



ACTION ITEM REPORT

- Item Title:** City Manager Report
- A. Wastewater Treatment Plant & Wastewater Collection System
 - B. Water Treatment Plant & Water Distribution System
 - C. Street Projects
 - D. Drainage
 - E. Whipple Road
 - F. Hike & Bike Trail
 - G. COVID 19 Funds

Recommendation: No significant changes from last month.

A. Wastewater Treatment Plant & Wastewater Collection System - 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. TWDB has finally responded so we are moving closer to getting the project to bid.

Wastewater Funding - We have funding approved for funding in the amount of \$5,867,618 through TWDB. We were awarded, 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%. The loan and loan forgiveness is on this agenda for approval. The interest rate came in at an average of 2.75%. The paperwork on the loan and grant transaction is complete. Guzman & Munoz Engineering is working on the final plans for us to review. We should have that complete by the end of April.

B. Water Treatment Plant & Water Distribution System – This project is complete.

TCEQ conducted an inspection of our reservoirs. Work on the reservoir banks and removing the silt are the major issues that need to be addressed. We don't have a plan of action yet as the cost is very high. We are looking for funding and less expensive alternatives.

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. TWDB is seeking to pull this project since it has been a long time. Alex & Albert have been helpful in contacting officials to help us keep the funding.

C. Street Projects - We 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; First Street from Nogal Street to the cul-de-sac. The paving has been done on all of them except First Street from Nogal Street to the cul-de-sac. This project is complete.

Other streets in need of repair but not funded include: Canal Street from Arroyo Boulevard (FM 1847) to Mesquite Street; Mesquite Street from Ocean Boulevard (SH 100) to Canal Street; 2nd Street from Arroyo Boulevard (FM 1847) to Brazil Street; Ebano Street from Ocean Boulevard (SH 100) to 3rd Street; Nogal Street from 10th Street 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. The Master Drainage Plan is almost complete. The construction projects are close to being ready for bidding in the next few months.

There is also a backup of water along Highway 100 just past the school to the west of FM 1575 around the Longhorn Lane area. This is the responsibility of TxDot. They don't see it as a major issue so are not interested in doing anything. I will be working with TxDot, the School, the County and Drainage District # 1 to try to improve the drainage there.

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#1, the County and a developer to redirect the water. This was discussed again at length with the CCDD#1 Board. They continue to not want to take over that drainage problem. 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. It appears that CCDD#1 will be working on a process to help with these areas over time. I will update as that occurs.

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.

F. Hike & Bike Trail – This project is moving along with TxDot and CCRMA's assistance.

G. COVID 19 Funds - 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.