



17-007

TITLE: Consider/Discuss/Act on a Resolution Directing the City's Finance Director to Increase the Sinking Fund for Flood Retarding Structures ("FRS Sinking Fund") Established by Ordinance NO. 2006-06-082 and Amended by Ordinance NO. 2014-10-081 ("ORDINANCES") by an Amount Equal to Two Percent (2%) of the Estimated Operation and Maintenance Costs of the Flood Retarding Structure for NRCS Lake 4 Through the Program Life of Said Flood Retarding Structure as Required by Contract and Thereafter Modifying the Amount of the FRS Sinking Fund in Accordance with the Ordinances

COUNCIL GOAL: Direction for Strategic & Economic Growth
Operational Excellence

MEETING DATE: January 3, 2017

DEPARTMENT: Development Services / Engineering

CONTACT: Michael Hebert, PE, Assistant Director of Engineering

RECOMMENDED CITY COUNCIL ACTION:

- Approval of the Resolution

ITEM SUMMARY:

- This Resolution amends the Sinking Fund originally established in 2006 for the purpose of funding Operations and Maintenance obligations identified in the "Operation and Maintenance Agreement East Fork Above Lavon Watershed Collin County, Texas, for Rehabilitated Structures 1A, 2B, 3C, 3D, 3E, 5A, and 17" and amended in 2014 to include East Fork Above Lavon Floodwater Retarding Structure Site 2A (FRS 2A) and make certain other modifications to the Sinking Fund.
- The 2014 amendment to the Sinking Fund also changed the funding source for the Sinking Fund from the City's ad valorem tax to the City's Stormwater Drainage Utility Fund and the City's Stormwater Utility Fee if the Sinking Fund can be, and is actually, funded and maintained by and through the proceeds collected in conjunction with the Stormwater Utility Fee for each fiscal year while any liability exists by reason of the obligations undertaken under the Operation

and Maintenance Agreements with the USDA-NRCS and the Texas State Soil and Water Conservation Board (TSSWCB).

- NRCS funding for the rehabilitation of FRS 4 will be administered by the TSSWCB through an agreement between the NRCS and the TSSWCB.

BACKGROUND INFORMATION:

- This agenda item is a companion item to the other NRCS/TSSWCB items that are on this agenda.
- The City is obligated by the project agreement with the NRCS and TSSWCB to assure future funding is in place for the maintenance of the structures.
- The City must agree to take on responsibility for operation and maintenance as a condition of receiving federal and state funding for the Site 4 Rehabilitation project. Their funding may pay for approximately 98% of projected costs.
- The Sinking Fund was originally established in 2006 to develop a funding mechanism for the operation and maintenance costs associated with seven NRCS-assisted structures.

FINANCIAL SUMMARY:

- The NRCS estimated the city's cost of maintenance is \$2,800 per floodwater retarding structure per year.

BOARD OR COMMISSION RECOMMENDATION:

- N/A

SUPPORTING MATERIALS:

[Resolution](#)

[Location Map](#)