PROJECT FUNDING REQUEST

BOARD DATE: August 19, 2021  PRESENTED BY: Henry Foust

ACTION
Approve by resolution a request from the City of Cameron (Milam County) for $125,000 in grant from the Flood Infrastructure Fund for planning of a flood mitigation project.

STAFF RECOMMENDATION
☑ Approve  ☐ No Action

PROJECT NAME AND NUMBER
Little River Pump Station Project, Number 40102

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 Cameron (City) is the seat of Milam County, located approximately 73 miles northwest of Austin. It has a population of approximately 5,455 and a total area of approximately 4.2 square miles.

PROJECT NEED AND DESCRIPTION
The Little River is the City’s only source of drinking water. The City’s intake pump station is located on a river oxbow and faces being cut off from the river flow because of significant erosion that has occurred upstream of the intake location caused by recent high-flow events. The City estimates that the erosion of the riverbank could cause the pump station to be cut off within 10 years. When the cut off occurs and the oxbow lake forms, there will no longer be sufficient water depth for the pump station, resulting in the loss of the City’s drinking water supply.

The proposed project includes funding for the planning of a project to replace the channel dam, raw water intake, and pump station with a new facility upstream of the oxbow. This will secure the City’s drinking water supply and make the facility resilient to future storms and flooding even if the storms change the course of the Little River.

COMMITMENT PERIOD: SIX (6) MONTHS TO EXPIRE FEBRUARY 28, 2022
PROJECT SCHEDULE

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<th>Task</th>
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<td>Closing</td>
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<td>Engineering Feasibility Report Completion (End of Planning Phase)</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 $125,000 grant under the FIF equal to 25 percent of the TWDB project cost of $500,000. The remaining 75 percent will be funded by the City through cash contribution. In addition, the City has been awarded $14,125,469 from the General Land Office Community Development Block Grant Disaster Recovery funding for acquisition, design, and construction of the project.

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

**Cameron**

40102 - Little River Pump Station

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<th>Budget Items</th>
<th>TWDB Funds</th>
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A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
$125,000 TO THE CITY OF CAMERON FROM
THE FLOOD INFRASTRUCTURE FUND
THROUGH
THE EXECUTION OF A GRANT AGREEMENT IN THE AMOUNT OF $125,000

(21 - )

WHEREAS, the City of Cameron (City), located in Milam 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 flood project,
identified as Project No. 40102; and

WHEREAS, the City seeks financial assistance from the Texas Water Development
Board (TWDB) in the amount of $125,000 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 $375,000; 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 the City has submitted a written memorandum of understanding relating to the
   management of the project watershed executed by all governing bodies of eligible
   political subdivisions located in the project watershed;

4. 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);

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

6. 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;
7. 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

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

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

A commitment is made by the TWDB to City of Cameron for financial assistance in the amount of $125,000 from the Flood Infrastructure Fund, to be evidenced by the execution of a Grant Agreement. This commitment will expire on February 28, 2022; however, the Executive Administrator may, at his discretion, grant up to one extension for a maximum of three months.

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; and

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 closing, the City must demonstrate its required local share of $375,000.

APPROVED and ordered of record this, the 19th day of August 2021.

TEXAS WATER DEVELOPMENT BOARD

________________________________________
Brooke T. Paup, Chairwoman

DATE SIGNED: ______________________

ATTEST:

________________________________________
Jeff Walker, Executive Administrator
City of Cameron
Milam County