



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
 - K. Boys & Girls Club Quarterly Report

Recommendation:

A. Wastewater Collection System & Upgrade - We have about \$550,000 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 on the engineering portion of the project to submit for approval.

Additionally, the sewer relocation project on FM 1575 that is required by TxDot will begin construction as soon as we have good weather.

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 operational.

TCEQ conducted an inspection of our reservoirs. We have met with Hanson to develop a plan to address the recommendations but their fee was costly so I will pursue other options.

C. Street Repairs - Work is complete on all streets. We have 1 more inspections to complete and then will release the final payment to end the project.

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 received approval for the engineering work to begin. The plans are 100% complete and being reviewed by TDA. Once approved by them we can proceed to the bidding process. Hopefully that puts us in line for construction by the first quarter of 2025.

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 - This is in TxDot's corner at this time. There have been no updates since the last meeting. This is to widen Whipple Road. The plans call for 2 driving lanes of 12 feet each, a center turn lane 14 feet wide and a 5 foot sidewalk on each side and bike lanes on each side. The Final Engineering Plans are being worked on. Construction is scheduled in 2026 but hopefully we can get funding moved up sooner.

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.

G. Veteran's Memorial - Construction is getting close to the end with drainage, lighting, landscaping and clean up needed but it has been wet over the last few weeks so no work have been done recently.. 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 has finally 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.

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 will then let us know if there loan forgiveness (grant) is included and what interest rate it would be on the loan amount. Last time we qualified for a zero percent loan.

J. Senior Citizen's Program - See the attached calendar of events for January. Since our meeting in December, there was a major change in the program. LRDVDC announced all meals will be congregate (provided in the center) and not available for pickup beginning February 3. This is not just a decision for Los Fresnos. It is for the entire region and some had already been forced to do this. This is will be a huge impact since many folks are getting meals because they pick them up but won't come to the center to eat. We are doing our best to convince them to do that. The other big change is that it requires a 40-hour work week for the program since it requires the programing as it was prior to COVID. We have met with Amigos De Valle since they provide the meals. They had said we would have to purchase coolers because they would not deliver daily. Of course we pushed back on that and they finally agreed to deliver daily so that saves us money and time. Staff has met and planned not only for January but for the change and the impact that will have and are working on the calendar for February. As we formulate data we will give that to you.

K. Boys & Girls Club Quarterly Report - See attached.