd; Nogal from 10th to the shooting range as well as a few others. We are working on a financing plan to address these issues as well as targeting East 1st Street and East 5th Street since both have never been developed. We discussed this several months ago regarding borrowing the funds to complete these. However, we want

to wait to determine the financial impact the water and sewer work that must be done will have on the budget and our citizens on their water, sewer and trash bill.

D. Drainage - Hanson Professional Services has made good progress on these drainage projects. The loan and grant were funded. It is \$843,704 in loan forgiveness which means a grant, free money. It also includes a zero percent interest loan for \$860,000 for the rest of the project. This will be for drainage of Resaca Escondida (south of Nature Park), drainage improvements along Whipple Road and Valle Alto Subdivision and ditches to Highway 100 and a city wide drainage study and plan. Hanson is working on the environmental clearance on the projects. This final approval of the environmental could take from 6 months to a year.

Also we have identified the back up of water along Highway 100 near the Motel and just past the school to the west of FM 1575. Both are the responsibility of TxDot. They don't see it as a major issue so are not interested in doing anything. However, as development occurs behind the Motel and along Evergreen Street soon, we will divert drainage water to the north and away from that area. We are hopeful it will be enough to make a difference during large rain events.

We sent a letter to Cameron County Drainage District # 1 on 2 areas where we feel like they as the drainage district collecting taxes in this area, should take over some drainage ditches that area currently not owned and maintained by anyone (well property is owned by the local property owner). Easements need to be acquired and then the ditches need to be cleaned and maintained. Another area of concern is south on California Road where the drainage ditches are not maintained by anyone. We are working with CCID#6, CCDD#4, the County and a developer to redirect the water. This was discussed at length with the CCDD#1 Board. It was agreed to look at one area at a time to see how this can be dealt with. The concern is if CCDD#1 agrees to take over this area or these areas, it will open the door for many others. I have suggested the CCDD#1 staff to look at all areas that need to be taken over, calculate initial costs and then ongoing costs on an ongoing basis to determine how this can be done. As of now they say it is not in their budget to do these types of things.

E. Whipple Road – Engineering is in progress. They are currently identifying all the utilities that are near the roadway and may need to be moved. If you have driven the road you will see all kinds of small flogs indicating locations of the utilities. Construction is scheduled in 2026.

F. COVID-19 - The total amount of funds that we received is \$1,941,898.48. There are still some amounts that I am waiting to come in before I can provide you with an accurate accounting of all the projects that have been approved by the Council but we estimated that all the funds will be utilized once all the projects are done.

G. Veteran's Memorial – Landscaping is being installed. Some items of concern have been identified for them to correct. Once it is complete we will decide on a date to hold an event.

H. Water Funding - We have continued to seek funding in any means possible for upgrades that are needed as part of a system wide study we conducted about 8 years ago. We were notified last week we were approved for funding in the amount of \$13,252,290. TWDB let us know the offering of funding; Loan Forgiveness (grant) for \$9,063,103 or 68.4%, Zero Percent Loan for \$2,190,000 or 16.5%, Equivalency Loan at an interest rate of about 3% for \$1,999,187 or 15.1%. This will require an increase in water rates but we will have to run all the numbers and see how the wastewater is funded as well before we put it all together. It was scheduled to get final approval from TWDB in March but have delayed that due to the need to update the CCN with us and Olmito Water Supply.

I. Wastewater Funding - We have continued to seek funding in any means possible for upgrades that are needed as part of a system wide study we conducted about 8 years ago. We were notified last week we

were approved for funding in the amount of \$5,867,618. TWDB let us know the offering of funding: Loan Forgiveness (grant) for \$4,082,618 or 69.6% and an Equivalency Loan at an interest rate of about 3% for \$1,785,000 or 30.4%. This will require an increase in water rates but we will have to run all the numbers and see how the wastewater is funded as well before we put it all together. This was scheduled to get final approval from TWDB in March but is delayed waiting to see what happens on the water side.

J. Senior Citizen's Program - I have made a change for the program to be directly under my supervision the same way the Community Health Program is. See the attached calendar of events for March. As you can see there is a full schedule of events. Also attached is the numbers of folks we have. As previously mentioned, bingo is popular and other events have little to no interest. All seems to be moving along smoothly.