

March 2009-
April 2009

Delta Area Regional Water/Wastewater Treatment Plant



Monthly Update Report

Project No.: 5007-91-2000-0310-5000-9100

DL, INC.
DOS LOGISTICS, INC.

**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; and other related project correspondence.

Preliminary Engineering Report

DL, Inc. reported preliminary data for the Municipal Water Use report for Calendar Years ending 2006, 2007, and 2008 for the City of Edcouch in accordance with the Texas Water Development Board water use survey standard format. The water use report is required by the TWDB in order for the City to qualify for any funding from the State – as these records need to be updated on a yearly basis. Additional data is needed from the City in order to finalize the water usage reports for submittal of funding applications. DL, Inc. is coordinating with the City of Edcouch Water and Wastewater Director, Mr. Pete Martinez, in order to obtain the required data. DL, Inc. engineers, including Mr. Hugo P. Gonzalez, P.E., along with Mr. Bhaskar Patel, P.E., Sanitation Engineer and Mr. Paul Vazaldua, Project Consultant, met with City officials on April 24, 2009, in order to discuss the issue and to directly tour the water and wastewater facilities in Edcouch.

SUPPORT MATERIAL SUBMITTED: EXHIBIT 1

- A. City of Edcouch Water Use Surveys – 2006, 2007, 2008
- B. Tour of Edcouch Water and Wastewater Facilities, April 24, 2009

Project Management and Coordination

Funding Strategy

As part of our funding coordination strategy, DL, Inc. completed preliminary application to the USDA Rural Development Program, which includes a compilation of required information from the City of Edcouch, such as the City's financial audit and government structure, as part of USDA's standard process to determine project eligibility under this program. As part of the preliminary application to USDA, DL, Inc. will submit the final Environmental Information Documents (EID) in order for USDA to officially certify the reports. This is an important step in the process as designation of the EID report as an official document will then allow the City to submit funding applications to both the TWDB and USDA and also categorizes the project on a higher priority for funding. The State has

State deem the systems as a health and public safety hazard, the City may qualify for 100% funding.

Utility Rate Study

DL, Inc. has collected and analyzed all the raw data needed for the Edcouch Utility Rate Study, including the City's financial reports and number of customers served. DL, Inc. project staff also consulted with State officials from TCEQ and the Texas Attorney General (AG) office regarding the study they recommended we obtain a copy of rate study conducted by the State receiver two years ago to compare the data. The Texas AG also advised us to take careful consideration of our recommendation of rates to the City as it will be critical to ensuring to City is able to properly maintain and operate the water and wastewater facilities.

TCEQ Compliance Issues

DL, Inc. project staff worked with the City of Edcouch in coordinating a meeting with the Texas AG for discussion of fees and penalties ordered by the State for treatment facility non-compliance. The State had previously filed a law suit against the City for over \$1 million. The entire City Council, along with Mr. Paul Vazaldua and Tony Barco of the Hidalgo County Urban County Program, met via teleconference with Texas AG officials. The major outcome of the meeting is that the City was able to negotiate a payment plan within a realistic timeframe, allowing for less than \$175,000 to be paid in fees and minimizing the financial burden on the City and giving them time to consider funding alternatives. DL, Inc. continues to monitor the final cost estimates prepared by Guzman and Munoz on the *final agreed order* compliance improvements as ordered by the Texas AG. DL, Inc. is also tracking the placement of the final order by the State on the Texas Register – as the schedule of improvements will not officially commence until the order is placed on the register. This is important as DL, Inc. is assisting the City of Edcouch develop a funding strategy for addressing these required improvements.

Project Status Updates

On April 21, 2009, DL, Inc. delivered a status report to the City of Edcouch to discuss items relative to grant applications and funding, progress of the Utility Rate Study, and TCEQ compliance issues. DL, Inc. reported the completion of pre-application requirements for USDA and provided information as to the process and next-steps for qualifying for funding. An overview of the TWDB requirements for completing water usage reports for the last 3 years was also discussed, and a meeting with City public works staff was requested for compilation of that data. The City was also commended on their successful meeting with the Texas AG in which they were able to negotiate a payment plan with realistic timelines for completing improvements of their wastewater facility as required by the State's final agreed order.

Coordination for Media Announcements

DL, Inc. program staff prepared a press release on behalf of the City of Edcouch regarding the City's successful efforts to negotiate a payment plan with the Texas AG on the fees and penalties imposed by the State. The announcement was published on March 18, 2009, on the Delta News.

SUPPORT MATERIAL SUBMITTED: EXHIBIT 2

- A. Press Release – March 18, 2009

EXHIBIT 1

TEXAS WATER DEVELOPMENT BOARD

Municipal Water Use Survey For The Calendar Year Ending December 31, 2006
Answer Sheet

PLEASE ENTER YOUR TWDB CODE HERE

To ensure proper check-in of your survey,
City of Edcouch Water Treatment Plant
Adkins Ave., Edcouch, Texas 78538

Please correct address information as needed.

TCEQ PWS code _____

A. GROUNDWATER INTAKE

A1. Active Wells	0
A2. Inactive/Operable	0
A3. Counties/Wells	
A4. Aquifer(s)	

A5. Source Type	Source 1 SG or PG	Source 2 SG or PG	Source 3 SG or PG	Source 4 SG or PG
A6. Supplier				
A7. Jan	gal.	gal.	gal.	gal.
Feb	gal.	gal.	gal.	gal.
Mar	gal.	gal.	gal.	gal.
Apr	gal.	gal.	gal.	gal.
May	gal.	gal.	gal.	gal.
June	gal.	gal.	gal.	gal.
July	gal.	gal.	gal.	gal.
Aug	gal.	gal.	gal.	gal.
Sep	gal.	gal.	gal.	gal.
Oct	gal.	gal.	gal.	gal.
Nov	gal.	gal.	gal.	gal.
Dec	gal.	gal.	gal.	gal.
Total	gal.	gal.	gal.	gal.
A8. % Treated	%	%	%	%
A9. Metered/Estimated	M or E	M or E	M or E	M or E

A10. SG Total _____ gallons
A11. PG Total _____ gallons

B. SURFACE WATER INTAKE

B1. Source Type	Source 1 PS	Source 2 SS or PS	Source 3 SS or PS	Source 4 SS or PS
B2. Supplier/Source	Rio Grande River HCCID # 9			
B3. WR #				
B4. Conveyed				
B5. County(ies)	Hidalgo			
B6. Jan	7,500,000	gal.	gal.	gal.
Feb	8,000,000	gal.	gal.	gal.
Mar	9,300,000	gal.	gal.	gal.
Apr	9,500,000	gal.	gal.	gal.
May	10,100,000	gal.	gal.	gal.
Jun	10,249,000	gal.	gal.	gal.
Jul	10,249,000	gal.	gal.	gal.
Aug	9,645,100	gal.	gal.	gal.
Sep	7,000,000	gal.	gal.	gal.
Oct	7,000,000	gal.	gal.	gal.
Nov	7,100,000	gal.	gal.	gal.
Dec	10,206,800	gal.	gal.	gal.
Total	105,849,900	gal.	gal.	gal.
B7. % Treated	100%	%	%	%
B8. Metered/Estimated	M*	M or E	M or E	M or E

M* - Metered from January to June. Estimated for rest of the year- meter malfunction

B9. SS Total _____ gallons
B10. PS Total 105,849,900 gallons

C. WATER SALES

	Buyer 1	Buyer 2	Buyer 3	Buyer 4
C1. Buyer				
C2. Quantity	gal.	gal.	gal.	gal.
C3. Treatment	R or T or B	R or T or B	R or T or B	R or T or B
C4. County				

D. WATER SYSTEM INFORMATION:

D1. TCEQ PWS code	(see field after survey address on page 1)
D2. Res. Population	3,297
D3. Service Conn.	891
D4. S-F Conn.	739
D5. M-F Units	26
D6. Comm./Inst. Conn.	13
D7. Industrial Conn.	0
D8. Other Conn.	0
D9. % Conn. Metered	%

	City 1	City 2	City 3	City 4
D10. City				
D11. Connections				

	County 1	County 2	County 3	County 4
D12. County				
D13. Connections				

D14. - D17.	D14. Single-Family Residential	D15. Multi-Family Residential	D16. Commercial/ Institutional	D17. Industrial
Jan	4,303,120	559,100	789,000	gal.
Feb	4,374,160	612,100	789,000	gal.
Mar	4,887,440	800,200	654,000	gal.
Apr	5,204,520	906,200	861,000	gal.
May	5,138,780	976,000	1,152,000	gal.
June	4,892,100	703,900	928,500	gal.
July	5,645,980	1,007,700	907,500	gal.
Aug	5,447,700	870,000	793,500	gal.
Sep	5,481,300	605,000	861,000	gal.
Oct	5,351,200	578,500	726,000	gal.
Nov	4,498,820	588,200	591,000	gal.
Dec	5,440,700	687,100	721,000	gal.
Total	60,665,820	8,894,000	9,773,500	gal.

D18. Total Metered	79,333,320	gallons
D19. Total Unmetered	3,000,000	gallons
D20. Total Water Loss	23,516,580	gallons
D21. Water Restrictions	0	days
D22. Primary Use		

E. REUSE (DIRECT & INDIRECT) / SALINE WATER USE

E1. Direct Reuse	Y or N
E2. Total Direct Reuse	gallons
E3. % Industrial	%
E4. % Landscape	%
E5. % Agricultural	%
E6. % Other	%
E7. Indirect Reuse	Y or N
E8. Total Indirect Reuse	gallons
E9. Saline Water	Y or N
E10. Total Saline Water	gallons
E11. Saline Water TDS	TDS (ppm)

F. COMMENTS AND CONTACT INFORMATION

F1. Comments	Pumped water records show the flow meter was not functional during months of Jan-May 06 and Sept-Nov 06 For these months flows have been estimated. Population projections for 2006 based on 3.7 persons/household (Brown & Caldwell Facility Plan 2007). Single family/multiple family/Commercial use are estimates. No data available. Unmetered flows assumed based on flushing and filter backwash etc.
F2. Name	
F3. Title	
F4. Phone	
F5. Email Address	
F6. General Email	
F7. Date	

TEXAS WATER DEVELOPMENT BOARD

**Municipal Water Use Survey For The Calendar Year Ending December 31, 2007
Answer Sheet**

PLEASE ENTER YOUR TWDB CODE HERE

To ensure proper check-in of your survey,

City of Edcouch Water Treatment Plant
Adkins Ave., Edcouch, Texas 78538

Please correct address information as needed.

TCEQ PWS code _____

A. GROUNDWATER INTAKE

A1. Active Wells	0
A2. Inactive/Operable	0
A3. Counties/Wells	
A4. Aquifer(s)	

A5. Source Type	Source 1	Source 2	Source 3	Source 4
	SG or PG	SG or PG	SG or PG	SG or PG
A6. Supplier				
A7. Jan	gal.	gal.	gal.	gal.
Feb	gal.	gal.	gal.	gal.
Mar	gal.	gal.	gal.	gal.
Apr	gal.	gal.	gal.	gal.
May	gal.	gal.	gal.	gal.
June	gal.	gal.	gal.	gal.
July	gal.	gal.	gal.	gal.
Aug	gal.	gal.	gal.	gal.
Sep	gal.	gal.	gal.	gal.
Oct	gal.	gal.	gal.	gal.
Nov	gal.	gal.	gal.	gal.
Dec	gal.	gal.	gal.	gal.
Total	gal.	gal.	gal.	gal.
A8. % Treated	%	%	%	%
A9. Metered/Estimated	M or E	M or E	M or E	M or E

A10. SG Total _____ gallons
A11. PG Total _____ gallons

B. SURFACE WATER INTAKE

B1. Source Type	Source 1	Source 2	Source 3	Source 4
	PS	SS or PS	SS or PS	SS or PS
B2. Supplier/Source	Rio Grande River HCCID # 9			
B3. WR #				
B4. Conveyed				
B5. County(ies)	Hidalgo			
B6. Jan	7,595,100	gal.	gal.	gal.
Feb	6,095,000	gal.	gal.	gal.
Mar	7,798,400	gal.	gal.	gal.
Apr	6,897,000	gal.	gal.	gal.
May	8,010,600	gal.	gal.	gal.
Jun	9,288,100	gal.	gal.	gal.
Jul	7,246,000	gal.	gal.	gal.
Aug	7,770,300	gal.	gal.	gal.
Sep	8,380,800	gal.	gal.	gal.
Oct	7,508,400	gal.	gal.	gal.
Nov	8,466,000	gal.	gal.	gal.
Dec	8,046,000	gal.	gal.	gal.
Total	93,101,700	gal.	gal.	gal.
B7. % Treated	100%	%	%	%
B8. Metered/Estimated	M*	M or E	M or E	M or E

M* - Metered from January to June. Estimated for rest of the year- meter malfunction

B9. SS Total _____ gallons
B10. PS Total 93,101,700 gallons

C. WATER SALES

C1. Buyer	Buyer 1	Buyer 2	Buyer 3	Buyer 4
C2. Quantity	gal.	gal.	gal.	gal.
C3. Treatment	R or T or B	R or T or B	R or T or B	R or T or B
C4. County				



D. WATER SYSTEM INFORMATION:

D1.	TCEQ PWS code	(see field after survey address on page 1)
D2.	Res. Population	3,352
D3.	Service Conn.	906
D4.	S-F Conn.	843
D5.	M-F Units	20
D6.	Comm./Inst. Conn.	13
D7.	Industrial Conn.	0
D8.	Other Conn.	0
D9.	% Conn. Metered	%

	City 1	City 2	City 3	City 4
D10.	City			
D11.	Connections			

	County 1	County 2	County 3	County 4
D12.	County			
D13.	Connections			

D14. - D17.	D14. Single-Family Residential	D15. Multi-Family Residential	D16. Commercial/ Institutional	D17. Industrial
Jan	4,509,880	503,500	534,000	gal.
Feb	4,792,210	300,500	554,000	gal.
Mar	5,324,660	265,000	640,000	gal.
Apr	5,561,890	550,000	838,000	gal.
May	5,626,840	728,500	1,358,000	gal.
June	6,122,990	662,000	1,154,000	gal.
July	5,209,650	453,500	778,000	gal.
Aug	5,070,930	626,500	706,000	gal.
Sep	5,532,230	860,500	772,000	gal.
Oct	4,902,410	493,500	752,000	gal.
Nov	5,328,540	774,000	818,000	gal.
Dec	5,455,730	499,000	844,000	gal.
Total	63,437,960	6,716,500	9,748,000	gal.

D18.	Total Metered	79,902,460	gallons
D19.	Total Unmetered	3,000,000	gallons
D20.	Total Water Loss	10,199,240	gallons
D21.	Water Restrictions	0	days
D22.	Primary Use		

E. REUSE (DIRECT & INDIRECT) / SALINE WATER USE

E1.	Direct Reuse	Y or N
E2.	Total Direct Reuse	gallons
E3.	% Industrial	%
E4.	% Landscape	%
E5.	% Agricultural	%
E6.	% Other	%
E7.	Indirect Reuse	Y or N
E8.	Total Indirect Reuse	gallons
E9.	Saline Water	Y or N
E10.	Total Saline Water	gallons
E11.	Saline Water TDS	TDS (ppm)

F. COMMENTS AND CONTACT INFORMATION

F1.	Comments	Population projections for 2007 based on 3.7 persons/household(Brown & Caldwell Facility Plan 2007) Single family/multiple family/commercial water usage are estimates depending on meter size. No Industrial connections assumed. The unmeterer flows are estimates for filter backwash and hydrant flushing.
F2.	Name	
F3.	Title	
F4.	Phone	
F5.	Email Address	
F6.	General Email	
F7.	Date	

TEXAS WATER DEVELOPMENT BOARD

**Municipal Water Use Survey For The Calendar Year Ending December 31, 2008
Answer Sheet**

PLEASE ENTER YOUR TWDB CODE HERE

To ensure proper check-in of your survey,

City of Edcouch Water Treatment Plant
Adkins Ave., Edcouch, Texas 78538

Please correct address information as needed.

TCEQ PWS code _____

A. GROUNDWATER INTAKE

A1. Active Wells	0
A2. Inactive/Operable	0
A3. Counties/Wells	
A4. Aquifer(s)	

A5. Source Type	Source 1 SG or PG	Source 2 SG or PG	Source 3 SG or PG	Source 4 SG or PG
A6. Supplier				
A7. Jan	gal.	gal.	gal.	gal.
Feb	gal.	gal.	gal.	gal.
Mar	gal.	gal.	gal.	gal.
Apr	gal.	gal.	gal.	gal.
May	gal.	gal.	gal.	gal.
June	gal.	gal.	gal.	gal.
July	gal.	gal.	gal.	gal.
Aug	gal.	gal.	gal.	gal.
Sep	gal.	gal.	gal.	gal.
Oct	gal.	gal.	gal.	gal.
Nov	gal.	gal.	gal.	gal.
Dec	gal.	gal.	gal.	gal.
Total	gal.	gal.	gal.	gal.
A8. % Treated	%	%	%	%
A9. Metered/Estimated	M or E	M or E	M or E	M or E
A10. SG Total	gallons			
A11. PG Total	gallons			

B. SURFACE WATER INTAKE

B1. Source Type	Source 1 PS	Source 2 SS or PS	Source 3 SS or PS	Source 4 SS or PS
B2. Supplier/Source	Rio Grande River HCCID # 9			
B3. WR #				
B4. Conveyed				
B5. County(ies)	Hidalgo			
B6. Jan	7,458,000	gal.	gal.	gal.
Feb	8,051,000	gal.	gal.	gal.
Mar	9,251,000	gal.	gal.	gal.
Apr	9,450,000	gal.	gal.	gal.
May	10,399,000	gal.	gal.	gal.
Jun	10,449,000	gal.	gal.	gal.
Jul	9,200,000	gal.	gal.	gal.
Aug	7,200,000	gal.	gal.	gal.
Sep	6,930,000	gal.	gal.	gal.
Oct	6,900,000	gal.	gal.	gal.
Nov	6,910,000	gal.	gal.	gal.
Dec	7,820,000	gal.	gal.	gal.
Total	100,018,000	gal.	gal.	gal.
B7. % Treated	100%	%	%	%
B8. Metered/Estimated	M*	M or E	M or E	M or E
M* - Metered from Januray to June. Estimated for rest of the year- meter malfunction				
B9. SS Total	gallons			
B10. PS Total	100,018,000	gallons		

C. WATER SALES

C1. Buyer	Buyer 1	Buyer 2	Buyer 3	Buyer 4
C2. Quantity	gal.	gal.	gal.	gal.
C3. Treatment	R or T or B	R or T or B	R or T or B	R or T or B
C4. County				

D. WATER SYSTEM INFORMATION:

D1.	TCEQ PWS code	(see field after survey address on page 1)
D2.	Res. Population	3,293
D3.	Service Conn.	890
D4.	S-F Conn.	832
D5.	M-F Units	21
D6.	Comm./Inst. Conn.	12
D7.	Industrial Conn.	0
D8.	Other Conn.	0
D9.	% Conn. Metered	

	City 1	City 2	City 3	City 4
D10.	City			
D11.	Connections			

	County 1	County 2	County 3	County 4
D12.	County			
D13.	Connections			

D14. - D17.	D14. Single-Family Residential	D15. Multi-Family Residential	D16. Commercial/ Institutional	D17. Industrial
Jan	5,017,680	351,500	704,000	gal.
Feb	5,347,010	514,500	612,000	gal.
Mar	5,999,810	768,500	704,000	gal.
Apr	5,911,850	1,053,500	864,000	gal.
May	6,457,890	982,500	1,294,000	gal.
June	5,971,820	606,500	932,000	gal.
July	6,005,570	606,500	932,000	gal.
Aug	4,946,310	631,000	454,000	gal.
Sep	4,579,030	290,500	658,000	gal.
Oct	4,471,620	275,000	750,000	gal.
Nov	5,215,720	550,000	590,000	gal.
Dec	4,647,860	269,500	590,000	gal.
Total	64,572,170	6,899,500	9,084,000	gal.

D18.	Total Metered	80,555,670 gallons
D19.	Total Unmetered	3,000,000 gallons
D20.	Total Water Loss	16,462,330 gallons
D21.	Water Restrictions	0 days
D22.	Primary Use	

E. REUSE (DIRECT & INDIRECT) / SALINE WATER USE

E1.	Direct Reuse	Y or N
E2.	Total Direct Reuse	gallons
E3.	% Industrial	%
E4.	% Landscape	%
E5.	% Agricultural	%
E6.	% Other	%
E7.	Indirect Reuse	Y or N
E8.	Total Indirect Reuse	gallons
E9.	Saline Water	Y or N
E10.	Total Saline Water	gallons
E11.	Saline Water TDS	TDS (ppm)

F. COMMENTS AND CONTACT INFORMATION

F1.	Comments	Pumped water records show the flow meter was not functional during months of July-Dec. 08 For these months flows have been estimated. Population projections for 2008 based on 3.7 persons/household (Brown & Caldwell Facility Plan 2007). Single family/multiple family/ commercial water usage are estimates. No data were available. Unmetered flows based on flushing & filter backwash
F2.	Name	
F3.	Title	
F4.	Phone	
F5.	Email Address	
F6.	General Email	
F7.	Date	

Site Visit of City of Edcouch Water and Wastewater Treatment Facilities
April 24, 2009

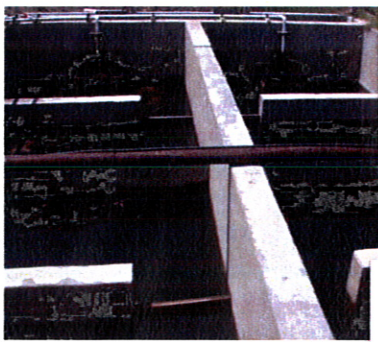


EXHIBIT 2

For Immediate Release: March 18, 2009

For More Information Contact:

Paul M. Vazaldua , Jr. – Vazaldua and Associates

(956) 451-6775

EDCOUCH LEADERS BATTLE TEXAS ATTORNEY GENERAL

Water and Waste Water Issues Still a Primary Concern for the Rural South Texas City. Over \$18 Million sought in grant funds.

Austin – Last week elected officials from the City of Edcouch swarmed into a meeting with the Texas State Attorney General who had filed a law suit against the City for over one million dollars. The Cities Mayor Pro-Tem Eddie Gonzalez had become vocal in the last two months not accepting the settlement requirements the state of Texas had set forth on the City of Edcouch. "I am not willing to accept the terms of this settlement if I know that the City cannot meet the obligations, I am demanding a meeting with the Texas Attorney General's Office and this council," said Eddie Gonzalez, Mayor Pro-Tem at last month's city council.

During the meeting last week in Austin the City was able to agree to terms of the settlement with the Texas Attorney General, allowing for less than \$175,000.00 to be paid in fees. The City was also able to negotiate a payment plan for those fees over the next three years. "I felt that we had to plea to the state, beg if I had to, so that the residents of Edcouch not get punished for something that was mismanaged in the past.

At the meeting Sara Urtlye, Assistant Attorney General applauded the City for hiring Paul M.Vazaldua, Jr. of Vazaldua and Associates who has worked with the Texas Attorney General in similar matters and completed them with great success. "What the state wants to know is does the city have a plan to keep corrected measures in place and will they do what they say they are going to do. We expressed to them that the City of Edcouch most defeniately has a plan and we are confident that the City will stick to that plan." Vazaldua said. Currently, the City of Edcouch has completed feasibility studies, preliminary engineering reports, and environmental information documents which are required to obtain state and federal funding for water and waste water improvements. "We are so proud of the City of Edcouch who has taken 100% advantage of a program put together by Commissioner Sylvia Handy for the city to stop band aid approaches to the repairs of the water and waste water system but instead, put all the needs in writing so that we can ask the state and the federal government for millions of dollars in grant funds." Vazaldua said.

Mayor Pro-Tern Eddie Gonzalez expressed that the City of Edcouch recently approved a grant submittals to the BECC, USDA, and the Texas Water Development Board. "We are looking at over \$18 million dollars in improvements to the Cities water and waste water system