ACTION REQUESTED
Approve by resolution a request from the City of Mercedes (Hidalgo County) for $25,500 in a grant from the Flood Infrastructure Fund for planning of a sewer and drainage system GIS mapping and hydraulic study.

STAFF RECOMMENDATION
☑ Approve  ☐ No Action

PROJECT NAME AND NUMBER
Storm Sewer and Drainage System GIS Mapping and Hydraulic Study, Project Number 40140.

BACKGROUND
Passed by the 86th Texas Legislature and approved by voters through a constitutional amendment, the Flood Infrastructure Fund (FIF) was created to provide funding for flood mitigation projects. The purpose of the FIF, as outlined in Senate Bill 7 is to assist in financing drainage, flood mitigation, and flood control projects. FIF projects presented for consideration have been scored and ranked using prioritization criteria outlined in 31 Texas Administrative Code § 363.404 and further specified in the Flood Intended Use Plan. The prioritized list of projects was approved by the Board on September 17, 2020.

The City of Mercedes (City) is located in southeastern Hidalgo County, approximately 14 miles west from Harlingen. It is bordered to the west by City of Weslaco and to the east by City of La Feria (Cameron County). The City is approximately 11.9 square miles and has a population of approximately 15,588.

The area regularly experiences flooding issues. During recent years, the area received disaster declarations for severe storms during 2015, 2016, 2018, and 2019, and in 2020 for tropical storms Marco and Laura, and Hurricane Hanna. Each event resulted in severe structure flood damage causing the displacement of residents from their homes.

PROJECT NEED AND DESCRIPTION
The City’s existing storm sewer system has been developed over the span of many decades and consists of many different sections and components, including storm drains and ditches. The City does not have a complete and cohesive city-wide storm system mapping, and the maps they have are not in a digital GIS format. The City’s existing drainage ditches, which are not mapped, are an intrinsic and critical component of the citywide drainage infrastructure because much of the isolated storm sewer systems outfall into these ditches.

Mapping and hydraulic analysis of the City’s drainage system are needed to help as planning tools and to assist in the analysis of flood-prone areas. These mapping tools are
essential when making decision regarding drainage and flood mitigation infrastructure improvements.

The City’s proposed GIS mapping project consists of surveying, documenting, and collecting crucial data pertaining to the various components of the City’s storm sewer system. Important data to be collected and incorporated into the GIS Mapping include depth of the catch basins, grate sizes, direction of flow, pipe size and depth, pipe materials, and notes regarding the current state of the existing infrastructure. The data will then be transferred into a digital interactive map of the City allowing users the ability to navigate throughout the map and select a specific point that will reflect all the data collected at that point in the system.

**PROJECT SCHEDULE**

<table>
<thead>
<tr>
<th>Task</th>
<th>Schedule Date</th>
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<tbody>
<tr>
<td>Closing</td>
<td>March 30, 2021</td>
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<tr>
<td>Field Data Collection and GIS Mapping Project Completion</td>
<td>August 31, 2021</td>
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**KEY ISSUES**

The City’s project is eligible under Category 2 of the 2020 Flood Intended Use Plan. This category of funding was designed for planning, acquisition, design and construction activities to implement flood mitigation projects. Category 2 projects are eligible to receive up to 70 percent in grant funding. Recipients of financial assistance may either use their own available funds or borrow FIF funds at zero percent for any portion of the required local share not provided through FIF grant funds.

The City qualified for a $25,500 grant under the FIF equal to 34 percent of the total project costs. The remaining 66 percent, equal to $49,500, will be contributed by the City in the form of cash. The City has provided documentation that it has sufficient funds available for its contribution. Prior to release of funds for each project phase or portion of a project phase, the City must deposit into the City’s construction account (or project account, as applicable), the City’s cash contribution of funds, based on the Board-approved grant percentage, necessary to complete the upcoming phase(s) or portion of the phase of the project, as approved by the Executive Administrator.

The funding being provided by the TWDB is in the form of 100 percent grant and therefore is not subject to our internal risk score analysis that is applied to loan. For this request, staff reviewed the City’s annual audit and funding application information to assess the City’s ability to manage existing obligations and business practices. Based on this analysis, staff believes the City has adequate capabilities to manage its obligations.

**LEGAL**

Special Conditions
- Executed Grant Agreement
- Demonstration of local share

Attachments:
1. Project Budget
2. Resolution (21- )
3. Location Map
## Project Budget Summary

**Mercedes**

### 40140 - Sewer and Drainage System GIS

**Mapping & Hydraulic Study**

<table>
<thead>
<tr>
<th>Budget Items</th>
<th>TWDB Funds</th>
<th>Local and Other Funds</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td><strong>Basic Engineering Services</strong></td>
<td></td>
<td></td>
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<tr>
<td>Planning</td>
<td>$25,500.00</td>
<td>$49,500.00</td>
<td>$75,000.00</td>
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<tr>
<td>Subtotal for Basic Engineering Services</td>
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<td>$49,500.00</td>
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<tr>
<td>Total</td>
<td>$25,500.00</td>
<td>$49,500.00</td>
<td>$75,000.00</td>
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</table>
A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
$25,500 TO THE CITY OF MERCEDES
FROM THE FLOOD INFRASTRUCTURE FUND
THROUGH
THE EXECUTION OF A GRANT AGREEMENT IN THE AMOUNT OF $25,500

(21 - )

WHEREAS, the City of Mercedes (City), located in Hidalgo County, Texas, has filed
an application for financial assistance from the Flood Infrastructure Fund (FIF) in
accordance with Texas Water Code Chapter 15, Subchapter I, to finance the planning of a
storm sewer drainage and GIS mapping project, a flood project, identified as Project No.
40140; and

WHEREAS, the City seeks financial assistance from the Texas Water Development
Board (TWDB) in the amount of $25,500 through execution of a Grant Agreement, all as is
more specifically set forth in the application and in recommendations of the Executive
Administrator’s staff; and

WHEREAS, the City will provide a local share of $49,500 in the form of a cash
contribution; and

WHEREAS, the TWDB hereby finds:

1. that the application and financial assistance requested meet the requirements of
Texas Water Code, Chapter 15, Subchapter I; 31 TAC Chapter 363, Subchapters A
and D; and the State Fiscal Year 2020 Flood Intended Use Plan (FIUP);

2. the City has demonstrated a sufficient level of cooperation among eligible political
subdivisions and has included all of the eligible political subdivisions substantially
affected by the flood project in accordance with Texas Water Code § 15.536(2);

3. that no debt obligations are to be assumed by the City for the financial assistance
and no taxes or revenues are required to be pledged by the City in accordance
with Texas Water Code § 15.536(3);

4. that the City is eligible to receive grant funding in accordance with Texas Water
Code § 15.534 and the applicable FIUP;

5. that the request for financial assistance does not include redundant funding for
activities already performed and/or funded through another source, in accordance
with the FIUP; and
6. that the City has demonstrated that the application meets the requirements of the FIUP related to the National Flood Insurance Program in the area to be served by the Project; and

7. that the Project was developed using the best and most recent available data, in accordance with the FIUP; and

8. that the current water audit has been completed by the City and filed with the TWDB in accordance with Texas Water Code § 16.0121.

NOW THEREFORE, based on these findings, the TWDB resolves as follows:

A commitment is made by the TWDB to City of Mercedes for financial assistance in the amount of $25,500 from the Flood Infrastructure Fund, to be evidenced by the execution of a Grant Agreement. This commitment will expire on July 31, 2021.

Such commitment is conditioned as follows:

**Standard Conditions:**

1. this commitment is contingent on availability of TWDB funds on hand;

2. this commitment is contingent upon the City’s continued compliance with all applicable laws, rules, policies, and guidance (as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement), including but not limited to 31 TAC Chapter 363;

**The Following Conditions Must Be Included in the Grant Agreement:**

3. the Grant Agreement must provide that the City will comply with all applicable TWDB laws and rules related to the use of the financial assistance;

4. the Grant Agreement must contain a provision requiring the City to maintain insurance coverage sufficient to protect the TWDB’s interest in the project;

5. the Grant Agreement must include a provision requiring a final accounting to be made of the total sources and authorized use of Project funds within 60 days of the completion of the Project;

6. the Grant Agreement must include a provision stating that the City shall return any grant funds that are determined to be surplus funds remaining after completion of the Project and completion of a final accounting, including any interest earned on the grant funds;

7. the Grant Agreement must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Grant Agreement
that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect;

8. financial assistance proceeds are public funds and, as such, the Grant Agreement must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256 and the Public Funds Collateral Act, Government Code, Chapter 2257;

9. financial assistance proceeds shall not be used by the City when sampling, testing, removing, or disposing of contaminated soils and/or media at the Project site. The Grant Agreement shall include an environmental indemnification provision wherein the City agrees to indemnify, hold harmless, and protect the TWDB from any and all claims, causes of action, or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments, and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials, and employees as a result of activities relating to the Project to the extent permitted by law;

10. the Grant Agreement must contain a provision requiring the City to submit quarterly status reports on the progress of the project that details information requested by the Executive Administrator. The Executive Administrator may withhold authorization to release funds from escrow or adjust the amount of funds to be released from escrow based on the receipt of the quarterly status reports and the projected quarterly needs for the project;

11. prior to release of funds for the relevant services, and if required under the TWDB's financial assistance program and if not previously provided with the application, the City shall submit executed contracts for engineering and, if applicable, financial advisor and legal services, for the Project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator;

12. prior to closing, when any portion of financial assistance is to be held in escrow or in trust, the City shall execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB;
PROVIDED, however, the commitment is subject to the following special conditions:

Special Conditions:

13. prior to closing, the City shall execute a Grant Agreement in a form and substance acceptable to the Executive Administrator; and

14. prior to release of funds for each Project phase or portion of a Project phase, the City must deposit into the City’s construction account (or Project account, as applicable), the City’s cash contribution of funds, based on the Board-approved grant percentage, necessary to complete the upcoming phase(s) or portion of the phase of the Project, as approved by the Executive Administrator.

APPROVED and ordered of record this, the 28th day of January, 2021.

TEXAS WATER DEVELOPMENT BOARD

__________________________________
Peter M. Lake, Chairman

DATE SIGNED: ___________________

ATTEST:

__________________________________
Jeff Walker, Executive Administrator
City of Mercedes
Hidalgo County

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Hidalgo County

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