

**Monthly Summary of Work
Delta Area Regional Water/Wastewater Treatment Plant
(Elsa, Edcouch, and La Villa)
Update Report**

Dos Logistics, Inc. (DL, Inc.) has compiled a summary of its work on the Delta Area Regional Water/Wastewater Treatment Plant planning services project. Comprehensive project reports and support material as they relate to respective scope items outlined in the contract are provided herein, as well as other support materials that further highlight progress and project development.

The following is a summary of the current activities, research, and analytical findings in accordance with the scope of services for the Environmental Review documents; technical evaluations and QA/QC analysis of Facility Plans; Grant/Funding Research and Submittals; Public Involvement/Stakeholders Meeting; and other related project correspondence.

Environmental Information Documents

Dos Logistics, Inc. (DL, Inc.) is currently 95% complete with the City of La Villa and City of Edcouch Environmental Review documents. DL, Inc. is currently awaiting final correspondence review for both cities from the Hidalgo County Drainage District, No. 1 to determine if further review is needed and possible permit requirements for the proposed improvements. DL, Inc. is also waiting on the National Park Service (NPS) to determine if there is any Formally Classified Land in the area of La Villa and Edcouch.

The City of Elsa is currently at approximately 60% completion - as state and federal regulatory agency correspondence requests were sent out on October 6, 2008, and are allotted a 30-day review period. Once all correspondence returns, DL, Inc. anticipates the City of Elsa ER should be completed by mid to late November.

The Regional Service Area ER is currently being finalized with inclusion of information received from the BECC Regional Water and Wastewater Facility Plan for the entire regional service area completed by the Brown and Caldwell group. The Regional report was received on October 24, 2008. Environmental Regulatory Agency correspondence has been completed and sent out as of Monday, October 27, 2008, to pertinent state and federal regulatory agencies for this project.

SUPPORT MATERIAL SUBMITTED: EXHIBIT 1

- A. Narrative Summary of the Environmental Review Study Documents
- B. Electronic Copy/CD of Draft Environmental Review Reports

Quality Assurance/Quality Control

DL, Inc. completed technical QA/QC evaluations of the Cities of Edcouch, Elsa, and La Villa BECC Water and Wastewater Facility Plans. As reported in the attached correspondence, the results of this analysis yielded some minor as well as some significant discrepancies with some areas of information reported by the BECC Brown and Caldwell consultant group.

A copy of the evaluation report and recommendation was provided to Ms. Diana Serna, UCP Director, for review and possible action.

SUPPORT MATERIAL SUBMITTED: EXHIBIT 2

- A. Correspondence to Ms. Diana Serna Regarding QA/QC Findings
- B. Facility Plan(s) Technical Evaluation Findings

Project Management and Coordination***Funding Coordination and Grant Writing***

The DL, Inc. team continued its state and federal funding coordination – specifically on eligible grant funding programs for investments in public works, economic development facilities, and water and environmental programs. Current research has yielded eligible funding programs through the *USDA; CFDA; EDA; Texas Water Development Board; and the BECC.*

In accordance with the determination of each of the cities in the project area, DL, Inc. provided technical funding application services as part of this project for submittal of the *FY09-10 BEIF/PDAP 2008 Prioritization Process for Water and Wastewater Infrastructure Projects through the BECC.* Each of the cities in the target project area were given an opportunity to participate in DL, Inc.'s technical services for the application process and only the City of La Villa elected to submit on their own. A letter was sent out to Mr. Wilfredo Mata, La Villa City Manager, advising him of the assistance available and confirming a verbal conversation with DL, Inc. staff where he indicated that the City of La Villa would not be requiring the services of DL, Inc.

Project applications and attachments were submitted to the BECC on October 24, 2008, included:

- *City of Elsa Water Treatment System*
- *City of Elsa Water Distribution System*
- *City of Elsa Wastewater Collection System*
- *City of Elsa Wastewater Treatment System*
- *City of Edcouch Water Treatment System*
- *City of Edcouch Water Distribution System*
- *City of Edcouch Wastewater Collection System*
- *City of Edcouch Wastewater Treatment Plant*
- *Delta Area Regional Wastewater Collection System*
- *Delta Area Regional Wastewater Treatment Plant*

Application information was also obtained from the USDA Preliminary Engineering Report (PER) for Wastewater Facilities grant packages, which includes application completion requirements and other eligibility information and recommendations. A copy of the release bulletin and application packet is included in this submittal.

SUPPORT MATERIAL SUBMITTED: EXHIBIT 3

- A. FY09-10 BEIF/PDAP 2008 Prioritization Process for Water and Wastewater Infrastructure Projects Applications (10 total)
- B. Correspondence to Mr. Wilfredo Mata, La Villa City Manager
- C. USDA Rural Utilities Service Bulletin 1780-3 Preliminary Engineering Report- Wastewater Facilities

Coordination with Interim Solutions

DL, Inc. representatives met with the Cities of Elsa and Edcouch to discuss solutions for a regional system including waste water and water plant regional approaches and a inter-connect option for the water system. Additional interim solutions proposed include a connection to Engleman Irrigation District to obtain raw water for the City of Elsa.

Coordination with Regulatory Agencies

During the period of performance, DL, Inc. representatives coordinated and attended meetings and/or phone conferences with multiple state and federal regulatory agencies, namely the Texas Commission on Environmental Quality (TCEQ); the Texas Water Development Board (TWDB); the United States Department of Agriculture (USDA), and the Border Environmental Cooperation Commission (BECC). The purpose of these meetings was to request information on applicable project(s) funding cycles through their agencies and the potential budget/funding availability for water/wastewater related projects.

DL, Inc. representatives also attended multiple meetings hosted by the BECC on technical training assistance for the *2008 Prioritization Process applications* – which were submitted to the BECC on October 24, 2008. DL, Inc. is also coordinating meetings with representatives from the TWDB – namely, Mr. Bruch Crawford, Mr. Jeff Walker, and Mr. Robert Ruiz of the TWDB in Austin, Texas, on the process and requirements for funding. TWDB grants are awarded on criteria of need and reviewed/considered on a first-come-first-serve basis.

Coordination of Stakeholders

The first Delta Area Regional Water/Wastewater Treatment Plant stakeholders' meeting was held on October 9, 2008, at Hidalgo County Precinct 1 Commissioner's office. All three target cities were represented at the meeting and a healthy discussion ensued on the technical, logistical, and cost issues associated with the stand-alone and/or regional treatment plant alternatives. The DL, Inc. team provided a full power point presentation highlighting the BECC Facility Plan recommendations and findings, estimated costs associated with the treatment plant alternatives, the Hidalgo County Urban County program study recommendations for "next-step" funding recommendations, and other logistical and technical issues relevant to the target communities.

DL, Inc. consultants also made the Cities aware of the upcoming grant application deadlines with the BECC for potential construction funding and the need to identify a project sponsor for the regional facilities. The various scenarios on a "stand-alone" and/or a "regional" approach were discussed and the communities agreed that they would need to bring-forth the issue with their full councils to adopt a resolution supporting the best alternative for their communities.

An educational brochure was also developed for the submittal of approximately 10,000 copies to households, businesses, and municipal buildings throughout the communities of Elsa, Edcouch, and La Villa. Stakeholders attending the meeting were advised that the brochure provided a mailing address, email address, and fax line for comments to be submitted to the consulting group. Additionally, local media was informed of the meeting and invited to participate in the public information process on this project.

SUPPORT MATERIAL SUBMITTED: EXHIBIT 4

- A. Delta Area Regional Water/Wastewater Treatment Plant Planning Project Power Point Presentation, October 9, 2008
- B. Educational Project Brochure
- C. Stakeholder Meeting Sign-In Sheet

CCN Evaluations/Applications

A review of the CCN boundaries for each of the cities was conducted in order for the consultants to determine where the cities might have to obtain CCN, file joint CCN, or release CCN to determine the water and wastewater service providers for the area.

The City of Elsa and Edcouch have determined the CCN needs and applications will be submitted for each to request CCN. Wastewater CCN applications are required.

NOTE: CCN stands for Certificate of Convenience and Necessity, which determines the water and wastewater service provider for that specific area.