



# MEMORANDUM

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**TO:** Richard McNabb, Mayor  
City Council Members

**FROM:** Stevie Cox, City Manager

**VIA:** Rodney Johnson, Public Services Director  
Crystal Postell, Finance Director

**DATE:** August 5, 2024

**REF:** Designation of Distress Under the Viable Utility Program Resolution

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**Summary:**

This is a request to approve the Designation of Distress Under the Viable Utility Program Resolution.

**Background:**

The City of Trinity has been identified through the process approved by the State Water Infrastructure Authority (SWIA) and the Local Government Commission (LGC) as being potentially distressed, based on the financial, managerial, and technical challenges faced by the City of Trinity and which affect the long-term sustainability of the utility, as supported by the most recent assessment score which is above the designation threshold for the first time. The City has held this designation due to the Sewer Enterprise Fund not being self-sufficient and operating at a deficit. Over the last two Fiscal Years, the City Council has taken steps to make the Sewer Enterprise fund at least break event. Staff will continue to work with the City Council get this designation removed.

The passage of this resolution will allow the City to be more competitive in securing state grant assistance for study and/or construction projects, training and education, and other related assistance in support of becoming a viable utility.

**Recommendation:**

Staff is requesting that the City Council approve and adopt the Resolution of Designation of Distress Under the Viable Utility Program.

**Attachment:**

Resolution of Designation of Distress Under the Viable Utility Program