



**NOTICE OF A REGULAR MEETING TO BE HELD BY THE
McALLEN PUBLIC UTILITY BOARD OF TRUSTEES**

DATE: Tuesday, September 10, 2024

TIME: 4:00 P.M.


**PLACE: McAllen City Hall
Commission Chambers – 3rd Floor
1300 Houston Avenue
McAllen, Texas 78501**

SUBJECT MATTER:

See Subsequent Agenda.

CERTIFICATION

I, the Undersigned authority, do hereby certify that the attached agenda of meeting of the McAllen Public Utility Board of Trustees is a true and correct copy and that I posted a true and correct copy of said notice on the bulletin board in the Municipal Building, a place convenient and readily accessible to the general public at all times, and said Notice was posted on the 6th day of September, 2024 at 3:00 P.M. and will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.



Juan J. Rodriguez
Interim Utility Board Secretary



**BOARD OF TRUSTEES MEETING
TUESDAY, SEPTEMBER 10, 2024 – 4:00 PM
MCALLEN CITY HALL - 3RD FLOOR
1300 HOUSTON AVE, MCALLEN, TX 78501**

AGENDA

AT ANY TIME DURING THE COURSE OF THIS MEETING, THE MCALLEN PUBLIC UTILITY BOARD MAY RETIRE TO EXECUTIVE SESSION UNDER TEXAS GOVERNMENT CODE 551.071(2) TO CONFER WITH ITS LEGAL COUNSEL ON ANY SUBJECT MATTER ON THIS AGENDA IN WHICH THE DUTY OF THE ATTORNEY TO THE MCALLEN PUBLIC UTILITY BOARD UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH CHAPTER 551 OF THE TEXAS GOVERNMENT CODE. FURTHER, AT ANY TIME DURING THE COURSE OF THIS MEETING, THE MCALLEN PUBLIC UTILITY BOARD MAY RETIRE TO EXECUTIVE SESSION TO DELIBERATE ON ANY SUBJECT SLATED FOR DISCUSSION AT THIS MEETING, AS MAY BE PERMITTED UNDER ONE OR MORE OF THE EXCEPTIONS TO THE OPEN MEETINGS ACT SET FORTH IN TITLE 5, SUBTITLE A, CHAPTER 551, SUBCHAPTER D OF THE TEXAS GOVERNMENT CODE.

CALL TO ORDER

PLEDGE

INVOCATION

1. MINUTES:

a) Approval of the Minutes for the Regular Meeting held August 27, 2024.

2. CONSENT AGENDA: *(All matters listed under Consent Agenda are considered to be routine by the Governing Body and will be enacted by one motion. There will be no separate discussion of these items; however, if discussion is desired, that item(s) will be removed from the Consent Agenda and will be considered separately.)*

- a) A Resolution of the Public Utility Board of Trustees of the Public Utility of the City of McAllen, Texas designating Isaac J. Tawil as Investment Officer along with Maria Chavero, Marco A. Vega, P.E., and Sonia Resendez, for the McAllen Public Utility of the City of McAllen, Texas.
- b) A Resolution of the Board of Trustees of the City of McAllen Public Utilities, Hidalgo County, Texas, Amending Texpool Authorized Representatives and Providing an Effective Date.

3. BIDS AND CONTRACTS:

- a) Consideration and Possible Approval of the Sharyland Buy-Out No. 8.
- b) Consideration and Possible Approval of Initial Scope of Service for Carollo Engineering corresponding to the North Mcallen Brackish Groundwater Desalination Project
- c) Consideration and Possible Approval of Award of Service Contract for Classification and Compensation Analysis (Project# 08-24-S68-137).

- d) Consideration and Possible Approval of Six Mile Road Sanitary Sewer Line; Change Order # 2
- e) Consideration and Possible Approval of Award of Contract for Third-Party Administrative (TPA) Services for Workers Compensation Claims Management

4. ORDERS:

- a) Order amending the budget of the McAllen Public Utility Board of Trustees for Fiscal Year 2023-2024 for an increase in expenditures within the Water Depreciation Fund.
- b) Order amending the budget of the McAllen Public Utility Board of Trustees for Fiscal Year 2023-2024 for an increase in expenditures within the Wastewater Fund.

5. MANAGER'S REPORT:

- a) Consideration and Possible action to Write-off the 1st quarter Bad Debt fiscal year 2023-2024.

6. FUTURE AGENDA ITEMS

7. EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 CONSULTATION WITH ATTORNEY, SECTION 551.072 LAND TRANSACTION, SECTION 551.074 PERSONNEL MATTERS; SECTION 551.087 ECONOMIC DEVELOPMENT NEGOTIATIONS

- a) Consultation with City Attorney regarding pending litigation (Section 551.071, T.G.C).

ADJOURNMENT

IF ANY ACCOMMODATION FOR A DISABILITY IS REQUIRED (OR INTERPRETERS FOR THE DEAF), NOTIFY UTILITY ADMINISTRATION (681-1630) FORTY-EIGHT (48) HOURS PRIOR TO THE MEETING DATE. WITH REGARD TO ANY ITEM, THE MCALLEN PUBLIC UTILITY BOARD OF TRUSTEES MAY TAKE VARIOUS ACTIONS; INCLUDING BUT NOT LIMITED TO RESCHEDULING AN ITEM IN ITS ENTIRETY FOR A FUTURE DATE OF TIME. THE MCALLEN PUBLIC UTILITY BOARD MAY ELECT TO GO INTO EXECUTIVE SESSION ON ANY ITEM WHETHER OR NOT SUCH ITEM IS POSTED AS AN EXECUTIVE SESSION ITEM AT ANY TIME DURING THE MEETING WHEN AUTHORIZED BY THE PROVISIONS OF THE OPEN MEETINGS ACT.

THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD ON SEPTEMBER 24, 2024.



	AGENDA ITEM	<u>1.a.</u>
PUBLIC UTILITY BOARD	DATE SUBMITTED	09/05/2024
	MEETING DATE	9/10/2024

1. Agenda Item: Approval of the Minutes for the Regular Meeting held August 27, 2024.

2. Party Making Request:

3. Nature of Request:

4. Budgeted:

Bid Amount:	_____	Budgeted Amount:	_____
Under Budget:	_____	Over Budget:	_____
		Amount Remaining:	_____

5. Reimbursement:

6. Routing:
Savannah Arredondo Created/Initiated - 9/5/2024

7. Staff's Recommendation:

8. City Attorney: Approve. IJT

9. MPU General Manager: Approved - MAV

10. Director of Finance for Utilities: Approved - MSC

**STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF MCALLEN**

The McAllen Public Utility Board (MPUB) convened in a Regular Meeting on **Tuesday, August 27, 2024**, at 4:00 pm at the South Wastewater Treatment Plant, Training Room, with the following present:

	Charles Amos	Chairman
	Ernest Williams	Vice-Chairman
	Ricardo Godinez	Trustee
Absent:	Javier Villalobos	Mayor/Ex-Officio
	Albert Cardenas	Trustee
Staff:	Marco Vega, P.E.	General Manager
	Isaac Tawil	City Attorney
	Austin Stevenson	Deputy City Attorney
	Savannah Arredondo	Assistant to the Utility Board Sec.
	Oscar Hinojosa	Assist. Director of Wastewater Systems
	Rafael Balderas, E.I.T.	Assistant to the Utility Engineer
	Juan Vallejo	Assistant Director of Water Systems
	Maria Chavero	Director of Treasury Management
	Janet Landeros	Grants and Contracts Coordinator
	Erika Gomez, P.E.	Interim Utility Engineer
	Carlos Gonzalez, P.E.	Utility Engineer
	Edward Gonzalez	Director of Water Systems
	Ivan Garcia	Water Lab Technician
	Lance Nelson	Water Plant Manager
	Gerardo Noriega	Director of Purchasing and Contract
	Jim Bob Sides	Video Production Specialist
	Cecilia Garza	Asst. Director Purchasing & Cont.
	Patrick Gray	GIS Coordinator
	Jesus Cisneros	Water Plant Manager
	Juan Pedraza	Trans & Distribution Manager
Visitors:	Sergio Espinoza, P.E.	Carollo Engineering

CALL TO ORDER:

Chairman Amos called the meeting to order at 4:07 p.m.

1. MINUTES:

- a) Approval of the Minutes for the Workshop Meeting held August 7, August 13, August 14 and Regular Meeting held August 13, 2024.

Vice-Chairman Williams moved to approve item 1a. Trustee Godinez seconded the motion. The motion carried unanimously.

2. CONSENT AGENDA:

Trustee Godinez moved to approve items 2a through 2d. Vice-Chairman Williams seconded the motion. The motion carried unanimously by those present.

- a) Consideration and Approval for Purchase of AMI Meters (Revised)
b) Approval of The Heights on Wisconsin Subdivision (21 Lot Duplex)
c) Consideration and Approval of Jackson Meadows Storage Lots 1-4 Replat Subdivision (4-Lot Commercial)
d) Consideration and Approval of Pecan Bentsen Retail Subdivision (2-Lot Commercial)

3. BIDS AND CONTRACTS:

- a) Consideration and Approval of North Water Treatment Plant Main Building Stucco Repair (Project No. 08-24-S73-01).

Edward Gonzalez, Director of Water Systems stated staff is requesting approval to award Herrcon out of McAllen for the Stucco repair for the North Water Plant Operating Building in the amount of \$73,268.06. He explained that damages were mainly caused by weather during a 20 year period. The repairs will be done on the north/northwest of the building, the same color of the stucco will be used. This work should take about three (3) weeks to complete. This project was budgeted for \$95,000 and if approved this project will be awarded through a JOC Contract Buyboard with a 23% savings of \$21,731.94.

Vice-Chairman Williams moved to approve of the North Water Treatment Plant Main Building Stucco Repair. Trustee Godinez seconded the motion. The motion carried unanimously by those present.

- b) Consideration and Approval of Change Order No. 1 for the Balboa Waterline Improvements Phase II Project- Project No. 02-24-C07-484 (CDBG Funded)

Erika Gomez, P.E., Interim Utility Engineer stated the construction on the Balboa Waterline Phase 2 is progressing. The project is located in the vicinity of Ware Rd and Balboa Ave. Staff is proposing Change Order #1 to address a change of scope in additional work needed to close a water loop on Covina Ave and 29th Street as well as 33rd Street and Augusta Ave. Staff recommends approval of Change order No 1 in the increased amount of \$37,091 for a new total contract amount of \$177,441.00 and approval of the addition of calendar days as shown in the change order form. Marco Vega, P.E., General Manager stated that CDBG will be funding about \$18,000 of this change order and the remainder by MPU.

Trustee Godinez moved to approve the Change Order No. 1 for Balboa Waterline Improvements Phase II Project. Vice-Chairman seconded the motion. The motion carried unanimously by those present.

- c) Consideration and Approval of Award of Contract for the Southeast Lift Station Project- Project No. 08-24-C25-500

Erika Gomez, P.E., Interim Utility Engineer stated on August 1st, 2024, the Purchasing Department conducted a public bid opening for the Southeast Lift Station Project. This project is located east of South 23rd and approximately 1,600ft north of Dicker Rd. The scope of the project consists of the installation of the wetwell and crossing of gravity sewer and forcemain. A total of two bids were received and the lowest responsive bidder is RDH Site & Concrete LLC, from Palmview, Texas in the amount of \$569,275.00. The project was budgeted this fiscal year and the proposal price is within estimate. Staff recommends award of contract to the apparent responsive responsible low bidder, RDH Site & Concrete LLC, for the total contract amount of \$569,275.00.

Trustee Godinez moved to approve the award of contract for the southeast lift station project. Vice-Chairman Williams seconded the motion. The motion carried unanimously by those present.

4. MANAGER'S REPORT:

a) Review of Quarterly Investment Report for Quarter Ending March 31, 2024.

Maria Chavero, Director of Treasury Management stated the second quarter ending March 31, 2024 was presented to the Investment and Audit committee on July 2, 2024. Staff is requesting approval and accepted by McAllen Public Utility Board.

After some discussion it was stated that this was for information purposes only, no action was needed.

b) Review of Results of Financial Operations as of June 30, 2024.

Maria Chavero, Director of Treasury Management stated for the water fund our current revenues are \$18,962,960 compared to the prior year of \$1,153,240 that is more than a 6% increase and is 70% of the budget, as of June 30th. She mentioned we should be at 75% of the budget. She specified that we are at \$17,073,095 compared to the prior year at \$1,165,181 which amounts to a 7% increase and 63% of the budget. She noted there were net revenues of \$1,901,806 so far this year and a total of 51,228 accounts compared to the prior year for an increase of 338 accounts or 1%. For the year-to-date we had 17.27 inches of rain and the consumption is at 5,729,095 gallons of potable water.

She mentioned that for the Wastewater fund our current revenues came in at \$16,205,667 that is an increase of \$1,025,218 or 7% which represents 68% of the current budget. She explained that the expenses came in at \$16,526,194 that is an increase of \$941,303 or 6% compared to the prior year and that is 73% of the budget. The net revenues come in under \$320,527 compared to the prior year of \$404,443. She noted that there are 45,640 accounts compared to the prior year which is 399 more accounts or 1%. The combined balances for the water and wastewater provide for a working capital of \$11,285,340 and that and a debt to equity ratio at 78 to 1.

On investments, she clarified that the water and wastewater combined investment portfolio performed at a blended rate of 5% for the month of June with the investment holding 5.14%. She reminded the Board that our checking account does not earn interest, CD's earn 5.22%, commercial paper earning 5.46% and government securities at 3.54%. Texpool has been keeping up with the market at 5.46%.

After discussion it was stated this was for information purposes only, no action is required.

c) Reimbursement Update: Collections as of June 30, 2024.

Janet Landeros, Grants and Contracts Coordinator stated the water reimbursements collected during the 3rd quarter totaled \$29,653.79. She mentioned that the administrative fees collected are \$3,545.39. The total water reimbursements and fees are \$33,199.18. The wastewater reimbursement collected during the 3rd quarter total \$400,672.41, the administrative fees collected are \$10,439.73. The total wastewater reimbursement and fees are \$111,112.14. The total collected during the quarter of water and wastewater is \$144,311.32.

She summarized that the year-to-date collections are \$86,909.34 in water reimbursements and fees and \$159,881.55 in wastewater reimbursements and fees. The total collected year-to-date is \$283,911.99.

After discussion it was stated this was for information purposes only, no action is required.

5. FUTURE AGENDA ITEMS

6. EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 CONSULTATION WITH ATTORNEY, SECTION 551.072 LAND TRANSACTION, SECTION 551.074 PERSONNEL MATTERS; SECTION 551.087 ECONOMIC DEVELOPMENT NEGOTIATIONS

Chairman Amos recessed the meeting at 4:30 p.m. into Executive Session.
Chairman Amos reconvened the meeting at 5:07 p.m.

- a) Consultation with City Attorney regarding pending litigation (Section 551.071, T.G.C).

No action was taken

ADJOURNMENT

There being no other business to come before the Board, the meeting was unanimously adjourned at 4:12 p.m.

Charles Amos, Chairman

Attest:

Juan J. Rodriguez
Interim Utility Board Secretary

RESOLUTION NO. 2024 - _____

A RESOLUTION OF THE PUBLIC UTILITY BOARD OF TRUSTEES OF THE PUBLIC UTILITY OF THE CITY OF MCALLEN, TEXAS DESIGNATING ISAAC J. TAWIL AS INVESTMENT OFFICER ALONG WITH MARIA CHAVERO, MARCO A. VEGA, P.E., AND SONIA RESENDEZ, FOR THE MCALLEN PUBLIC UTILITY OF THE CITY OF MCALLEN, TEXAS

WHEREAS, on July 23, 2024, the Board of Trustees of the Public Utility of the City of McAllen, Texas (hereinafter called the "BOARD") designated Maria Chavero, Sonia Resendez, Marco A. Vega, P.E., and Roel Rodriguez, P.E., as Investment Officers of the Public Utility of the City of McAllen, Texas (herein after called the "UTILITY"), and

WHEREAS, Roel Rodriguez, P.E. desires to resign as an Investment Officer of the UTILITY, and

WHEREAS, the BOARD desires to accept the resignation of Roel Rodriguez, P.E. as Investment Officer of the UTILITY and appoint a successor to the position,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD, THAT:

The resignation of Roel Rodriguez, P.E., as an Investment Officer of the UTILITY, is hereby accepted by the BOARD, and

RESOLVED FURTHER, THAT:

ISAAC J. TAWIL is designated, along with Maria Chavero, Marco A. Vega, P.E., and Sonia Resendez, as Investment Officers for the UTILITY with authority as a signor on depository bank accounts, investments, investment accounts and TexPool accounts, pursuant to the UTILITY Investment Policy.

This Resolution shall be made effective September 13, 2024.

CONSIDERED, PASSED, APPROVED and SIGNED this 10th day of September 2024 at a called meeting of the Board of Trustees, of the City of McAllen Public Utility of the City of McAllen, Texas at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

CITY OF McALLEN PUBLIC UTILITY
BOARD OF TRUSTEES

By: _____
Charles Amos, Chairman

Attest:

Juan J. Rodriguez
Interim Board Secretary

Approved as to form:

Evaristo Garcia, Jr.
Asst. City Attorney



	AGENDA ITEM	<u>2.b.</u>
PUBLIC UTILITY BOARD	DATE SUBMITTED	09/04/2024
	MEETING DATE	9/10/2024

1. Agenda Item: A Resolution of the Board of Trustees of the City of McAllen Public Utilities, Hidalgo County, Texas, Amending Texpool Authorized Representatives and Providing an Effective Date.

2. Party Making Request:
Sonia Resendez, Assistant Finance Director

3. Nature of Request:

4. Budgeted:

Bid Amount:	_____	Budgeted Amount:	_____
Under Budget:	_____	Over Budget:	_____
		Amount Remaining:	_____

5. Reimbursement:

6. Routing:
Yvonne Pena Created/Initiated - 9/4/2024

7. Staff's Recommendation:

8. City Attorney: Approve. IJT

9. MPU General Manager: Approved - MAV

10. Director of Finance for Utilities: Approved - MSC

RESOLUTION NO. 2024-_____

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CITY OF McALLEN
PUBLIC UTILITIES, HIDALGO COUNTY, TEXAS, AMENDING TEXPOOL
AUTHORIZED REPRESENTATIVES AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City of McAllen Public Utilities (“Participant”) is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal liquidity, and yield consistent with the Public Funds Investment Act, and

WHEREAS, the Texas Local Government Investment Pool (“TexPool/Texpool Prime”), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the public Funds Investment Act.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CITY OF
McALLEN PUBLIC UTILITIES THAT:**

1. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool/TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
2. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant’s TexPool/TexPool Prime account or (2) is no longer employed by the Participant; and
3. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List of Authorized Representatives of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

Isaac J. Tawil
City Manager
Phone: 956-681-1006
Fax: 956-681-1010
Email: itawil@mcallen.net

Marco A. Vega, P.E.
General Manager - MPU
Phone: 956-681-1634
Fax: 956-681-1639
Email: mvega@mcallen.net

Maria Chavero
Direct of Finance for Utilities-Treasury Management
Phone: 956-681-1636
Fax: 956-681-1079
Email: mchavero@mcallen.net

Sonia Resendez
Interim Finance Director
Phone: 956-681-1082
Fax: 956-681-1084
Email: sresendez@mcallen.net

Authorized Representatives that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the participation Agreement:

MARIA CHAVERO

Additional Authorized Representatives designated to perform only inquiry of selected information: (These limited representatives cannot perform transactions.)

VALERIA RIOS, TREASURY ACCOUNTANT

RAQUEL GARZA, PROCUREMENT ACCOUNTANT

4. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool participant Services receives a copy of such amendment or revocation.
5. This Resolution shall be made effective September 13, 2024.
6. That a duplicate original of this resolution shall be sent to TexPool Participant Services, 1001 Texas Avenue, Suite 1400, Houston, Texas 77002

CONSIDERED, PASSED, APPROVED, AND SIGNED this 10th day of September 2024, at a regular meeting of the Board of Trustees, of the City of McAllen Public Utilities, at which a quorum was present, and which was held pursuant to Chapter 551, Texas Government Code.

McALLEN PUBLIC UTILITY BOARD OF
TRUSTEES

Charles Amos, Chairman

Attest:

Approved as to Form:

Juan J. Rodriguez, Interim Board Secretary

Evaristo Garcia, Jr. Asst. City Attorney

Memo

TO: Marco A. Vega, P.E., General Manager
J.J. Rodriguez, Asst. General Manager

FROM: Carlos Gonzalez, P.E., Utility Engineer

DATE: September 2, 2024

SUBJECT: **Proposed Buy-out agreement No. 8; Transfer of 100.47 acres of Water CCN from Sharyland WSC**

On November 12, 2019, MPUB considered and approved a Staff Recommendation for the purchase of 76 acres of Water Service Area from Sharyland WSC. The corresponding service area is located in northwest McAllen and generally bound on the south by 5 Mile Line Road, on the west by Ware Road, and by the existing McAllen CCN boundaries on the east and north (as illustrated in Exhibit "A"). The Sale and Transfer Agreement included a sale price of \$5,266.29/ acre.

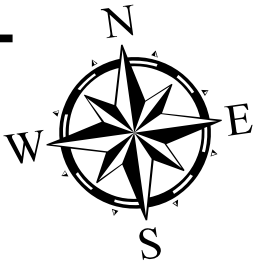
Staff from both parties have discussed the idea of transferring additional service area along the west side of Ware Road. This new area consists of 100.47 acres contiguous and immediately west of the 2019 buy-out area (illustrated in Exhibit "B"). The subject service area is located in northwest McAllen and is generally bound on the south by 5 Mile Line Road, on the east by Ware Road, and west/north by the existing canal/ditch.

This acquisition will allow for the extension of infrastructure that will increase the service area as well as improve Fire Protection.

Sharyland WSC has proposed to convey the new 100.47 acre service area at the unit price of \$3,250/acre or a total cost of \$326,527.50.

Staff is requesting Board consideration for approval the purchase of the 100.47 acre CCN service area for a total cost of \$326,527.50. Staff will work closely with our legal department to develop an agreement that outlines terms for the transfer of service which will be administratively approved by the GM, should MPUB consent.

PROPOSED CCN BUYOUT EXHIBIT (100.47 ACRES)



*UTILITIES SHOWN ARE FOR GENERAL INFORMATION ONLY AND MAY NOT BE 100% ACCURATE. UTILITIES SHOULD BE FIELD VERIFIED DESIGN OR CONSTRUCTION.





	AGENDA ITEM	<u>3.b.</u>
PUBLIC UTILITY BOARD	DATE SUBMITTED	09/04/2024
	MEETING DATE	9/10/2024

1. Agenda Item: Consideration and Possible Approval of Initial Scope of Service for Carollo Engineering corresponding to the North Mcallen Brackish Groundwater Desalination Project

2. Party Making Request:

3. Nature of Request: Consideration and Approval of Initial Scope of Service for Carollo Engineering corresponding to the North Mcallen Brackish Groundwater Desalination Project

4. Budgeted: yes

Bid Amount:	<u>\$1,228,330</u>	Budgeted Amount:	<u>\$1,400,000</u>
Under Budget:	<u>\$0.00</u>	Over Budget:	<u>\$0.00</u>
		Amount Remaining:	<u>\$0.00</u>

5. Reimbursement:

6. Routing:
Carlos Gonzalez Created/Initiated - 9/4/2024
Gerardo Noriega Final Approval - 9/4/2024

7. Staff's Recommendation: Consideration and Approval of Initial Scope of Service for Carollo Engineering corresponding to the North Mcallen Brackish Groundwater Desalination Project

8. City Attorney: Approve. IJT

9. MPU General Manager: Approved - MAV

10. Director of Finance for Utilities: Approved - MSC

Memo

TO: Marco A Vega, P.E., General Manager
J.J. Rodriguez, Asst. General Manager

FROM: Carlos Gonzalez, P.E., Utility Engineer

DATE: September 3, 2024

SUBJECT: **Consideration and Approval of Initial Scope of Services for the Brackish Groundwater Desalination Project**

On June 25, 2024, the MPUB approved a recommendation to select Carollo Engineers, Inc., to serve as the prime consultant to lead the planning and design phase services for the proposed Brackish Groundwater Desalination Plant in North McAllen. Staff was thence tasked with commencing negotiation of initial scope of service and corresponding fee scope proposal.

Staff has worked closely with consultant to develop an Initial Scope of Service that focuses on tasks aligned with Critical Paths essential to planning and design of facility. These initial tasks include the following:

- Bureau of Reclamation Grant Preparation Assistance
- Specification Preparation for the Test Wells
- Test Well Data Collection
- Commencing work on the TCEQ Water Quality Discharge Permit Application
- Preliminary Engineering as needed to support funding Applications and Permitting
- TWDB Funding Application Preparation assistance

A proposed Professional Services Contract Agreement is attached and includes the terms and conditions centered around the above-referenced tasks. A corresponding fee proposal for the amount of \$ 1,228,330 is included in agreement. This fee proposal is in line with existing and proposed budgets.

Staff recommends approval of Proposed Scope of Service and will be available for comments or questions.

**CONTRACT AGREEMENT
FOR
ENGINEERING/PROFESSIONAL SERVICES**

STATE OF TEXAS
COUNTY OF HIDALGO

PART I. PARTIES AND PROJECT

THIS AGREEMENT is made on the _____ day of _____ September _____, in the year 2024, between the MCALLEN PUBLIC UTILITY, hereinafter called the **OWNER** and CAROLLO ENGINEERS, INC., hereinafter called the **ENGINEER** for the BRACKISH GROUNDWATER TREATMENT FACILITY 6 MGD PHASE I - TASK ORDER 1 *In Hidalgo County, TX*, hereinafter called the **PROJECT**.

PART II. ENGINEERING FEES

The maximum amount payable under this Agreement without modification is **\$ 1,228,330**. The basis of cost is identified in **EXHIBIT "D" Contract Rates and Cost Proposal**, attached hereto.

PART III. TERM OF AGREEMENT

This Agreement shall be in effect until the close of business of **December 31, 2027**.

PART IV. NOTICES

Reports and notices shall be made by **ENGINEER** to **OWNER**'s representative:

McAllen Public Utility
Attention: **Marco Vega, PE**
P.O. Box 220
McAllen, Texas 78505-0220

PART V. TERMS AND CONDITIONS

ARTICLE 1. - ENGINEER'S SERVICES

1.1 Basic Services

The work to be furnished by the **ENGINEER** under this Agreement shall consist of engineering services to be developed in accordance with the Texas Commission on Environmental Quality (TCEQ) design standards and in a format acceptable to TCEQ, the **OWNER**, and/or other reviewing agencies.

The **ENGINEER** agrees to perform professional services in connection with the **PROJECT**, including normal civil engineering services related thereto, as set forth below and contained within this Agreement. Specifically, the **OWNER** will furnish items and perform those services for fulfillment of the Agreement as identified in **EXHIBIT A "Further Description of Engineering Services and Related Matters: Services to be Provided by the OWNER"**, attached hereto and made a part of this Agreement. The **ENGINEER** shall render professional services necessary for the development of the **PROJECT** as identified in **EXHIBIT B "Further Description of Engineering Services and Related Matters: Services to be Provided by the ENGINEER"**, attached hereto and made a part of this Agreement. The **ENGINEER** shall perform all work in accordance with the outline identified in **EXHIBIT C "Work Schedule"**, attached hereto and made a part of this Agreement.

1.2 Study and Report Phase

After written authorization to proceed with the Study and Report Phase, **ENGINEER** shall provide the following:

The specific duties and responsibilities of **ENGINEER** during the Study and Report Phase are as indicated in **EXHIBIT B “Further Description of Engineering Services and Related Matters: Services to be Provided by the ENGINEER”**.

1.3 Design Phase

After written authorization to proceed with the Design Phase, **ENGINEER** shall:

1.3.1 In consultation with **OWNER**, review the extent of the **PROJECT** as identified in 1.3.7.

1.3.2 Prepare for incorporation in the construction contract documents final drawings (hereinafter called "Drawings and Specifications") to show the character and extent of the **PROJECT**.

1.3.3 Furnish to **OWNER** such documents and design data as may be required for, and assist in the preparation of, the required documents so that **OWNER** may apply for approvals of such governmental authorities as have jurisdiction over design criteria applicable to the **PROJECT**, and assist in obtaining such approvals by participating in submissions to and negotiations with appropriate authorities.

1.3.4 Advise **OWNER** of any adjustments to the latest opinion of probable Project Cost caused by changes in extent or design requirements of the Project or Construction Costs and furnish a revised opinion of probable Project Cost based on the Drawings and Specifications.

1.3.5 Prepare for review and approval by **OWNER**, his legal counsel and other advisors construction contract agreement forms, general conditions and supplementary conditions, and (where appropriate) bid forms, invitation to bid and instructions to bidders, and assist in the preparation of other related documents.

1.3.6 Furnish ten (10) copies of the above documents and present and review them in person with **OWNER**.

1.3.7 The specific duties and responsibilities of **ENGINEER** during the Design Phase are amended and supplemented as indicated in **EXHIBIT B “Further Description of Engineering Services and Related Matters: Services to be Provided by the ENGINEER”**.

1.4 Bidding or Negotiating Phase

After written authorization to proceed with the Bidding or Negotiating Phase, **ENGINEER** shall:

1.4.1 Distribute complementary set of plans and specifications to plan review rooms as designated by **OWNER**.

1.4.2 Conduct a pre-bid conference, inviting all prospective bidders and prospective subcontractors to discuss all aspects and requirements to the proposed work.

1.4.3 Issue all addenda which do not affect the scope of the proposed **PROJECT**. Obtain **OWNER**'s approval prior to issuance of addenda which affect the scope of the **PROJECT** or significantly alters the **PROJECT** as approved by **OWNER**.

1.4.4 Assist the **OWNER** in obtaining bids and prepare tabulations of bids received; submit five (5) copies of the bid tabulation and the **ENGINEER**'S recommendation for the award of contract to the **OWNER**.

1.4.5 Consult with and advise **OWNER** as to the acceptability of subcontractors and other persons and

organizations proposed by the prime contractor(s) (hereinafter called "Contractor(s)") for those portions of the work as to which such acceptability is required by the bidding documents.

1.4.6 Consult with and advise **OWNER** as to the acceptability of substitute materials and equipment proposed by Contractor(s) when substitution prior to the award of contracts is allowed by the bidding documents.

1.4.7 The duties and responsibilities of **ENGINEER** during the Bidding or Negotiating Phase are amended and supplemented as indicated in **EXHIBIT B "Further Description of Engineering Services and Related Matters: Services to be Provided by the Engineer"**.

1.5 Construction Phase

During the Construction Phase, **ENGINEER** shall:

1.5.1 Perform the duties and discharge the responsibilities stated in **PROJECT** specifications after receiving written authorization to proceed with construction. The extent and limitations of the duties, responsibilities and authority of **ENGINEER** as assigned in **PROJECT** specifications shall not be modified, except to the extent provided in **EXHIBIT B "Further Description of Engineering Services and Related Matters: Services to be Provided by the Engineer"**, and except as **ENGINEER** may otherwise agree in writing. All of **OWNER's** instructions to Contractor(s) will be issued through **ENGINEER** who will have authority to act on behalf of **OWNER** to the extent provided in said Standard General Conditions of the construction contract documents except as otherwise provided in writing.

1.5.2 Make visits to the site at intervals appropriate to the various stages of construction to observe as an experienced and qualified design professional the progress and quality of the executed work of Contractor(s) and to determine if such work is proceeding in general accordance with the construction contract documents (hereinafter referred to as "Contract Documents"). During such visits and on the basis of on-site observations, **ENGINEER** shall keep **OWNER** informed of the progress of the work, and shall notify **OWNER** of defects and deficiencies and may disapprove or reject work failing to conform to the Contract Documents.

1.5.3 Review and approve or take other appropriate action in respect of shop drawings and samples, the results of tests and inspections and other data which each Contractor is required to submit but only for conformance with the design concept of the **PROJECT** and compliance with the information given in the Contract Documents (but such review and approval or other action shall not extend to means, methods, sequences, techniques or procedures of construction or to safety precautions and programs incident thereto); determine the acceptability of substitute materials and equipment proposed by Contractor(s); and receive and review (for general content as required by the Specifications) maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection which are to be assembled by contractor(s) in accordance with the Contract Documents.

1.5.4 Issue all instructions of **OWNER** to Contractor(s); issue necessary interpretations and clarifications of the Contract Documents and in connection therewith prepare change orders (**for errors or omissions only**) as required; have authority as **OWNER's** representative to require special inspection or testing of the work; act as initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the work thereunder and make decisions on all claims of **OWNER** and Contractor(s) relating to the acceptability of the work or the interpretation of the Contract Documents pertaining to the execution and progress of the work.

1.5.5 Based on **ENGINEER's** on-site observations as an experienced and qualified design professional and on review of applications for payment and the accompanying data schedules, determine the amounts owing to Contractor(s) and recommend in writing payments to Contractor(s) in such amounts; such recommendations of payment will constitute a representation to **OWNER**, based on such observations and review, that the work has progressed to the point indicated, that, to the best of **ENGINEER's** knowledge, information and belief, the quality of such work is in accordance with the Contract Documents (subject to

an evaluation of such work as a functioning **PROJECT** upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any qualifications stated in his recommendation), and that payment of the amount recommended is due Contractor(s); but by recommending any payment **ENGINEER** will not thereby be deemed to have represented that continuous or exhaustive examinations have been made by **ENGINEER** to check the quality or quantity of the work or to review the means, methods, techniques or procedures of construction or safety precautions or programs incident thereto or that **ENGINEER** has made an examination to ascertain how or for what purposes any Contractor has used the monies paid on account of the contract price.

1.5.6 Conduct an inspection to determine if the **PROJECT** is substantially complete and a final inspection to determine if the work has been completed in accordance with the Contract Documents and if each Contractor has fulfilled all of his obligations thereunder so that **ENGINEER** may recommend, in writing, final payment to each Contractor and may give written notice to **OWNER** and the contractor(s) that the work is acceptable (subject to any conditions therein expressed), by any such recommendation and notice shall be subject to the limitations expressed in Paragraph 1.5.5.

1.5.7 Revise contract drawings to record as-built conditions, with the assistance of the Contractor and **OWNER**. Provide **OWNER** with one (1) set of record drawings on mylar film, two (2) sets on blue line or equivalent, and one (1) set in electronic format.

1.5.8 **ENGINEER** shall not be responsible for the acts or omissions of any Contractor, or subcontractor, or any of the Contractor(s)' or subcontractors' agents or employees or any other persons (except **ENGINEER**'s own employees and agents) at the site or otherwise performing any of the Contractor(s)' work; however, nothing contained in Paragraphs 1.5.1 through 1.5.8, inclusive, shall be construed to release **ENGINEER** from liability for failure to properly perform duties undertaken by him in the Contract Documents.

1.5.9 The duties and responsibilities of **ENGINEER** during the Construction Phase are amended and supplemented as indicated in **EXHIBIT B "Further Description of Engineering Services and Related Matters: Services to be Provided by the Engineer"**.

1.6 Period of Service

1.6.1 The provisions of Article 1 and the various rates of compensation for the **ENGINEER**'s services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the **PROJECT** through completion of the Construction Phase. **ENGINEER**'s obligation to render services hereunder will extend for a period which may reasonably be required for the design, award of contracts and construction of the **PROJECT** including extra work and required extensions thereto.

1.6.2 If **OWNER** has requested significant modifications or changes in the extent of the **PROJECT**, the time of performance of **ENGINEER**'s services and his various rates of compensation shall be adjusted appropriately.

ARTICLE 2. - ADDITIONAL OR SPECIAL SERVICES

2.1 If authorized in writing by **OWNER**, **ENGINEER** shall furnish or obtain Additional or Special Services of the following types which are not considered normal or customary Basic Services except to the extent provided otherwise in **EXHIBIT B "Further Description of Engineering Services and Related Matters: Services to be Provided by the Engineer"**; compensation to the **ENGINEER** shall be as provided in Article 4.

2.1.1 Preparation of applications and supporting documents for governmental grants, loans or advances in connection with the **PROJECT**; preparation or review of environmental assessments and impact statements; review and evaluation of the effect on the design requirements of the **PROJECT** of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the **PROJECT**.

2.1.2 Services resulting from significant changes in extent of the **PROJECT** or its design including, but not limited to, changes in size, complexity, **OWNER's** schedule, or character of construction or method of financing; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are due to causes beyond **ENGINEER's** control.

2.1.3 Providing renderings or models for **OWNER's** use.

2.1.4 Preparing documents for alternate bids requested by **OWNER** for Contractor(s) work which is not executed or documents for out-of-sequence work.

2.1.5 Investigations involving detailed consideration of operations, maintenance and overhead expenses; the preparation of feasibility studies, cash flow and economic evaluations, rate schedules and appraisals; assistance in obtaining financing for the **PROJECT**; evaluating processes available for licensing and assisting **OWNER** in obtaining process licensing; detailed quantity surveys of material, equipment and labor; and audits or inventories required in connection with construction performed by **OWNER**.

2.1.6 Furnishing the services of special consultants for other than the normal civil design.

2.1.7 For services resulting from the arranging for performance by persons other than the principal prime contractors of services for the **OWNER** and administering **OWNER's** contracts for such services.

2.1.8 Services in connection with change orders to reflect changes requested by **OWNER** where such changes are outside the normal scope of this **PROJECT**.

2.1.9 Services during out-of-town travel required of **ENGINEER** other than visits to the site as required in Article 1.

2.1.10 Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction; (2) a significant amount of defective or neglected work of Contractor(s) that could not have been reasonably prevented by **ENGINEER** or his representatives; (3) prolongation of the contract time of any prime contract by more than sixty (60) days; (4) acceleration of the progress schedule involving services beyond normal working hours; and (5) default of Contractor(s).

2.1.11 Preparing to serve or serving as a consultant or witness for **OWNER** in any litigation, public hearing or other legal or administrative proceeding involving the **PROJECT** (except as agreed to under Basic Services).

2.1.12 Additional services in connection with the **PROJECT**, including services normally furnished by **OWNER** and services not otherwise provided for in the Agreement.

2.2 Resident Services During Construction

2.2.1 If requested by **OWNER** or recommended by **ENGINEER** and agreed to in writing by the other, a Resident Project Representative will be furnished and will act as directed by **ENGINEER** in order to assist **ENGINEER** in observing performance of the work of Contractor(s). Such services will be paid for by **OWNER** as indicated in Paragraph 4.1.2.3.

2.2.2 The duties and responsibilities and the limitations on the authority of the Resident Project Representative and assistants will be set forth in **EXHIBIT B "Further Description of Engineering Services and Related Matters: Services to be Provided by the Engineer"**, or if modified or amended is to be identified, attached to and made a part of this Agreement before such services begin.

2.2.3 Through more extensive on-site observations of the work in progress and field checks of materials and equipment by the Resident Project Representative (if furnished) and assistants, **ENGINEER** shall endeavor to provide further protection for **OWNER** against defects and deficiencies in the work of

Contractor(s); but the furnishing of such Resident Project representation will not make **ENGINEER** responsible for construction means, methods, techniques, sequences or procedures or for safety precautions or programs, or for Contractor(s)' failure to perform their work in accordance with the Contract Documents.

2.2.4 If **OWNER** designates another person to represent **OWNER** at the **PROJECT** Site who is not **ENGINEER**'s agent or employee, the duties, responsibilities and limitations of authority of such other person and the effect thereof on the duties and responsibilities of **ENGINEER** under this Agreement will be set forth in an exhibit that is to be identified, attached to and made a part of this Agreement before such services begin.

ARTICLE 3. - OWNER's RESPONSIBILITIES

OWNER shall:

3.1 Provide all criteria and full information as to **OWNER**'s requirements for the **PROJECT**, including design objectives and constraints, space, capacity and performance requirements, flexibility and expendability, and any budgetary limitations; and furnish copies of all design and construction standards which **OWNER** will require to be included in the Drawings and Specifications.

3.2 Assist **ENGINEER** by placing at his disposal all available information pertinent to the **PROJECT** including previous reports and any other data relative to design or construction of the **PROJECT**.

3.3 Furnish to **ENGINEER**, as required for performance of **ENGINEER**'s Basic Services (except to the extent provided otherwise in **EXHIBIT B "Further Description of Engineering Services and Related Matters: Services to be Provided by the Engineer"**), data prepared by or services of others, including without limitation core borings, probings and subsurface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment; appropriate professional interpretations of all of the foregoing; environmental assessment and impact statements; property, boundary, easement, right-of-way; property descriptions; zoning, deed and other land use restriction; and other special data or consultations not covered in Article 2; all of which **ENGINEER** may rely upon in performing his services.

3.4 Arrange for access to and make all provisions for **ENGINEER** to enter upon public and private property as required for **ENGINEER** to perform his services.

3.5 Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by **ENGINEER**, obtain advice of an attorney, insurance counselor and other consultants as **OWNER** deems appropriate for such examination and render in writing, decisions pertaining thereto within a reasonable time so as not to delay the services of **ENGINEER**.

3.6 Provide such accounting, independent cost estimating and insurance counseling services as may be required for the **PROJECT**, such legal services as **OWNER** may require or **ENGINEER** may reasonably request with regard to legal issues pertaining to the **PROJECT** including any that may be raised by Contractor(s). Such auditing service as **OWNER** may require to ascertain how or for what purpose any Contractor has used the moneys paid to him under the construction contract and such inspection services as **OWNER** may require to ascertain that Contractor(s) are complying with any law, rule or regulations applicable to their performance of the work.

3.7 Designate in writing a person to act as **OWNER**'s representative with respect to the services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define **OWNER**'s policies and decisions with respect to materials, equipment, elements and systems pertinent to **ENGINEER**'s services; **OWNER**'s representative for the Project will be: **Roel Rodriguez, PE**.

3.8 Give prompt written notice to **ENGINEER** whenever **OWNER** observes or otherwise becomes aware of any development that affects the scope or timing of **ENGINEER**'s services, or any defect in the

work of Contractor(s).

3.9 Furnish, or direct **ENGINEER** to provide necessary Additional or Special Services as stipulated in Article 2 of this Agreement or other services as required.

3.10 Bear all costs incident to compliance with the requirements of this Article 3.

3.11 The **ENGINEER** is not responsible for damage or delay in performance caused by events beyond the reasonable control of the **ENGINEER**. In the event the **ENGINEER's** services are suspended, delayed or interrupted for the convenience of the **OWNER** or delays occur beyond the reasonable control of the **ENGINEER**, an equitable adjustment in the **ENGINEER's** time of performance and cost of the **ENGINEER's** personnel and subcontractors may be made.

3.11 The duties and responsibilities of **OWNER** are amended and supplemented as indicated in **EXHIBIT B "Further Description of Engineering Services and Related Matters: Services to be Provided by the Owner"**.

ARTICLE 4. - PAYMENTS TO ENGINEER

4.1 Methods of Payment for Services and Expenses of ENGINEER.

4.1.1 For Basic Services. **OWNER** shall pay **ENGINEER** for Basic Services rendered under Article 1 (as amended and supplemented by **EXHIBIT B "Further Description of Engineering Services and Related Matters: Services to be Provided by the Engineer"**) as follows:

Payment of the lump sum fee will be in proportion to the percent completion of the work tasks and Basic Services to be provided by the **Engineer** in accordance with the Cost Proposal identified in **EXHIBIT D – Contract Rates and Cost Proposal**.

The final 5% of the Basic Services fee shall not be payable until the As-Built Drawings are submitted by the **ENGINEER**.

4.1.2 For Additional or Special Services. **OWNER** shall pay **ENGINEER** for Additional or Special Services rendered under Article 2 as follows:

4.1.2.1 General. For Additional or Special Services rendered under Paragraphs 2.1.1 through 2.1.10 inclusive, Paragraph 2.1.12, and services in preparation to appear as a consultant or witness under Paragraph 2.1.11, on the basis of a negotiated fee, prior to commencing Additional or Special Services. The negotiated fee for Additional or Special Services will incorporate labor and non-labor rates no higher than shown in the table(s) of Contract Rates as shown in **EXHIBIT D – Contract Rates and Cost Proposal**.

Payment of the lump sum fee for Additional or Special Services negotiated and/or as shown in **EXHIBIT D – Contract Rates and Cost Proposal**, will be in proportion to the percent completion of the work tasks and Special Services to be provided by the **Engineer**.

4.1.2.2 Serving as a Witness. For the services rendered by principals and employees as consultants or witnesses in any litigation, hearing or proceeding in accordance with Paragraph 2.1.11 at the rate of no more than **\$150** per hour or any portion thereof (but compensation for time spent in preparing to appear in any such litigation, hearing or proceeding will be on the basis provided in Paragraph 4.1.1).

4.1.2.3 Resident Project Services. For resident services during construction under Paragraph 2.2, on the basis of a negotiated daily, weekly or monthly fee.

4.2 Times of Payments

4.2.1 **ENGINEER** shall submit monthly statements for Basic and Additional or Special Services rendered and for Reimbursable Expenses incurred. The statements will be based upon **ENGINEER**'s estimate of the proportion of the total services actually completed at the time of billing. **OWNER** shall make prompt monthly payments in response to **ENGINEER**'s monthly statements.

4.3 Other Provisions Concerning Payments

4.3.1 If **OWNER** fails to make any payment due **ENGINEER** for services and expenses within thirty (30) days after receipt of **ENGINEER**'s bill therefore, the amounts due **ENGINEER** shall include a charge of 10% per annum interest from said thirtieth day, and in addition, **ENGINEER** may, if himself not in default, after giving seven (7) days written notice to **OWNER**, suspend services under this Agreement until he has been paid in full all amounts due him for services and expenses.

4.3.2 In the event of termination by **OWNER** under Paragraph 5.1 upon the completion of any phase of the Basic Services and Additional or Special Services, progress payments due **ENGINEER** for services rendered through such phase shall constitute total payment for such services. In the event of such termination by **OWNER** during any phase of the Basic Services and Additional or Special Services, **ENGINEER** will be paid for services rendered to the termination notice date including reimbursable expenses.

4.4 Definitions

4.4.1 The Payroll Costs used as a basis for payment mean salaries and wages (basic and incentive) paid to all personnel engaged directly on the **PROJECT**, including, but not limited to, engineers, architects, surveyors, designers, draftsmen, specification writers, estimators, other technical personnel, stenographers, typists and clerks; plus the cost of customary and statutory benefits including but not limited to social security contributions, unemployment, excise and payroll taxes, workers compensation, health and retirement benefits, sick leave, vacation and holiday pay applicable thereto.

4.5 Request for Payment. On or before noon of the first Monday of each month during the performance of the services, **ENGINEER** shall submit to **OWNER** for its approval a request for payment ("Request for Payment") in form and substance satisfactory to **OWNER**. Each Request for Payment shall set forth the amount and the sums of all prior services rendered, a detailed breakdown of the amount and the sum of all prior payments. **OWNER** shall review each such Request for Payment and may make such exceptions, as **OWNER** reasonably deems necessary or appropriate under the circumstances then existing. About five (5) working days after the **OWNER**'s Board of Commissioners meets approving such payment, the **OWNER** shall make payment to **ENGINEER** in the amount approved as aforesaid subject to 4.7, below.

4.6 Final Payment. After final completion of the work and acceptance thereof by **OWNER**, **ENGINEER** shall submit a final request ("Final Request") which shall set forth all amounts due and remaining unpaid to **ENGINEER** and upon approval thereof by **OWNER**, **OWNER** shall pay to **ENGINEER** the amount due (Final Payment") under such Final Request in accordance with the provisions of 4.5.

The Final Request for Payment shall not be made until **ENGINEER** delivers to **OWNER** an affidavit that so far as **ENGINEER** has knowledge or information, all materials and services over which **ENGINEER** has control have been paid.

4.7 Qualifications on Obligations to Pay. Any provision hereof to the contrary notwithstanding, **OWNER** shall not be obligated to make any payment (whether a payment under Article 4.5 hereof or Final Payment) to **ENGINEER** hereunder if any one or more of the following conditions precedent exist:

4.7.1 **ENGINEER** is in default of any of its obligations hereunder or otherwise is in default under this Agreement or any of the Contract documents;

4.7.2 Any part of such payment is attributable to Services which are not performed in accordance with this Agreement; provided however, such payment shall be made as to the part thereof attributable to services which were performed in accordance with this Agreement;

4.7.3 **ENGINEER** has failed within ten (10) days after **ENGINEER** has been paid to make payments to consultants or other third parties used in connection with the Services for which **OWNER** has made payment to **ENGINEER**;

4.7.4 If **OWNER**, in its good faith judgment, determines that the portion of the compensation then remaining unpaid will not be sufficient to complete the services in accordance with this Agreement, no additional payments will be due **ENGINEER** hereunder unless and until **ENGINEER**, at its sole cost, performs a sufficient portion of the Services so that such portion of the compensation then remaining unpaid is determined by **OWNER** to be sufficient to so complete the services.

4.8 No partial payment made hereunder shall be or construed to be final acceptance or approval of that part of the services to which such partial payment relates or relieves **ENGINEER** of any of its obligations hereunder with respect thereto.

ENGINEER shall promptly pay all bills for labor and material performed and furnished by others in connection with the performance of the Services.

4.9 Waiver. The making of the Final Payment shall constitute a waiver of all claims by the **OWNER** except those arising from (1) faulty or defective services appearing after completion of the Work, (2) failure of the services to comply with the requirements of this Agreement or the Contract documents or (3) terms of any special warranties required by this Agreement or provided at law or in equity. The acceptance of Final Payment shall constitute a waiver of all claims by the **ENGINEER** except those previously made in writing and identified by the **ENGINEER** as unsettled at the time of the Final Request for payment.

ARTICLE 5. - GENERAL CONSIDERATIONS

5.1 Termination. The obligation to provide further services under this Agreement may be terminated by the **OWNER** upon ten (10) days written notice at the sole discretion of the **OWNER** or either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

5.2 Ownership of Documents. Original documents (plans, specifications, drawings, designs and survey notes) developed in connection with services performed hereunder belong to, and remain the property of the **OWNER**, in consideration of which it is mutually agreed that the **OWNER** will use them solely in connection with the **PROJECT**. The **ENGINEER** may retain reproducible copies of such documents. The plan sheets will be prepared on mylar film. Any reuse of completed documents or use of partially completed documents without written verification or concurrence by the **ENGINEER** for the specific purpose intended will be at the **OWNER's** sole risk and without liability or legal exposure to the **ENGINEER**.

5.3 Controlling Law. This agreement is to be governed by the Laws of the State of Texas. Venue shall be in Hidalgo County.

5.4 Successors and Assigns

5.4.1 **OWNER** and **ENGINEER** each binds himself and his partners, successors, executors, administrators, assigns and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns and legal representatives of such other party in respect to all covenants, agreements, and obligations of this Agreement.

5.4.2 Neither **OWNER** nor **ENGINEER** shall assign, sublet or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this Agreement without the written consent of the other except as stated in Paragraph 5.4.1 and except to the extent that

the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent **ENGINEER** from employing such independent consultants, associates and sub-contractors as he may deem appropriate to assist him in the performance of services hereunder. The services to be performed by the **ENGINEER** are intended solely for the benefit of the **OWNER**. No person or entity not a signatory to this Agreement shall be entitled to rely on the **ENGINEER's** performance of its services hereunder, and no right to assert a claim against the **ENGINEER** by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of the **ENGINEER's** services hereunder.

5.5 Attorney's Fees. In the unlikely event that a dispute occurs which is litigated or arbitrated, or a cause of action in law or equity is filed concerning the operation, construction, interpretation or enforcement of this agreement, the losing party shall bear the cost of the attorney's fees incurred by the prevailing party and any and all costs applicable thereto, including but not limited to court costs, deposition fees, expert witness fees, out of pocket expenses and travel expenses which are incurred by the prevailing party.

ARTICLE 6. - SPECIAL PROVISIONS, EXHIBITS AND SCHEDULES

6.1 This Agreement is subject to the following special provisions:

6.1.1 **ENGINEER's Insurance.** The **ENGINEER** shall acquire and maintain all insurances listed below for the duration of the Agreement and provide certificates of insurance to and obtain approval thereof from the **OWNER's** Risk Manager or designated representative prior to commencement of services. The certificates of insurance shall reference the project name.

In the event the insurance coverage expires prior to the completion of the Agreement, a renewal certificate shall be issued thirty (30) days prior to said expiration date. **ENGINEER** must notify **OWNER** at least thirty (30) days prior to any reduction in coverage and/or cancellation and/or non-renewals of such policies.

Professional Liability Insurance: Coverage of at least \$1,000,000 on a "Claims Made Basis". This coverage shall remain in effect for a two (2) year period following the expiration of the contract with the **OWNER**. This policy of insurance shall be considered primary to and not contributing with any insurance maintained by the **OWNER**.

Comprehensive Commercial General Liability: The Contractor/Respondent/Selected Firm shall provide minimum limits of \$250,000 each occurrence, \$500,000 annual aggregate combined single limit for bodily injury and property damage liability. This shall include premises/operations, independent contractors, products, completed operations, personal and advertising injury, and contractual liability. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs maintained by the City and shall name the "City of McAllen" as an additional insured with a waiver of subrogation. The policy of insurance shall be written on an "occurrence" form.

Blanket "XCU" – Explosion, Collapse & Underground
Independent Contractors
Care, Custody and Control
Contractual Liability

No endorsements excluding these coverage's are allowed.

Additional Insured Requirement:

To the fullest extent of coverage allowed under Chapter 151 of the Texas Insurance Code, the City of McAllen and/or McAllen Public Utilities (MPU) shall be included as additional insured under the CGL policy, using ISO Additional Insured Endorsements CG20101001 and CG20371001, or endorsements providing equivalent coverage, including products completed operations

Business Automobile Liability: **ENGINEER** shall maintain limits of no less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.

This policy of insurance shall be considered primary to and not contributing with any insurance maintained by the **OWNER** and shall name the **OWNER** as an additional insured.

Umbrella/ Excess Liability: **ENGINEER** shall provide umbrella/excess coverage with limits of no less than \$1,000,000.00 excess of Commercial General Liability, Employer's Liability and Auto Liability.

Workers' Compensation: The **ENGINEER** shall provide and maintain workers' compensation insurance for all employees in the full amount required by statute and full compliance with the applicable laws of the State of Texas. Employer's Liability insurance shall be provided in amounts not less than \$1,000,000 per accident for bodily injury by accident; \$1,000,000 policy limit by disease; and \$1,000,000 per employee for bodily injury by disease."

In addition, a Waiver of Subrogation Endorsement shall be provided by the **ENGINEER** in said policy for Worker's Compensation Insurance. **ENGINEER** shall further insure that all of its sub-consultants/contractors maintain appropriate levels of workers' compensation insurance.

Other Insurance Provisions: The **OWNER** is to be specifically included on all certificates of insurance (with exception to Workers Compensation and Professional Liability) as additional insured. In addition, a Waiver of Subrogation Endorsement shall be provided by the **ENGINEER** in said policy for Worker's Compensation Insurance.

Deductible Clause: **ENGINEER** shall declare self-insured retention or deductible amounts.

All insurance carriers shall be published on A.M. Best Rating Guide. Unless otherwise specified, it shall be the responsibility of the **ENGINEER** to ensure that all sub-consultants/contractors comply with the same insurance requirements spelled out above. The **OWNER** may request a copy of the insurance policy according to the nature of the project. **OWNER** reserves the right to accept or reject the insurance carrier. All Certificates of Insurance shall be provided on the Accord Form 25. All insurance requirements are imposed and must be complied with by any and all sub-consultants/contractors, and/or lower-tier sub-consultants/contractors.

6.1.2 Indemnity. The **OWNER** will require that any contractor or subcontractors performing work in connection with drawings and specifications produced under this Agreement to hold harmless, indemnify and defend, the **OWNER** and the **ENGINEER**, their consultants, and each of their officers, agents, and employees from any and all liability claims, losses or damage arising out of or alleged to arise from the contractor's (or subcontractor's) negligence in the performance of the work described in the construction contract documents.

6.1.3 Warranties and Damages. The **ENGINEER** shall not be responsible for warranties, guarantees, fitness for a particular purpose, breach of fiduciary duty, loss of anticipated profits or for economic, incidental, liquidated, or consequential damages to the **OWNER** or any third party arising out of breach of contract, delay, termination, or for professional negligence. Additionally, the **ENGINEER** shall not be responsible for acts and decisions of third parties, including governmental agencies, other than the **ENGINEER's** subconsultants, that impact project completion and/or success.

6.2 The following Exhibits are attached to and made a part of this Agreement:

6.2.1 **Exhibit A "Further Description of Engineering Services and Related Matters: *Services to be Provided by the Owner*"**

6.2.2 **Exhibit B "Further Description of Engineering Services and Related Matters: *Services to be Provided by the Engineer*"**

6.2.3 Exhibit C “Work Schedule”

6.2.4 Exhibit D “Contract Rates and Cost Proposal”

6.3 This Agreement (consisting of Pages 1 to 12, inclusive), together with the Exhibit(s) and schedule(s) identified above constitute the entire agreement between **OWNER** and **ENGINEER** and supersedes all prior written or oral understandings. This Agreement and said Exhibit(s) and Schedule(s) may only be amended, supplemented, modified or canceled by a duly executed written instrument.

ARTICLE 7. OTHER CONDITIONS OR SERVICES

7.1 Notwithstanding anything to the contrary contained in this Agreement, **OWNER** and **ENGINEER** agree and acknowledge that **OWNER** is entering into this Agreement in reliance on **ENGINEER**'s experience and abilities with respect to performing the Services. Subject to the standard of care delineated in Section 7.2, **ENGINEER** covenants with **OWNER** to use its best efforts, skill, judgment and abilities to design the **PROJECT** and to further the interests of **OWNER** in accordance with **OWNER**'s requirements and procedures, in accordance with the National Society for Professional Engineers' professional standards, and in compliance with all applicable national, federal, state and municipal laws, regulations, codes, ordinances, orders and with those of any other body having jurisdiction. Prior to the commencement of construction, **ENGINEER** shall certify in writing to **OWNER** that the Drawings and Specifications and all drawings and the improvements when built in accordance therewith shall conform to applicable governmental regulations, statutes and ordinances then in effect, subject to the standard of care delineated in Section 7.2. **ENGINEER** represents, covenants and agrees that there are no obligations, commitments or impediments of any kind that will limit or prevent performance of the Services.

7.2 The **ENGINEER** represents, covenants and agrees that all of the Services to be furnished by the **ENGINEER** under or pursuant to this Agreement, from the inception of the Agreement until the **PROJECT** has been fully completed, shall be of the standard and quality which prevail among engineers of similar experience, knowledge, skill and ability engaged in engineering practice throughout Texas under the same or similar circumstances involving the design and construction of a project such as the **PROJECT** with all the amenities as set forth in the Drawings and Specifications.

7.3 The **ENGINEER** represents, covenants and agrees that its special talent, training and experience cause it to be the prime professional on the **PROJECT** and that because of such talent and training, **ENGINEER** envisions the construction of the **PROJECT** in its entirety and possesses the special skills which enable it to recognize dangerous conditions that a reasonable, prudent **ENGINEER** having such special skills could anticipate may arise from the proper use of the **PROJECT** after accepted by **OWNER**; as the design professional, it has knowledge which will enable it to recognize specific dangers that may arise from the proper use of the **PROJECT** after accepted by **OWNER**; and, it recognizes that any management, employees, and agents of the **OWNER**, plus guests and visitors are within a class of foreseeable persons who will be relying on the **PROJECT** being designed in a professional and safe manner, subject to Section 5.4.2 hereunder.

ENGINEER represents, covenants and agrees that its **PROJECT** Drawings and Specifications will be accurate and free from any material errors; shop drawing accuracy will be the responsibility of the Contractor as outlined in the Drawings and Specifications. **ENGINEER** also represents, covenants and agrees to the following: The **ENGINEER**'s responsibilities as set forth herein shall at no time be in any way diminished by reason of any approval by the **OWNER** of the Drawings and specifications nor shall the **ENGINEER** be released from any liability by reason of such approval by the **OWNER**, it being understood that the **OWNER** at all times is ultimately relying upon the **ENGINEER**'s skill and knowledge in preparing the Drawings and specifications. Notwithstanding the immediately preceding sentence, **ENGINEER** may rely on any documents or information forwarded by **OWNER** pursuant to Article 2 hereof.

7.4 The **ENGINEER** represents, covenants and agrees that the person directly in charge of the professional engineering work is duly registered under the applicable Texas law.

REVIEWED BY:

GERARDO NORIEGA DATE
Director of Purchasing and Contracting

EXHIBIT B
SCOPE OF SERVICES
FOR
McALLEN PUBLIC UTILITY
BRACKISH GROUNDWATER TREATMENT FACILITY 6 MGD PHASE I
TASK ORDER 1
August 30, 2024

BACKGROUND

- The McAllen Public Utility (Owner) selected Carollo Engineers Inc. (Engineer) for the Brackish Groundwater Desalination Project (05-24-S50-497) during the MPU Board Meeting held on June 25, 2024. The project is located at 8313 North Bentsen Road, McAllen, Texas and within the Northwest Water Treatment Plant existing property limits consisting of about 170 acres.
- During the month of July 2024, Carollo Engineers prepared a preliminary (level 5) construction cost estimate for a 10 million gallon per day (MGD) capacity brackish groundwater treatment facility (BGTF) and a preliminary (level 5) construction cost estimate for a 6 MGD brackish groundwater treatment facility (BGTF) as requested by the MPU General Manager, Mark A. Vega, P.E. This request was based upon the 2017 Water Sources Evaluation and Feasibility Study of Potable Reuse and Brackish Groundwater Desalination which was performed under the Title XVI Water Reclamation and Reuse Program. The study recommended a 10 MGD ultimate capacity groundwater desalination plant by the year 2050.
- The MPU General Manager requested that Carollo Engineers present the overall project with construction cost options at the MPU Workshop of August 14th, 2024. During the workshop, MPU directed Carollo to submit Task Order 1 for Phase 1 with corresponding fee schedule for consideration of approval at a future MPU Board Meeting.
- At the August 14th workshop meeting, the MPU Board agreed that Phase 1 will consist of utilizing the existing Northwest Water Treatment Plant property limits consisting roughly of about 170 acres to locate an expected 6 MGD Capacity BGTF with corresponding wellfield. Phase 2 will consist of expanding the BGTF at a future date.

BASIC ENGINEERING SERVICES

The following scope of work describes the work tasks and activities to be completed by engineer as part of engineering services related to task order 1 of phase 1 for a 6 MGD capacity Brackish Groundwater Treatment Facility (BGTF).

PROJECT ELEMENTS

The scope of work for Task Order 1 is based on engineering services related to the major elements listed below.

TASK 100 TCEQ DISCHARGE PERMIT

The Engineer will assist in obtaining a Texas Pollutant Discharge Elimination System (TPDES) permit from the Texas Commission on Environmental Quality (TCEQ) for discharge of wastewater from the BGTF. The work includes the following sub-tasks:

- Assemble Data and Information for Permit Application - The TPDES permit will enable the BGTF to discharge concentrate from the plant to a receiving stream. Engineer will obtain and prepare for submission all plant process information as needed for the TPDES permit application. This information may include, but is not limited to, a site plan, water balances for the proposed range of plant operation, preliminary plant flow schematics, and other pertinent plant operations information and necessary site layouts and schematics. This will entail the research and development of the appropriate maps and information on adjacent and downstream landowners necessary to complete the permit application.
- Develop Water Quality Model - The goal of this task is to develop a model using available data and initialize the model according to TCEQ Standard Operating Procedures for model development. No field data will be collected. If reasonable limits can be identified with the model, a report will be prepared for submittal to TCEQ. Engineer will coordinate with TCEQ prior to the initiation of the model development, during the model development, and during the TCEQ review of the model. If reasonable limits cannot be identified with an uncalibrated model, a sensitivity analysis will be conducted on the model using realistic ranges of conditions. The sensitivity analysis will support a determination of whether field sampling and calibration of the model, based on additional data, has the potential to help in identifying reasonable permit limits. If such potential exists, additional field data collection and development of a calibrated model will be recommended.
- Prepare Draft of Permit Application - TPDES permit application forms, including all relevant attachments, will be completed by Engineer. Required attachments include, but are not limited to, two (2) original USGS topographic maps with details labeled, an adjacent landowner map, landowner mailing labels, and a "Supplemental Permit Information Form." A copy of a draft application will be provided to Owner for review.
- Finalize Permit Application – Two (2) copies of a client draft application will be provided to OWNER for review. After receipt of comments from Owner, the application will be revised as appropriate and an original and three (3) copies of the final application will be submitted to TCEQ. Up to five (5) copies of the application will be provided to Owner. The TCEQ will advise Owner of any information that is needed to declare the application

administratively complete. Meetings with the TCEQ during this stage of the review are not anticipated. After the permit application is declared administratively complete, the Engineer will coordinate with Owner to assist in publicize the notice in a newspaper. Owner will coordinate the publication with the newspaper and prepare the documentation of the publication for submittal to TCEQ.

- Assist in Processing Application through TCEQ - Engineer will provide technical and regulatory liaison and support during the completion of the TCEQ technical review and processing of the permit application. Providing technical support may require meetings, telephone conversations, or other communications with TCEQ staff regarding the permit application. Up to two (2) meetings with the TCEQ during the technical review process have been budgeted under this Task 100. Up to two (2) team meetings with Owner during the technical review process to discuss the application status and, as necessary, to develop strategies for responding to permit provisions proposed by TCEQ.
- Exclusions:
 - Development of applications for other permits, including deep well injection, storm water or other federal, state, or local environmental permits that may be required for the development of the project.
 - Meetings or telephone calls with potential or actual protestants or the development of public outreach strategies to aid in avoiding protests.
 - Publication of notice in newspaper.
 - Additional modeling beyond that which is provided in Basic Services. The need for additional modeling could result from a change in changes in the plant design that modify model parameters.
 - Assumes that there are no adjacent landowners' objections and no public hearing.

TASK 200 USBR GRANT APPLICATION ASSISTANCE

Reclamation's Title XVI Program provides up to 25% grant funding for the planning, design, and construction of desalination projects, with a per-project maximum of \$30 million, unless otherwise specified by Congress. Engineer will assist in preparing the grant application, which is due to the United States Bureau of Reclamation by September 30, 2024. MPU has made a request that we submit to the Owner by September 23, 2024 for Owner review and for Owner to submit to the USBR.

TASK 300 TWDB SWIFT LOAN APPLICATION ASSISTANCE

The SWIFT Program offers a variety of financing and terms to support the diversity of strategies recommended through the planning process. Grants are not available in the program. Funds can be used for planning, design, acquisition, and construction costs. Long-term, fixed-rate financing offered at below-market interest rates and maturities range from 20 to 30 years. The application process for seeking SWIFT funding begins at the regional planning level and the project must be included in the most recently adopted state water plan which this project is part of. The deadline for the abridged application is February 1, 2025. In the Spring of 2025

invitations are extended from TWDB, and in the Summer of 2025 the complete applications are due and projects are recommended for commitment. In the Winter of 2025 is when the TWDB anticipates closing of the loan. Engineer will assist the preparation of the SWIFT loan application with necessary forms, documents as necessary.

TASK 400 CONCEPTUAL ENGINEERING

The Engineer will provide the following services related to conceptual engineering only. The conceptual engineering work revolves around evaluating proposed locations of the new facilities and preliminarily sizing of general process equipment and determine applicability to this project. The Engineer will use the water quality design criteria to be provided by the well testing subconsultant RWH&A to preliminarily size the main elements of the 6 MGD BGTF. Prior to obtaining the water quality data, the Engineer will use typical values to show a general footprint of the main elements until the data is provided by the testing well contractor and subconsultant. Two site visits are included in this task of 3 engineers for each visit. Two onsite meetings at the Owner's preferred location of up to 3 engineers in attendance as well as 6 virtual progress meetings through Microsoft Teams are included in this task.

We will meet with Owner's staff during the two onsite visits to determine the best location and preferences for the following main project elements:

1. Production Well Location (2 Deep and 4 Shallow).
2. Wellfield Conveyance Collection Piping.
3. Desanders.
4. RO Building.
5. RO Equipment.
6. Chemical Feed and Chemical Storage Equipment.
 - a. Scale Inhibitor.
 - b. Caustic Soda.
 - c. Ammonia.
 - d. Sodium Hypochlorite.
7. Degasifiers.
8. Clearwell.
9. High Service Pumps.
10. High Service Pump Reservoir.
11. General site civil.

- Instrumentation & Control: Work will consist of providing a Conceptual Network Overview Diagram, gather information on the existing network control system, discuss with plant staff preferences of manufacturers and location of major I&C equipment, and identify integration needs to integrate existing and new facilities. No other I&C drawings or specifications are provided for this task.
- Electrical: Work will consist of providing a Conceptual Overall One-line Diagram, gather information on the existing electrical system, discuss with plant staff preferences of manufacturers and location of major electrical equipment. No plans or specifications are provided for this task.
- HVAC: Work will consist of gathering information on the existing HVAC system to determine if it may be expandable using existing units, determine the magnitude of the future system, HVAC engineer will discuss with plant staff preferences of manufacturers and location of major HVAC equipment. No plans or specifications are provided for this task.
- Structural: Work will consist of reviewing the existing geotechnical report for the existing Northwest Water Treatment Plant, determine if there are any potential soil issues for the proposed facilities using tabletop information such as preliminary equipment weights and height of structures. No plans or specifications are provided for this task.
- Civil: Conceptual layouts showing the following elements: access drives, internal roadways, storm drainage system, and access to main project elements described above. One conceptual layout for each element will be provided.
- Mechanical: Works will consist of contacting vendors and manufacturers to confirm assumptions once the design criteria have been provided by the test well contractor. Equipment will be preliminary selected, and sizes of motors and systems will be determined. No plans or specifications are provided for this task.
- Capital cost of improvements: Engineer will refine estimated construction costs to level 4 and will provide preliminary operational costs which will include assumptions for power costs, chemical costs, treatment costs, and routine preventative maintenance costs.

TASK 500 TEST WELL DESIGN AND INSPECTION SERVICES

Engineer's understanding is that Owner is seeking to develop a six (6) MGD brackish groundwater treatment facility (BGTF) which will require approximately eight (8) MGD of raw brackish groundwater. It is understood by Engineer that the desired production amounts may not be possible or that higher production amounts are possible. From the results of this test drilling and aquifer testing program, subconsultant, RWH&A, will endeavor to estimate the quality and quantity of brackish groundwater that is available from the subject property.

- Evaluate Hydrogeologic Data - RWH&A will compile and review available information pertaining to the geologic structure, lithologic composition, aquifer productivity, and water quality of the potential target aquifers in the project area. RWH&A's evaluation will include review of available geologic and hydrologic data including published and unpublished groundwater and geologic maps and reports, well completion records, well testing records, water quality analyses, and other applicable information. Data sources may include the Owner, the Texas Water Development Board (TWDB), the Texas Department of Licensing and Regulation (TDLR), the University of Texas Bureau of Economic Geology (BEG), the Texas Commission on Environmental Quality (TCEQ), the United States Geological Survey (USGS), and RWH&A files.

- Test Drilling and Aquifer Testing - RWH&A will design and conduct a test drilling and aquifer testing program to determine the structure, productivity, and groundwater quality associated with potential target groundwater production zones. The goal of the testing program is to: 1) identify potential aquifer production zones, 2) document the hydraulic parameters and water quality of target zones, 3) provide data needed for modeling of long-term well bore pumping levels, long-term groundwater availability, and variations in groundwater quality that may be expected in the future.
- Design and Specifications - RWH&A will generate technical specifications for a test drilling and aquifer testing program to determine the structure, productivity, and groundwater quality associated with potential target groundwater production zones. Testing program contract and technical documents will be prepared with applicable sections including schedule of prices and technical specifications. The technical specifications will include descriptions of test hole logging, temporary well material settings and sizes, aquifer testing methods, and groundwater sampling criteria. It is understood that the Owner will provide the standard form of agreement, bonding forms, general condition, special conditions and other contract documents beyond the sections specified above. RWH&A will provide assistance during contractor negotiations, generation of appropriate addenda, and contract document compilation. RWH&A will distribute the technical specifications to contractors specified by the Owner and to contractors who, in our experience, have experience and equipment necessary to conduct the work in a skillful and cost-effective manner. It is understood that RWH&A will only prepare the documents highlighted above and that all other contractual documents, including documents required for public funding will be provided and prepared by Engineer.
- Bidding and Contractor Selection - RWH&A will provide assistance during the public bidding and contractor selection process. RWH&A will deliver a complete public bidding package to the Owner and will distribute it to contractors who, in our experience, have the capability and equipment necessary to conduct the work in a skillful and cost-effective manner. It is understood that the Owner is responsible for providing any public notices of the bid that are appropriate for the project. RWH&A will coordinate and oversee a pre-bid meeting with potential well contractors. RWH&A will respond to well contractor queries and will generate and distribute appropriate addenda. RWH&A will review all bid proposals submitted, prepare a bid tabulation and provide recommendations for the contractor award. Following contractor selection, RWH&A will assist the Owner with the compilation of technical aspects of the final contract documents and will generate appropriate notifications of award/proceed.
- Field Observation of Test Drilling and Aquifer Testing - RWH&A will assist the Owner in administering the construction contract for the project. Work will include planning, contractor communications, drilling contractor observation, preparation of work progress and budget reports, and generation of appropriate change orders. As part of this task, RWH&A will provide experienced on-site personnel at key points in the drilling, construction, and testing processes to endeavor to ascertain whether the methods and materials used by the drilling contractor are in accordance with the technical specifications and the needs of the project. It is anticipated that aquifer testing and sampling will be conducted in the production well pilot hole to verify aquifer characteristics prior to authorization of production well construction. RWH&A will oversee the testing process and will coordinate all field work with the drilling contractor and observe field operations to help assure that the methods and materials used by the contractor conform to the technical specifications. RWH&A will provide field personnel to

evaluate whether the information obtained during testing and sampling is useful and appropriate for this project. Specifically, RWH&A will be onsite during key phases of field operations including collection of drill cuttings samples, geophysical logging, temporary well construction, aquifer testing, and groundwater sampling. For budgeting purposes, it is currently assumed that four (4) test hole(s) will be drilled and that one (1) to four (4) temporary wells (at various vertical levels) will be constructed, tested, and sampled at each test hole site.

- **Data Analysis and Groundwater Modeling** - RWH&A will analyze information obtained during the testing program to identify and evaluate potential target aquifer zones(s). Using these data, estimates of the hydraulic parameters of underlying aquifers, potential groundwater availability, long-term pumping levels, and groundwater quality of the target aquifer zones will be generated. RWH&A typically employs a variety of modeling techniques to evaluate the availability of groundwater and potential impacts associated with hydrogeologic conditions/stresses including pumping, drought, hydraulic boundaries, and variations in the distribution and type of aquifer sediments. The following discussions outline anticipated modeling tasks to be conducted; however, RWH&A will evaluate the available hydrologic information and will tailor simulations to the needs of the Owner and the project. Using the information compiled during previous tasks, RWH&A will generate estimates of the structure and hydraulic characteristics of the aquifer(s) in the study area, which will be applied to proprietary, CAD-based flow modeling software. The results generated by the model will be used to estimate long-term potential well production rates, wellbore pumping levels, and well-to-well interference effects. As appropriate, the modeling results will be used to estimate hydraulic parameters needed for selection of pumping equipment (total dynamic head, horsepower, yield through time, etc.).
- **Well Cost Estimates** - After aquifer formations are identified, RWH&A will compile and compare the probable costs associated with completion of production wells in the potential target zones. RWH&A will develop preliminary designs for wells with depths, diameters, and materials that are appropriate for the applicable target zone and will obtain driller cost estimates for well construction. Using driller-supplied pricing, as well as cost information from previous projects, RWH&A will compile opinions of probable costs associated with well design, obtaining TCEQ public supply approvals, construction, and operation of wells completed in the identified target zones.
- **Reporting and Presentation of Findings** - RWH&A will prepare a report summarizing the results of the evaluation. At a minimum, the report will contain discussions of: 1) the general hydrogeology and groundwater quality of identified target aquifers, 2) the methodology and results of well testing, 3) general groundwater availability from the target aquifers, 4) preliminary well and well field designs, 5) groundwater modeling procedures and the results of flow simulations, and 6) estimated well bore pumping levels, horsepower requirements, and electrical costs associated with well operation. The report will be sealed by a licensed Professional Geoscientist and will be provided to the Owner in digital (PDF) format.

ADDITIONAL SERVICES

Additional services to be performed by the Engineer, if authorized by the Owner, and are not included in the above-described Engineering Services include the following examples: Preliminary Design, Detailed Design, Bidding and Construction Phase Services, meetings and deliverables not mentioned in the descriptions in Task 100 through Task 500.

TIME OF PERFORMANCE

TASK 100 TCEQ Discharge Permit	3 Months to Complete Application and Submit to TCEQ from Notice to Proceed and 12 Months for TCEQ Approval
TASK 200 USBR Grant Application Assistance	September 23, 2024
TASK 300 TWDB SWIFT Loan Application Assistance	Assist in Completing Application by July 1, 2025
TASK 400 Conceptual Engineering	12 Months from Notice to Proceed
TASK 500 Test Well Design and Inspection Services	Issued for Bid Specs by November 15, 2024

Engineer will commence work immediately following authorization to proceed. Engineer will strive to deliver all work for services as defined in the Time of Performance table above.

BUDGET

Owner and Engineer have established a not-to-exceed budget of **\$1,228,330** for Task Order 1 of Phase 1 for a 6 MGD capacity brackish groundwater treatment facility (BGTF).

This amount will not be exceeded without a request for a contract amendment. Owner will pay the Engineer for services identified in Exhibit B. Subconsultant services will be billed at cost to Engineer with a 10 percent handling fee.

The budget for each Task is presented in Exhibit C attached.

Engineer agrees to complete these services for this amount unless the Budget is amended by Owner and Engineer as a result of a change to the Scope of Work or Time of Performance.

**McALLEN BRACKISH GROUNDWATER TREATMENT FACILITY 6MGD PHASE I
Task Order 1**

ATTACHMENT C - FEE SUMMARY

	CAROLLO LABOR HOURS															OTHER DIRECT COSTS (ODCs)					SUBTOTAL COSTS		TOTAL																		
	PROJECT MANAGEMENT					DISCHARGE PERMIT/FUNDING APPLICATION ASSISTANC					STRUCTURAL	ELECTRICAL / I&C/ HVAC		Q/C	CAD																										
	HANI MICHEL/Senior Professional/Project Principal	TOM SEACORD/Senior Professional/Design Manager	SERGIO ESPINOZA/Lead Project Professional/Project Manager	DYLAN UECKER/ Project Professional/Project Engineer	VANESSA PRUNEDA/Assistant Professional/Assistant Project Engineer	EMILY PLATT/Senior Technician/Lead Grants Analyst	SOPHIE WOODS/Technician/Assistant Grants Analyst	CAROLINE RUSSELL/Lead Project Professional/Water Quality Specialist	JEFF STOVAL/Lead Project Professional/Lead Ground Water Modeler	EVA STEINLE-DARLING/Senior Professional/TCEQ Permitting Lead	KWASI DUOSE/Lead Project Professional/Lead Structural Engineer Senior Professional	BEN SHARON/Lead Project Professional/Senior Electrical Engineer	CHAD GREEN Project Professional/Lead Project Professional/Senior Mechanical Engineer	KALYANI GANESAN/Project Professional/Instrumentation and Controls I&C Engineer	QUALITY ASSURANCE/QUALITY CONTROL/Senior Professional	Graphics / Technician	Document Processing / Clerical	TOTAL LABOR HOURS	RWH Hydrogeologist	Baer Engineering/Environmental	TIDG Engineering Civil / Stormwater	Subconsultant Markup (10%)	Travel	SUBTOTAL LABOR COSTS	SUBTOTAL ODCs																
2024 Fee Schedule:	\$ 365	\$ 365	\$ 339	\$ 323	\$ 223	\$ 242	\$ 171	\$ 339	\$ 339	\$ 365	\$ 339	\$ 339	\$ 323	\$ 365	\$ 171	\$ 148																									
TASK 100 TCEQ Discharge Permit	4	8	24	12	40			40	80	40					36	40	324	\$ -			\$ -	\$ 3,000	\$ 92,668	\$ 3,000	\$ 95,668																
TASK 200 USBR Grant Application Assistance	4	4	8	12	8	50	10								8	24	128	\$ -			\$ -	\$ -	\$ 30,022	\$ -	\$ 30,022																
TASK 300 TWDB SWIFT Application Assistance	4	4	8	16	8	80	40								16	30	206	\$ -			\$ -	\$ -	\$ 45,960	\$ -	\$ 45,960																
TASK 400 Conceptual Engineering	60	240	150	240	180			24	96	40	88	80			220	190	1608	\$ -	\$ 10,000	\$ 1,000	\$ 15,000	\$ 455,614	\$ 26,000	\$ 481,614																	
TASK 500 Test Well Design and Inspection Services	2	4	16		24												46	\$ 511,000	\$ -	\$ 51,100	\$ -	\$ -	\$ 12,966	\$ 562,100	\$ 575,066																
Total Labor Hours:																	2312																								

TOTAL FEE: \$ 1,228,330

RFP for Classification and Compensation Analysis

Project No. 08-24-S68-137

Category	Points Available	Description	Management Advisory Group	Evergreen Solutions, LLC	Octagon Consulting, LLC	CBIZ	Gallagher Benefit Services
			Average Score	Average Score	Average Score	Average Score	Average Score
A	15	Background & Experience 1. Years of Experience; 2. Qualification of Staff; 3. Experience with Public Agencies	14.5	13.3	11.1	12.3	14.8
B	15	References 1. References Demonstrating Experience with Providing Similar Services	15	12.5	12.3	12.7	13
C	25	Described Methodology 1. Plan Comprehensiveness, 2. Subject Matter Knowledge, 3. Project Plan, 4. Startup & Implementation	24	23	22.3	20	19.75
D	25	Proposed Quality 1. Clarity & Professionalism, 2. Quality & Security Control, 3. Training for Employees, 4. Future Maintenance Plan	23.9	23.4	20.4	22.1	20
E	20	Proposed Service(s) Pricing 1. Line Item Pricing & Total Pricing	20	17	13	9.8	5.5
TOTAL			97.4	89.2	79.1	76.9	73.05



MEMORANDUM

TO: Mark Vega, P.E., General Manager
FROM: Christina Flores, Director of Human Resources
DATE: August 29, 2024
RE: Award of Service Contract for Compensation and Classification Analysis/Project No. 08-24-S68-137

GOAL:

To update the City's pay plan, ensure job market compensation alignment and internal pay equity for full-time and part-time regular, non-civil service positions.

BRIEF EXPLANATION:

City Commission approved \$130,000 to conduct this analysis and the McAllen Public Utility has agreed to split the cost: 60% City and 40% MPU.

The City requested proposals for this project and a committee reviewed and scored each proposal based on: **1)** Background and Experience (15pts), **2)** References (15pts), **3)** Methodology & Timeframe (25pts), **4)** Proposal Quality (25pts) and **5)** Pricing (20pts). Firms were ranked as follows:

Rankings
1. Management Advisory Group, Inc.
2. Evergreen Solutions, LLC
3. Octagon Consulting, LLC
4. CBIZ
5. Gallagher Benefit Services

OPTIONS:

1. Approve Award of Service Contract to Management Advisory Group, Inc. in the amount of **\$97,900**.
2. Reject Award of Service Contract and bid again.

RECOMMENDATION:

Staff recommends approval of service contract to Management Advisory Group to conduct a classification and compensation analysis of full-time and a part-time regular, non-civil service positions.



BID OPENING: AUGUST 8, 2024 AT 3:00 PM
LOCATION: CITY HALL CONFERENCE ROOM NO. 2
PROJECT NO. 08-24-S68-137 CLASSIFICATION AND COMPENSATION STUDY & ANALYSIS

BIDDERS:					MANAGEMENT ADVISORY GROUP INTERNATIONAL, INC. (1951) FAIRFAX, VA	EVERGREEN SOLUTIONS, LLC TALLAHASSEE, FL	OCTAGON CONSULTING, LLC GALVESTON, TX	CBIZ ST. LOUIS, MO	GALLAGHER BENEFIT SERVICES BRENTWOOD, TN
NO.	REFERENCE NO.	DESCRIPTION	QTY	UOM	EXTENDED PRICE	EXTENDED PRICE	EXTENDED PRICE	EXTENDED PRICE	EXTENDED PRICE
1	918-66-00001	CLASSIFICATION & COMPANSATION STUDY FEE	1	LS	\$97,900.00	\$102,500.00	\$170,925.00	\$252,500.00	\$568,100.00
2	918-66-00002	HOURLY RATE FOR ADDITIONAL WORK NOT SPECIFIED IN THE CONTRACT	1	HR	\$200.00	\$0.00	\$275.00	\$0.00	\$0.00
3	918-66-00003	RATE FOR ALL INCIDENTAL SERVICE(S)	1	LS	\$200.00	\$0.00	\$150.00	\$0.00	\$0.00



AGENDA ITEM 3.d.

PUBLIC UTILITY BOARD

DATE SUBMITTED 09/04/2024

MEETING DATE 9/10/2024

1. Agenda Item: Consideration and Possible Approval of Six Mile Road Sanitary Sewer Line; Change Order # 2

2. Party Making Request:
Carlos Gonzalez, Development and Special Projects Engineer

3. Nature of Request: Consideration and Approval of Six Mile Road Sanitary Sewer Line; Change Order # 2 (Project No. 04-23-C31-475)

4. Budgeted: yes

Bid Amount:	<u>\$50,690</u>	Budgeted Amount:	<u>\$0.00</u>
Under Budget:	<u>\$0.00</u>	Over Budget:	<u>\$0.00</u>
		Amount Remaining:	<u>\$0.00</u>

5. Reimbursement:

6. Routing:
Carlos Gonzalez Created/Initiated - 9/4/2024
Gerardo Noriega Final Approval - 9/4/2024

7. Staff's Recommendation: Consideration and Approval of Six Mile Road Sanitary Sewer Line; Change Order # 2

8. City Attorney: Approve. IJT

9. MPU General Manager: Approved - MAV

10. Director of Finance for Utilities: Approved - MSC

Memo

TO: Marco A. Vega, P.E., General Manager
J.J. Rodriguez, Assistant General Manager

FROM: Carlos Gonzalez, P.E., Utility Engineer

DATE: September 2, 2024

SUBJECT: Consideration and Approval of 04-23-C31-475 Six Mile Road Sanitary Sewer Line; Change Order # 2

On June 27, 2023, MPUB approved an award of a contract to J & S Construction Management LLC for the amount of \$745,586 for the Mile 6 Sewerline Project. The project scope included the construction of approximately 5,600 LF of 12" Gravity Sewerline along Mile 6 Road from Ware Road to a point half-way between Taylor Road and Shary Road. The contractor is nearing completion of this project and has submitted CO # 2 to address some field adjustments.

The field adjustments associated with Proposed CO # 2 are largely related to quantity changes to the short vs long sewer services as well as two (2) utility crossings not previously identified. The reconciliation of quantities amounts to an increase in contract amount of **\$ 50,690**. A detailed breakdown of the change order line items is attached to this memo.

After review and evaluation of the request, Staff considers that the proposed costs and credits are justifiable. Staff recommends approval of Change Order # 2 for \$ 50,690, yielding a revised contract amount of \$892,224.50

Staff will be available at MPUB Meeting to address comments and/or questions.

	Amount
Original Contract	\$ 745,586.00
Approved Change Order 1	\$ 116,793.77
Proposed Change Order 2	\$ 50,690.00
Revised Contract Amount	\$ 913,069.77

CHANGE ORDER

NO. 2

PROJECT: SIX MILE ROAD SANITARY SEWER LINE **DATE OF ISSUANCE:** September 10, 2024

OWNER'S PROJECT NO.: 04-23-C31-475 **PURCHASE ORDER:** 234967

OWNER: McAllen Public Utility
ADDRESS: P.O. Box 220
McAllen, Texas 78505-0220

CONTRACTOR: J & S CONSTRUCTION MANAGEMENT LLC
ADDRESS: 109 W Dicker Road
San Juan, TX 78589

The terms of the Purchase Order, dated September 1, 2023, between Owner and Distributor are amended as follows:

Changes needed to address field adjustments to qty of services as well as 2 crossings

Attachments: Change Order Tabulation & Change Order Justification

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIME:
Original Contract Price \$ <u>745,586.00</u>	Original Contract Time _____ calendar days
Previous Change Order No.s: \$ <u>116,793.77</u>	Change from Previous Change Orders _____ calendar days
Contract Price prior to this Change Order \$ <u>862,379.77</u>	Contract Time prior to this Change Order _____ calendar days
Net Increase of this Change Order <u>\$50,690.00</u>	Net Increase of this Change Order _____ calendar days
Contract Price with all approved Change Orders \$ <u>913,069.77</u>	Contract Time with all approved Change Orders _____ calendar days

APPROVED:

Owner

Marco A. Vega, P.E., General Manager
McAllen Public Utility

RECOMMENDED:

MPU Utility Engineer

Carlos Gonzalez, P.E., Utility Engineer

Engineer of Record

Ricardo Hinojosa, P.E., Hinojosa Engineering

APPROVED:

Distributor

Juan Cano
J & S Construction Management, LLC

RECOMMENDED:

City of McAllen

Gerardo Noriega, CPPB
Director of Purchasing and Contracting

Additions/Deletions Summary Table

Bid Tab Item/ Quantity Adjustment	Description	Quantity	Unit	Unit Price	Net Change
1	ADDITIONAL SHORT WASTEWATER SERVICE CONNECTION, INSTALLED AS PER PLANS AND SPECIFICATIONS, ALL COMPLETE AND IN PLACE PER EACH (EA) WITH A TWO WAY CLEANOUT TO THE SHORT SIDE OF THE ROW, PVC CASING AS NEEDED FOR POTENCIAL CROSSING WITH SHARYLAND WL	1	EA	\$ 2,350.00	\$2,350.00
2	ADDITIONAL LONG WASTEWATER SERVICE CONNECTION, INSTALLED AS PER PLANS AND SPECIFICATIONS, ALL COMPLETE AND IN PLACE PER EACH (EA) WITH A TWO WAY CLEANOUT TO THE LONG SIDE OF THE ROW, PVC	2	EA	\$ 3,710.00	\$7,420.00
3	SIPHON 12"- SEWER LINE UNDER 36" WATERLINE	76	LF	\$ 100.00	\$7,600.00
4	CASING UNDER 36" WATERLINE CROSSING	20	LF	\$ 100.00	\$2,000.00
5	CHANGE SHORT TO LONG WASTEWATER SERVICE CONNECTION, FOR NEW SANITARY SEWER ALIGNMENT	12	EA	\$ 3,710.00	\$44,520.00
6	BORE FOR SEWER LINE 19' CUT UNDER EXTSTING WATER AND IRRIGATION LINE 40 LF.	1	LS	\$ 15,000.00	\$15,000.00
7	CREDIT: CHANGE LONG TO SHORT WASTEWATER SERVICE CONNECTION, INSTALLED AS PER PLANS AND SPECIFICATIONS, FOR NEW SANITARY SEWER ALIGNMENT.	(12)	EA	\$ 2,350.00	(\$28,200.00)
Total Quantity Adjustments					\$50,690.00

TOTAL PROPOSED CHANGE ORDER 2

\$50,690.00



AGENDA ITEM 3.e.

PUBLIC UTILITY BOARD

DATE SUBMITTED 08/30/2024

MEETING DATE 9/10/2024

1. Agenda Item: Consideration and Possible Approval of Award of Contract for Third-Party Administrative (TPA) Services for Workers Compensation Claims Management

2. Party Making Request:
Yolanda Perez, Director of Risk Management

3. Nature of Request: Award of Contract for Third-Party Administrative (TPA) Services for Workers Compensation Claims Management (PROJECT NO. 08-24-S71-102)

4. Budgeted: YES

Bid Amount:	<u>\$166,650</u>	Budgeted Amount:	<u>\$184,000</u>
Under Budget:	<u>\$0.00</u>	Over Budget:	<u>\$0.00</u>
		Amount Remaining:	<u>\$0.00</u>

5. Reimbursement:

6. Routing:
 Maritza Morales Created/Initiated - 8/30/2024
 Yolanda Perez Approved - 9/3/2024
 Gerardo Noriega Final Approval - 9/3/2024

7. Staff's Recommendation: Award of Contract for Third-Party Administrative (TPA) Services for Workers Compensation Claims Management to Claims Administrative Services (CAS)

8. City Attorney: Approve. IJT

9. MPU General Manager: Approved - MAV

10. Director of Finance for Utilities: Approved - MSC

MEMORANDUM



TO: Marco Vega, P.E. General Manager, McAllen Public Utilities

CC: Juan "J.J." Rodriguez, Assistant General Manager, McAllen Public Utilities

FROM: Yolanda Perez, Director of Risk Management

Re: RFP Project No. 08-21-S71-102
Award of Contract for TPA Services for Workers Compensation Claims Management

DATE: August 29, 2024

Goal:

Consideration and approval for the Award of Contract for Third-Party Administrative Services for Workers Compensation Claims Management.

Explanation:

As per the proposal evaluation process, an evaluation committee comprised of various departments reviewed and scored three (3) proposals that were received based upon the evaluation criteria noted below. Additionally, as part of the evaluation process for past performance, references provided by each respondent were contacted.

1. Past Performance under Similar Contract / References (1-15 points)
2. Cost of Proposed Services (1-15 points)
3. Responsiveness of Services Requested (1-30 points)
4. Firm Experience (1-40 points)

The expected value of the contract is \$166,650.000 per fiscal year. Attached you will find the evaluation matrix submitted by the scoring committee:

Options:

1. Approve Award of Contract to the highest ranked firm, Claims Administrative Services (CAS)
2. Reject Award of Contract to Claims Administrative Services

Recommendation:

Staff recommends approval of Award of Contract to the highest ranked firm, Claims Administrative Services (CAS) for a period of two (2) years. If awarded, staff is requesting authorization, with City Manager approval to exercise the option to extend the contract for three (3) additional years, in one (1) year increments subject to satisfactory performance and with no change in rates not stipulated on said proposal. In addition, we respectfully request authorization to terminate such contract(s) with City Manager approval and re-award affected item(s) to the next highest ranked firm meeting the requirements of the specifications, in the event that an awarded vendor fails to meet or perform under the terms and conditions of their contract.

**CITY OF MCALLEN
EVALUATION MATRIX**

PROJECT NAME: Third Party Administrative Services for Workers' Compensation Claims Management

PROJECT NUMBER: 08-24-S71-102

DATE: August 28, 2024

Company Name	1-15 PTS	1-15 PTS	1-30 PTS	1-40 PTS	Total (100 PTS)
	PAST PERFORMANCE UNDER SIMILAR CONTRACT/REFERENCE	COST OF PROPOSAL (Fee proposal relative to best value for services provided)	RESPONSIVENESS OF SERVICES REQUESTED (Proposals evaluated against the Request for Proposal specifications)	FIRM EXPERIENCE (Include experience of key personnel, particularly those involved in day-to-day function)	
TriStar					
Evaluator 1	6.75	8	21	23.67	59.42
Evaluator 2	10.30	7	21	29.67	67.97
Evaluator 3	12	10	29	30	81.00
Evaluator 4	7.77	10	26	29.6	73.37
Avg	9.23	8.75	24	28.24	70.44
CAS					
Evaluator 1	15	14	30	38	97.00
Evaluator 2	14.25	14	30	38	96.25
Evaluator 3	14.25	12	26	33	85.25
Evaluator 4	11.6	12	30	37.9	91.5
Avg	13.76	13	29	36.73	92.5
Athens					
Evaluator 1	15	10	24	24	69.50
Evaluator 2	14.25	9	19	24	66.25
Evaluator 3	12.75	9	18	32	71.75
Evaluator 4	11.9	10	25	24	70.9
Avg	13.1	9.5	22	26.75	71.23

AN ORDER AMENDING THE BUDGET OF THE McALLEN PUBLIC UTILITY BOARD OF TRUSTEES FOR THE FISCAL YEAR 2023/2024 EFFECTIVE OCTOBER 1, 2023, BY PROVIDING FOR AN INCREASE IN EXPENDITURES TO-WIT: \$560,000 WITHIN THE WATER DEPRECIATION FUND FOR NON-PERPETUAL WATER RIGHTS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the McAllen Public Utility Board of Trustees of the City of McAllen, Texas annually adopts its budget and submits to the City Commission which incorporates such budget in the overall budget for the City by ordinance.

WHEREAS, McAllen Public Utility Board of Trustees by ordinance of the City Commission providing for the creation of the McAllen Public Utility Board of Trustees, has the authority to manage and control the McAllen Public Utility, including control over fiscal matters of the Public Utility Board and therefore, it is not necessary that the City Commission approve the budget of the McAllen Public Utility Board of Trustees, and henceforth the McAllen Public Utility Board of Trustees will approve its budget and all amendments thereto by order which shall be filed along with the City Budget under the provisions of the Local Government Code.

NOW, THEREFORE, BE IT ORDAINED BY THE MCALLEN PUBLIC UTILITY BOARD OF TRUSTEES OF THE CITY OF McALLEN, TEXAS, THAT:

SECTION I: The Budget for the McAllen Public Utility Board of Trustees for the Fiscal Year 2023/2024 which became effective October 1, 2023, on file with the Board's Secretary, is hereby amended in the following particulars as shown on Exhibit "A" attached hereto and incorporated herein for all purposes.

SECTION II: The General Manager as Budget Officer shall provide for the filing of a true copy of this Budget Amendment in the office of the County Clerk, Hidalgo County, Texas.

SECTION III: This Order shall be effective after its passage and execution in accordance with the law.

SECTION VI: If any part or parts of this Order are found to be invalid or unconstitutional by a court having competent jurisdiction, then such invalidity or unconstitutionality shall not affect the remaining parts hereof and such remaining parts shall remain in full force and effect, and to that extent this Order is considered severable.

CONSIDERED, PASSED and APPROVED this 10th day of September 2024, at a meeting of the of the McAllen Public Utility Board of Trustees of the City of McAllen, Texas, at which a quorum was present, and which was held in accordance with Chapter 551 of the Texas Government Code.

SIGNED this _____ day of September 2024.

McALLEN PUBLIC UTILITY
BOARD OF TRUSTEES

By: _____
Charles Amos, Chairman

ATTEST:

By: _____
Juan Rodriguez, Interim Board Secretary

APPROVED AS TO FORM:

Isaac Tawil, City Attorney



BUDGET AMENDMENT REQUEST FORM

FUND: Water Depreciation
DEPARTMENT: Capital Outlay / Infrastructure
FISCAL YEAR: 2023-2024

To be assigned by Treasury Management Dept.	
REVIEW BY	_____
DATE OF ENTRY	_____
ENTRY MADE BY	_____
JOURNAL ENTRY	_____
ORDINANCE NO.	_____
INTRANET CROSS FUND CAPITAL IMPRV PROJECT LISTING UPDATE	_____

Fund	Dept. & Division	Activity	Element & Object	Project Code	Description	Original/Revised Budget	Debit/Credit	Revised Budget
410	8708	446	66-36	IU2401	HCID#6 Water Rights	\$ -	\$ 560,000	\$ 560,000
						-	-	-
								-
								-
TOTALS						\$ -	\$ 560,000	\$ 560,000

(Round up all amounts to the nearest hundred dollars)

JUSTIFICATION:

Amendment for Capital Outlay for FY 24 Budget:
 Add the approved lease of water rights (non-perpetual) from Hidalgo County Irrigation District Number 6 to the FY24 budget.

General Manager	
_____	_____
Signature	Date
Treasury Management Dept.	
_____	_____
Signature	Date
Department Head	
_____	_____
Signature	Date



	AGENDA ITEM	<u>4.b.</u>
PUBLIC UTILITY BOARD	DATE SUBMITTED	08/29/2024
	MEETING DATE	9/10/2024

1. Agenda Item: Order amending the budget of the McAllen Public Utility Board of Trustees for Fiscal Year 2023-2024 for an increase in expenditures within the Wastewater Fund.

2. Party Making Request:
Mark Vega, General Manager

3. Nature of Request: Order amending the budget of the McAllen Public Utility Board of Trustees for Fiscal Year 2023-2024 for an increase in expenditures within the Wastewater Fund totaling \$110,000 for chemicals and emergency repairs.

4. Budgeted:

Bid Amount:	_____	Budgeted Amount:	_____
Under Budget:	_____	Over Budget:	_____
		Amount Remaining:	_____

5. Reimbursement:

6. Routing:
Maria Chavero Created/Initiated - 8/29/2024

7. Staff's Recommendation:

8. City Attorney: Approve. IJT

9. MPU General Manager: Approved - MAV

10. Director of Finance for Utilities: Approved - MSC

AN ORDER AMENDING THE BUDGET OF THE McALLEN PUBLIC UTILITY BOARD OF TRUSTEES FOR THE FISCAL YEAR 2023/2024 EFFECTIVE OCTOBER 1, 2023, BY PROVIDING FOR AN INCREASE IN EXPENDITURES TO-WIT: \$110,000 WITHIN THE WASTEWATER FUND FOR CHEMICALS AND EMERGENCY REPAIRS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the McAllen Public Utility Board of Trustees of the City of McAllen, Texas annually adopts its budget and submits to the City Commission which incorporates such budget in the overall budget for the City by ordinance.

WHEREAS, McAllen Public Utility Board of Trustees by ordinance of the City Commission providing for the creation of the McAllen Public Utility Board of Trustees, has the authority to manage and control the McAllen Public Utility, including control over fiscal matters of the Public Utility Board and therefore, it is not necessary that the City Commission approve the budget of the McAllen Public Utility Board of Trustees, and henceforth the McAllen Public Utility Board of Trustees will approve its budget and all amendments thereto by order which shall be filed along with the City Budget under the provisions of the Local Government Code.

NOW, THEREFORE, BE IT ORDAINED BY THE MCALLEN PUBLIC UTILITY BOARD OF TRUSTEES OF THE CITY OF McALLEN, TEXAS, THAT:

SECTION I: The Budget for the McAllen Public Utility Board of Trustees for the Fiscal Year 2023/2024 which became effective October 1, 2023, on file with the Board's Secretary, is hereby amended in the following particulars as shown on Exhibit "A" attached hereto and incorporated herein for all purposes.

SECTION II: The General Manager as Budget Officer shall provide for the filing of a true copy of this Budget Amendment in the office of the County Clerk, Hidalgo County, Texas.

SECTION III: This Order shall be effective after its passage and execution in accordance with the law.

SECTION VI: If any part or parts of this Order are found to be invalid or unconstitutional by a court having competent jurisdiction, then such invalidity or unconstitutionality shall not affect the remaining parts hereof and such remaining parts shall remain in full force and effect, and to that extent this Order is considered severable.

CONSIDERED, PASSED and APPROVED this 10th day of September 2024, at a meeting of the of the McAllen Public Utility Board of Trustees of the City of McAllen, Texas, at which a quorum was present, and which was held in accordance with Chapter 551 of the Texas Government Code.

SIGNED this _____ day of September 2024.

McALLEN PUBLIC UTILITY
BOARD OF TRUSTEES

By: _____
Charles Amos, Chairman

ATTEST:

By: _____
Juan Rodriguez, Interim Board Secretary

APPROVED AS TO FORM:

Isaac Tawil, City Attorney



BUDGET AMENDMENT REQUEST FORM

FUND: Wastewater Fund
DEPARTMENT: Wastewater Collections
FISCAL YEAR: 2023-2024

To be assigned by Treasury Management Dept.	
REVIEW BY	_____
DATE OF ENTRY	_____
ENTRY MADE BY	_____
JOURNAL ENTRY	_____
ORDINANCE NO.	_____
INTRANET CROSS FUND CAPITAL IMPRV PROJECT LISTING UPDATE	_____

Fund	Dept. & Division	Activity	Element & Object	Project Code	Description	Original/Revised Budget	Debit/Credit	Revised Budget
450	4106	443	62-20		Supplies / Chemical	\$ 400,000	\$ 75,000	\$ 475,000
450	4106	445	65-24		Maintenance / Emergency repairs	40,000	35,000	75,000
TOTALS						\$ 440,000	\$ 110,000	\$ 550,000

(Round up all amounts to the nearest hundred dollars)

JUSTIFICATION:

Amendment for Supplies - Chemicals / increase in the purchase of chemicals to reduce H2S gases around the City of McAllen.
 Budget amendment increase of \$75,000 for FY24.

Amendment for Maintenance/ Emergency repairs which included collapses line, force main repairs, and manholes.
 Budget amendment increase of \$35,000 for FY24.

General Manager

Signature _____ Date _____

Treasury Management Dept.

Signature _____ Date _____

Department Head

Signature _____ Date _____



	AGENDA ITEM	<u>5.a.</u>
PUBLIC UTILITY BOARD	DATE SUBMITTED	08/28/2024
	MEETING DATE	9/10/2024

1. Agenda Item: Consideration and Possible action to Write-off the 1st quarter Bad Debt fiscal year 2023-2024.
2. Party Making Request:
Pablo Rodriguez, Customer Relations Manager
3. Nature of Request: Authorization to write-off bad debt: Water fund \$10,655.81 Sewer fund \$8,912.93 for a Total write-off of \$19,568.74
4. Budgeted:

Bid Amount:	_____	Budgeted Amount:	_____
Under Budget:	_____	Over Budget:	_____
		Amount Remaining:	_____
5. Reimbursement:
6. Routing:
Pablo Rodriguez Created/Initiated - 8/28/2024
7. Staff's Recommendation: approve!
8. City Attorney: Approve. IJT
9. MPU General Manager: Approved - MAV
10. Director of Finance for Utilities: Approved - MSC

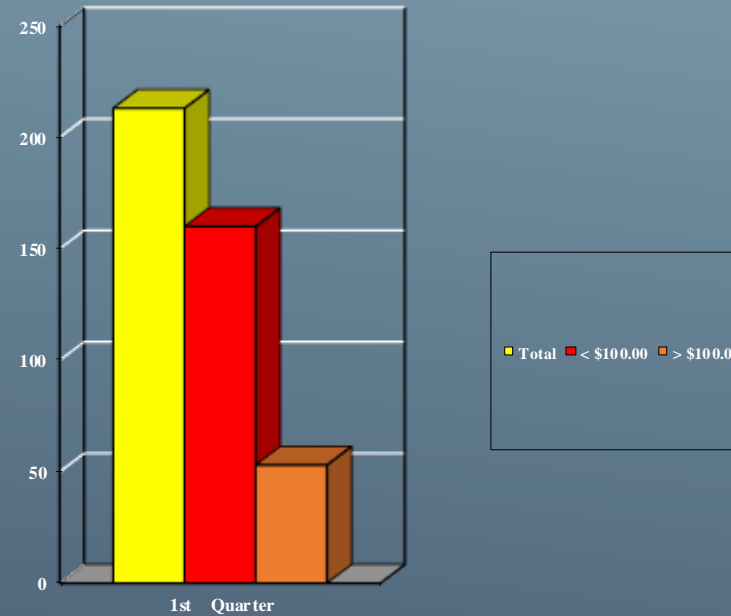


City of McAllen
McAllen Public Utility

Bad Debt Write-Off Report for
1st Quarter FY 2023-2024

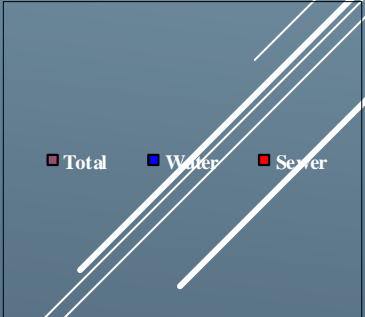
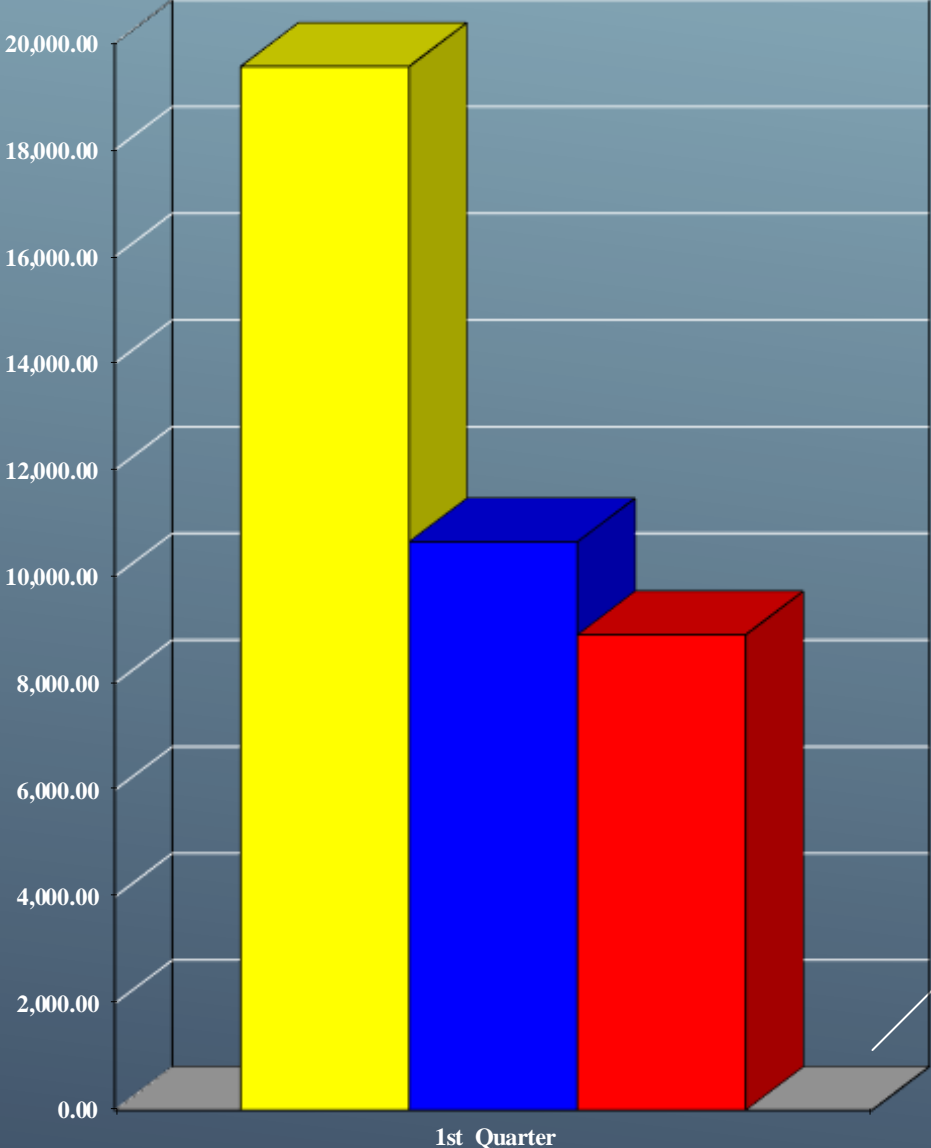
ACCOUNTS BREAKDOWN

- ▶ 213 Accounts on Report
\$19,568.74.
- ▶ 160 Accounts have
balances less than
\$100.00.
- ▶ 53 Accounts have
balances greater than
\$100.00.



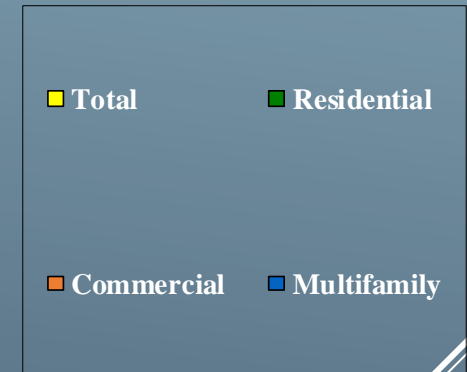
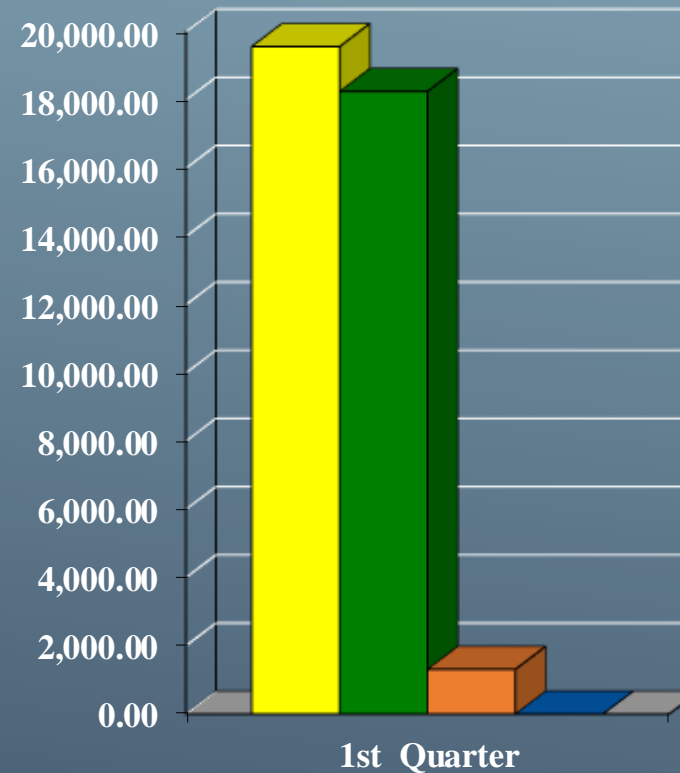
BY FUND TOTALS

- ▶ Total \$19,568.74
- ▶ Water - \$10,655.81
- ▶ Sewer - \$8,912.93
- ▶ Combined they represent .18% of 1st Qtr. Revenues



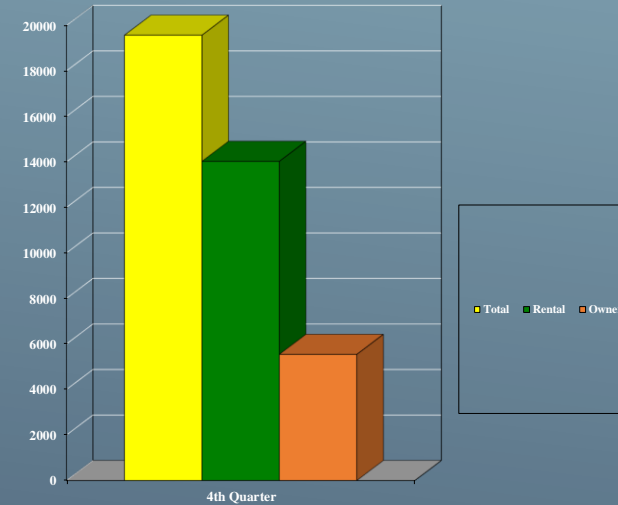
BY CUSTOMER CLASS

- ▶ Total - \$19,568.74
- ▶ Residential - \$18,255.11
- ▶ Commercial - \$1,313.63
- ▶ Multi-Family - \$0.00




BY CUSTOMER TYPE


- ▶ Total - \$19,568.74
- ▶ Rental - \$14,026.20
- ▶ Owner - \$5,542.54



ACCOUNTS WITH \$100.00 PLUS BALANCES SUMMARY.

- ▶ Of the 213 accounts on the list, 53 have balances greater than \$100.00
 - ▶ Accounts had a deposit and deposit was applied to the account.
 - ▶ Collection efforts are continuous.
- 

PROPOSAL

- ▶ 1st Quarter Bad Debt Write-Off –
\$19,568.74 / .18% of Revenues for same period.
 - ▶ Staff recommends approval of bad debt write-off for this period by the Board.
 - ▶ Thank You!
- 



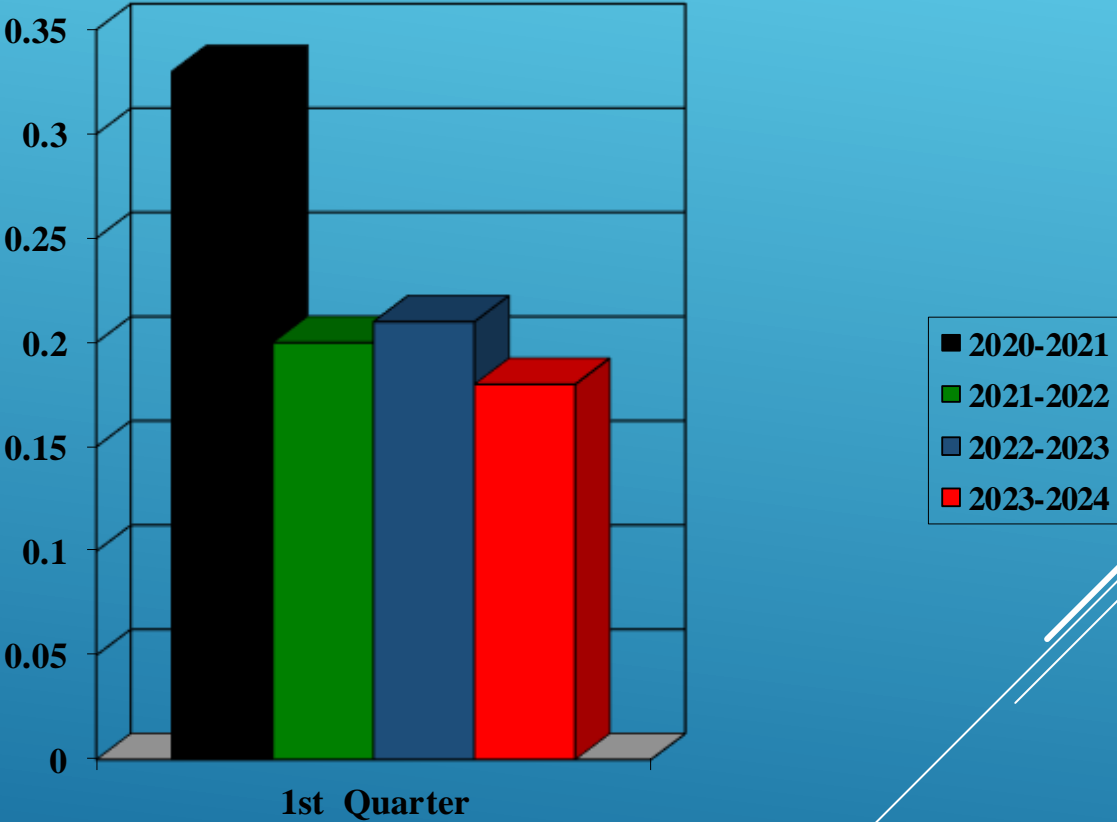
City of McAllen
McAllen Public Utility

Trend Analysis of Bad Debt
1st Quarter



TREND ANALYSIS OF BAD DEBT

- ▶ 2020-2021 - .24%
- ▶ 2021-2022 - .20%
- ▶ 2022-2023 - .21%
- ▶ 2023-2024 - .18%





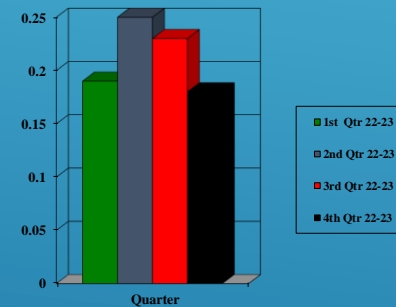
City of McAllen
McAllen Public Utility

Trend Analysis of Bad Debt
Last Four Quarters



TREND ANALYSIS OF BAD DEBT

- ▶ 2nd Qtr 22-23 .19%
- ▶ 3rd Qtr 22-23 .25%
- ▶ 4th Qtr 22-23 .23%
- ▶ 1st Qtr 23-24 .18%



Memo

To: Mark Vega, General Manager
From: Pablo M. Rodriguez, Assistant Director –Customer Relations
Thru: Maria Chavero, Director of Finance for Utilities
Date: 8/28/2024
Re: Bad Debt write-offs for 1st Quarter FY 2023-2024

Attached for your review and consideration is a list of delinquent accounts for the 1st Quarter of FY 2023-2024 (October 1, 2023–December 31, 2023). Staff is recommending approval of the bad debt write-off for \$19,568.74 which constitutes 0.18% of collected revenues for same period. Billed revenues totaled \$10,820,899.36. The breakdown for the proposed bad debt write-off is illustrated below:

By Fund:

Fund	1st Qtr FY 2023-2024 Revenues	Amount of Write-Off	Percent of Revenues
Water	\$6,050,746.35	\$10,655.81	0.10%
Sewer	\$4,770,153.01	\$8,912.93	0.08%
Total	\$10,820,899.36	\$19,568.74	0.18%

By customer type:

Type	No. of Accounts	Amount of Write-Off	Percent of Write-Off	Percent of Revenues
Rental	185	\$14,026.20	71.68%	0.13%
Owned	28	\$5,542.54	28.32%	0.05%
Total	213	\$19,568.74	100.00%	0.18%

By customer class:

Water & Sewer	Amount of Write-Off	Percent of Write- Off	Percent of Revenues
Residential	\$18,255.11	93.29%	0.17%
Commercial	\$1,313.63	6.71%	0.01%
Multi-Family	\$0.00	0.00%	0.00%
Total	\$19,568.74	100.00%	0.18%



	AGENDA ITEM	<u>7.a.</u>
PUBLIC UTILITY BOARD	DATE SUBMITTED	09/03/2024
	MEETING DATE	9/10/2024

1. Agenda Item: Consultation with City Attorney regarding pending litigation (Section 551.071, T.G.C).

2. Party Making Request:

3. Nature of Request:

4. Budgeted:

Bid Amount:	_____	Budgeted Amount:	_____
Under Budget:	_____	Over Budget:	_____
		Amount Remaining:	_____

5. Reimbursement:

6. Routing:
Savannah Arredondo Created/Initiated - 9/3/2024

7. Staff's Recommendation:

8. City Attorney: None. IJT

9. MPU General Manager: N/A - MAV

10. Director of Finance for Utilities: MSC - N/A