



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

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 is wanting more information so we are providing that.

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 has the final plans completed and Carlos, Raul and I have reviewed the plans with Jose Munoz. We are waiting for TWDB for approval. Then hopefully we can go out for bids.

B. Water Treatment Plant & Water Distribution System - 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. Hanson is submitting a grant to get this done.

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 and now with East Rio Hondo Water Supply. Guzman & Munoz Engineering are still working with on the CCN to get those changes approved.

C. Street Projects – I presented the list of streets, estimates from Hanson and possible funding sources. The goal is to relocate the road side ditch closer to the outer edges of each side of the new 80-foot right-of-way.

I have authorized Hanson to get the entire south side done since there are no driveways. Hanson will work with the developer on the south to get that done when they do the 2 entrances to the development. Some of that work is already required to be done by the developer. Hanson will work with the developer to get the rest done. Hanson will get with us if there is an additional cost.

To do all the north side is too expensive since it includes replacing all the drives now and then possibly having to adjust them later when the road is widened. I have authorized Hanson to get the north side done in all areas except in front of the existing driveways/homes. Hanson will get with the developer to do any extra work needed when the 2 entrances to the development are done. Hanson will get with us if there is an additional cost.

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. The drainage of Resaca Escondida (south of Nature Park) was approved on June 27. Construction should start soon. The drainage project for Valle Alto Subdivision and ditches to Highway 100 have been bid. We are waiting for TWDB to approve the bids. Once that is done it can be approved by the Council and construction begin. The drainage improvements along Whipple Road are waiting for the railroad approval. The city wide drainage study and plan has been completed and approved.

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. We have met with TxDot and Union Pacific Railroad on the railroad crossing and how that needs to be handled. Due to delays with the approvals from Union Pacific Railroad, it seems the construction will be in 2028.

F. Hike & Bike Trail – This project is moving along with TxDot and CCRMA's assistance. We have met with TxDot and Union Pacific Railroad on the railroad crossing and how that needs to be handled. They are requiring we cross at Canal Street on the north and 8th Street on the south instead of going straight across the railroad at the appropriate place. This will cause confusion and be senseless. They

say the requirement for new crossings is for every new crossing of the railroad we must close 3 crossings. We can't meet that requirement. The ridiculous issue is the requirement to go to Canal Street and 8th Street, we would still have to go behind the railroad crossing arms and create a new crossing, so why not just allow the crossing where it is actually needed. It doesn't make sense.

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.