

CITY OF LA GRULLA, TEXAS



PHASE 3 WASTEWATER COLLECTION SYSTEM – I DESIGN PROJECT

Bi-Weekly Design Progress Meeting #1

January 16, 2007 – 10:00 AM (CST)

Via Conference Call

Toll-Free Dial In Number: (800) 416-4956

Participant Code: 36335319#

Meeting Minutes

Naismith Engineering, Inc., (NEI) Project Engineer, Jose R. Rodriguez, P.E., called to order the Bi-Weekly Design Progress Meeting #1 for the City of La Grulla - Phase 3 Wastewater Collection System – I Design Project.

The following persons were present:

Clarita S. Cardenas, City Secretary/City of La Grulla

Javier Torres, Project Manager/BECC

Anna A. Smith, P.E., Project Manager/NEI

Jose R. Rodriguez, P.E., Project Engineer/NEI

Paolina Vega, E.I.T., Engineering Assistant/NEI

Sam Maldonado, P.E., S.I.T., Director of Engineering/J.E. Saenz & Associates, Inc.

1. Jose R. Rodriguez started with Agenda Item 1 - Administrative Items, Comments on Previous Meeting. Jose mentioned that the Meeting Minutes for the BECC Kick-Off Meeting were distributed to everybody for review and then posted on the Web Site for the City of La Grulla Design Project: http://www.neionline.com/La_Grulla/La_Grulla.htm. Javier Torres from the BECC requested that Action Item be added to the Meeting Minutes.
2. Under Agenda Item 2 - Progress Since Previous Meeting, NEI requested a Cost Proposal from Stewart Geo Technologies, Inc., of San Antonio for Aerial Surveying for the La Grulla Service Area. NEI and J.E. Saenz & Associates, Inc. (JES) recommends obtaining Aerial Surveying to prepare the Plan/Profile for the Phase 3 Wastewater Collection System – I Design Project. Javier Torres indicated that before a Formal Proposal is submitted to the BECC, he would inquire with Management about adding Aerial Services to the Design Project. NEI has also requested a Cost Proposal from JES for providing Professional Land Surveying Services needed for the proposed Design Project. Javier Torres asked the City if they had submitted a request to have the NADBank perform a Rate Study for the City. The City indicated that a request was submitted before the Holidays but had not heard back from NADBank. Javier will contact the NADBank to follow up on the request from the City. In addition, the City indicated that Community Resource Group (CRG) has completed the Water and Sewer Rate Study for La Grulla but had not released the results.

3. Under Agenda Item 3 - Planned Activities for the Week, NEI indicated that after evaluating the detailed proposal from JES, NEI would execute the Sub-Consulting Agreement for Professional Land Surveying Services with JES. The City indicated that they would coordinate with SOS to verify/update the Colonia Names and provide the corrected list to NEI. NEI will correct the Map and send to everyone for review.
4. Under Agenda Item 4 - Coordination Activities, NEI indicated that they would coordinate with JES regarding the Land Surveying Proposal and potentially Aerial Surveying. JES will initiate contact with Drash Consulting Engineers, Inc., to have them develop a Proposal for the required Geotechnical Services. BECC inquired with the City about executing the Agreement (BECC Contract No. CONTA06-043). The City indicated that would execute the Agreement shortly and forward to BECC. BECC indicated that once they receive the executed Agreement, they would execute the Contract with NEI.
5. Under Agenda Item 5 - Schedule Assessment, NEI indicated that most items under the timeline have been completed and are working on executing the Sub-Consultant Agreement with JES. The Schedule will be updated on a Monthly Basis and be posted on the Web Site.
6. Under Agenda Item 6 - Existing and Potential Problems, Conflicts, and Issues, the BECC inquired about the City's CCN Application with the Texas Commission on Environmental Quality (TCEQ). NEI indicated that they had contacted the TCEQ the week of January 8th and the TCEQ Staff indicated that they would coordinate with Ms. Tammy Benter, Team Leader of the Utilities Financial Review Section about adding a Sewer CCN Application to the process. NEI is still concerned that the TCEQ will be reluctant to proceed with a Sewer CCN unless Financial Assistance will be provided to the City for the construction of the Wastewater System Improvements. However, many Financing Agencies require that a CCN be obtained prior to providing funding for the Project. BECC will contact TCEQ about allowing the City to obtain their Sewer CCN, since funding for design has been provided.
7. Under Agenda Item 7 - Other Discussion Items, NEI indicated that a meeting was held with TWDB Staff last week regarding the TWDB's new Statewide EDAP Program. The TWDB has established three tiers of projects that can apply for funding:
 - Tier "A" projects are projects that have gone through the entire process and are ready for final approvals, bidding and construction but will require additional funds due to cost increases since the initial application. There has been \$15 million allocated for this Tier of projects. If local applicants wish to take advantage of this funding opportunity they have to submit their requests and have approvals by April 2, 2007. If they miss that deadline, the TWDB may grant an additional 90-day extension. If all issues are resolved within these deadlines the applicant loses the funding and it moves to the next Tier.
 - Tier "B" projects are those along the international border that have completed preliminary planning and engineering and were put on hold due to the legislative moratorium. \$50 million of federal funds and \$50 million of state funds have been allocated for this Tier of projects. In order to qualify for this funding an applicant will have to make procure all professional services, update their planning costs, and file an application with the TWDB by July 2, 2007 or lose their preferred standing and have to start the process over again.
 - Tier "C" projects are those that meet the new eligibility requirements and wish to apply for Phase 1 (provide a 100% grant for planning, design, permitting and land acquisition) and Phase 2 (construction funding) funding. Approximately \$20 million will be initially available but this amount could increase if those projects in Tiers A and B do not meet the deadlines imposed by the TWDB.

The City's Water and Wastewater System Improvements EDAP Project is categorized as a "Tier B" Project, where Engineering Planning/Environmental was completed, however, design and construction was not funded. NEI recommends setting up a Pre-Application Meeting with TWDB Staff, so that an

EDAP Application can be prepared/submitted and the City has a possibility of receiving EDAP Grant Funding. The City indicated that they are interested in meeting with TWDB Staff to discuss the new EDAP Program. NEI will coordinate with the City's Financial Advisor (Estrada Hinojosa & Company, Inc.) and Bond Counsel (Montalvo & Ramirez) about the TWDB EDAP Meeting.

8. Under Agenda Item 8 - Website Issues, NEI mentioned all pertinent information/documents will be posted on the NEIOnline Web Site including:
 - Project Information
 - Project Map and Schedule
 - Agendas for Bi-Weekly Conference Calls
 - Meeting Minutes
9. Under Agenda Item 9 - Next Progress Meeting, the next Bi-Weekly Design Progress Meeting (#2) is scheduled for Monday, January 29, 2007 @ 10:00 AM (CST). NEI will send out an MS Outlook Conference Call Meeting Notice and Agenda prior to the next Meeting.
10. Action Item:
 - NEI and JES will execute Sub-Consulting Agreement for Professional Land Surveying Services.
 - BECC will coordinate with BECC Upper Management to discuss adding Aerial Surveying to the Design Project.
 - BECC will follow up with NADBank regarding Rate Study request from the City.
 - The City/SOS will reconcile the Colonia Names and provide the corrected list to NEI. NEI will correct the Map and send to everyone for review.
 - JES to contact Drash Consulting Engineers, Inc., to initiate a Geotechnical Services Cost Proposal.
 - The City is to execute the Agreement with the BECC; BECC will then execute Agreement with NEI.
 - BECC to contact TCEQ about Sewer CCN.
 - NEI to set up Pre-Application Meeting with TWDB regarding new Statewide EDAP Program.