

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Economic and International Development

AGENDA DATE: March 17, 2020

CONTACT PERSON: Elizabeth K. Triggs, (915) 212-1619
TriggsEK@elpasotexas.gov

DISTRICT(S) AFFECTED: 1 and 4

SUBJECT:

A resolution that the City Manager be authorized to sign a Memorandum of Understanding in a form substantially similar to the attached document, between the City of El Paso ("City") and the El Paso Water Utilities-Public Service Board ("EPWU-PSB"), collectively the "Parties," amending and reinstating the Memorandum of Understanding approved on October 30, 2018 by which EPWU-PSB will sell and transfer approximately 2,313 acres of land to the City for \$18,600,000.00, payment of which will be accomplished through the City's "Impact Fund" (created by Ordinance No. 017460, as amended by Ordinance No. 018772) to allow the City to pursue certain economic development projects.

BACKGROUND/DISCUSSION:

On October 30, 2018, the City of El Paso (the "City") and the El Paso Water Utilities-Public Service Board ("EPWU-PSB"), collectively the "Parties" entered into a Memorandum of Understanding ("MOU") for the sale and transfer of approximately 2,313 acres of land to the City in the amount of \$18.6 million, payment of which is to be accomplished through the City's Impact Fund. On October 31, 2019, that MOU expired, however, the Parties wish to reinstate the MOU and further define land to be reserved from conveyance by the EPWU-PSB for its use in the development of the future EPWU-PSB Aquifer Storage and Recovery/Recharge ("ASR") Project while also detailing obligations of EPWU-PSB in the provision of water and sewer availability to said 2,313 acres and provide clarity and definition on the construction schedule for the ASR Project.

PRIOR COUNCIL ACTION:

On October 30, 2018, the City of El Paso (the "City") and the El Paso Water Utilities-Public Service Board ("EPWU-PSB"), collectively the "Parties" entered into a Memorandum of Understanding ("MOU") for the sale and transfer of approximately 2,313 acres of land to the City in the amount of \$18.6 million. Since that time the MOU has expired. The proposed resolution and attached document reinstate the MOU and clarify the obligations of EPWU-PSB in water/sewer availability and construction schedule for the ASR Project as it relates to the 2,313 acres of land to be transferred to the City's inventory.

AMOUNT AND SOURCE OF FUNDING:

No changes to the originally contemplated amount and source of funding which include payback of the \$18.6 million for land transferred by EPWU-PSB to City inventory over a 30 year period through the City's Impact Fund which is set aside for economic development and infrastructure projects as per Ordinance No.

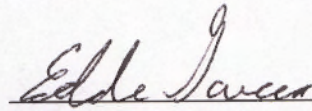
017460, as amended by Ordinance No. 018772, in accordance with the payment plan originally adopted by City Council on October 30, 2018.

BOARD/COMMISSION ACTION:

N/A

*******REQUIRED AUTHORIZATION*******

for
DEPARTMENT HEAD:



Jessica Herrera, Director
Economic & International Development

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Memorandum of Understanding in a form substantially similar to the attached document, between the City of El Paso ("City") and the El Paso Water Utilities-Public Service Board ("EPWU-PSB"), collectively the "Parties," amending and reinstating the Memorandum of Understanding approved on October 30, 2018 by which EPWU-PSB will sell and transfer approximately 2,313 acres of land to the City for \$18,600,000.00 payment of which will be accomplished through the City's "Impact Fund" (created by Ordinance No. 017460, as amended by Ordinance No. 018772) to allow the City to pursue certain economic development projects.

ADOPTED this ____ day of _____, 2020.

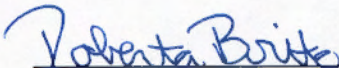
CITY OF EL PASO

Dee Margo
Mayor

ATTEST:

Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Roberta Brito
Assistant City Attorney

APPROVED AS TO CONTENT:

Jessica Herrera, Director
Economic & International Development

STATE OF TEXAS

§ AMENDED AND RESTATED

§ MEMORANDUM OF UNDERSTANDING

COUNTY OF EL PASO

§ Northeast Land Transfer

This **Amended and Restated** Memorandum of Understanding (“**Amended MOU**”) is entered into this ____ day of _____, 2020, by and between the **CITY OF EL PASO TEXAS** (“City”), a home rule municipal corporation, and the **EL PASO WATER UTILITIES – PUBLIC SERVICE BOARD** (“EPWater”), a component unit of the City (hereinafter collectively referred to as the “Parties”).

WHEREAS, on October 30, 2018 the City and the EPWater entered a Memorandum of Understanding with regard to the Northeast Land Transfer (“**MOU**”); and

WHEREAS, the Parties desire to amend and restate certain provisions contained in the MOU as further detailed herein.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES, OBLIGATIONS AND BENEFITS CONTAINED HEREIN, THE CITY AND EPWATER AGREE TO AMEND THE MOU AS FOLLOWS:

1. **Section 1.03** d. and g. shall be deleted and replaced in its entirety to read as follows:

- d. Exception from transfer and conveyance in the approximate amount of 67.3876 acres in total for a future EPWater Aquifer Storage and Recovery/Recharge (“ASR”) Project to be developed by EPWater and further depicted on the Reserved Infrastructure and ASR Project Survey attached as **Exhibit “C-1”**.
- g. Any subsequent owner of the above-identified 2,313 acre property (“Property”) shall grant at no cost to EPWater, easements in a reasonable form acceptable to such subsequent owner for future water, sewer and stormwater facilities as requested to EPWater, including lines, appurtenances, pump stations, storage families or channels, dams, ponds, in addition to the facilities specifically identified above, that are necessary to serve the Property as requested by EPWater during the initial subdivision plat for the Property.

2. **Section 1.08** is hereby amended in its entirety to read as follows:

EPWater agrees that as part of its Aquifer Recharge Project as described in **Exhibit E**, attached hereto and incorporated herein, EPWater shall at its sole expense, on or before February 28, 2025, complete construction of all segments of the ASR Project, subject to permitting approval by the Texas Commission on Environmental Quality (“TCEQ”). The ASR Project shall be in a form substantially similar to the rendering attached hereto as **Exhibit E**.

EPWater further agrees to construct at its cost, all necessary infrastructure described in Exhibit E required to provide water and sewer service to the Property. EPWater shall complete all necessary infrastructure improvements to provide service to the initial three phases of the Property (as described on the map included in Exhibit E) on or before August 31, 2022. EPWater represents that the water and sewer infrastructure requirements reflected in Exhibit E are currently included in the EPWater Capital Improvement Program and have been included in the calculation of the effective Impact Fee. Water and sewer service to the remaining development phases of the Property shall be completed by EPWater at its costs, ahead of and parallel with the development of the balance of the Property.

Except as specifically outlined in the attached **Exhibit "E"**, governing water and sewer availability and the construction schedule for the ASR Project, the Parties acknowledge and agree that EPWater shall not be committed to any additional requirements, obligations or commitments of any kind, including any financial obligation or commitment, to any party to whom the parcels of land may be transferred to or sold to, or to any party that may develop the parcels of land in the future.

3. **Section 1.09** is hereby amended in its entirety to read as follows:

The transfer of the land from EPWater to the City shall be effective on the date of receipt of a written request provided by the City Manager to EPWater's President/CEO requesting said transfer. Said written request shall identify the portion and description of the land identified above, to include metes and bounds description, that will be transferred. In the event the City's written request on the property transferred and the closing with the third party does not occur within six (6) months of the Effective Date of this **Amended MOU**, all provisions of this **Amended MOU** and the provisions of the **MOU**, with regard to the Northeast land transfer, shall be null and void, and the identified land in Section 1.02 above shall remain in EPWater's land inventory.

Except as herein amended above, all terms and conditions of the October 30, 2018 **MOU** entered into by and between the City and EPWater shall remain in full force and effect.

APPROVED on this _____ day of _____, 2020.

**EL PASO WATER UTILITIES -
PUBLIC SERVICE BOARD**

CITY OF EL PASO, TEXAS

John E. Balliew, President/ CEO

Tomàs Gonzàlez, City Manager

Signatures on following page

APPROVED AS TO CONTENT:

Marcela Navarrete, Vice President
Strategic, Financial and Management Services

APPROVED AS TO CONTENT:

Jessica Herrera, Director
Economic and International
Development

APPROVED AS TO FORM:

Lee Ann B. Koehler
General Counsel

APPROVED AS TO FORM:

Roberta Brito
Assistant City Attorney

REVISED EXHIBIT C-1
RESERVED INFRASTRUCURE AND ASR PROJECT SURVEY (4 Pages)

EXHIBIT "E"

Water and Sewer Availability for NE Land (3 Pages)

Memorandum of Construction Schedule for ASR Project (2 Pages)

INTEROFFICE MEMORANDUM



TO: John Balliew, P.E., President/CEO

FROM: Gilbert Trejo, P.E., Chief Technical Officer

SUBJECT: Construction schedule for Northeast El Paso Aquifer Recharge Project

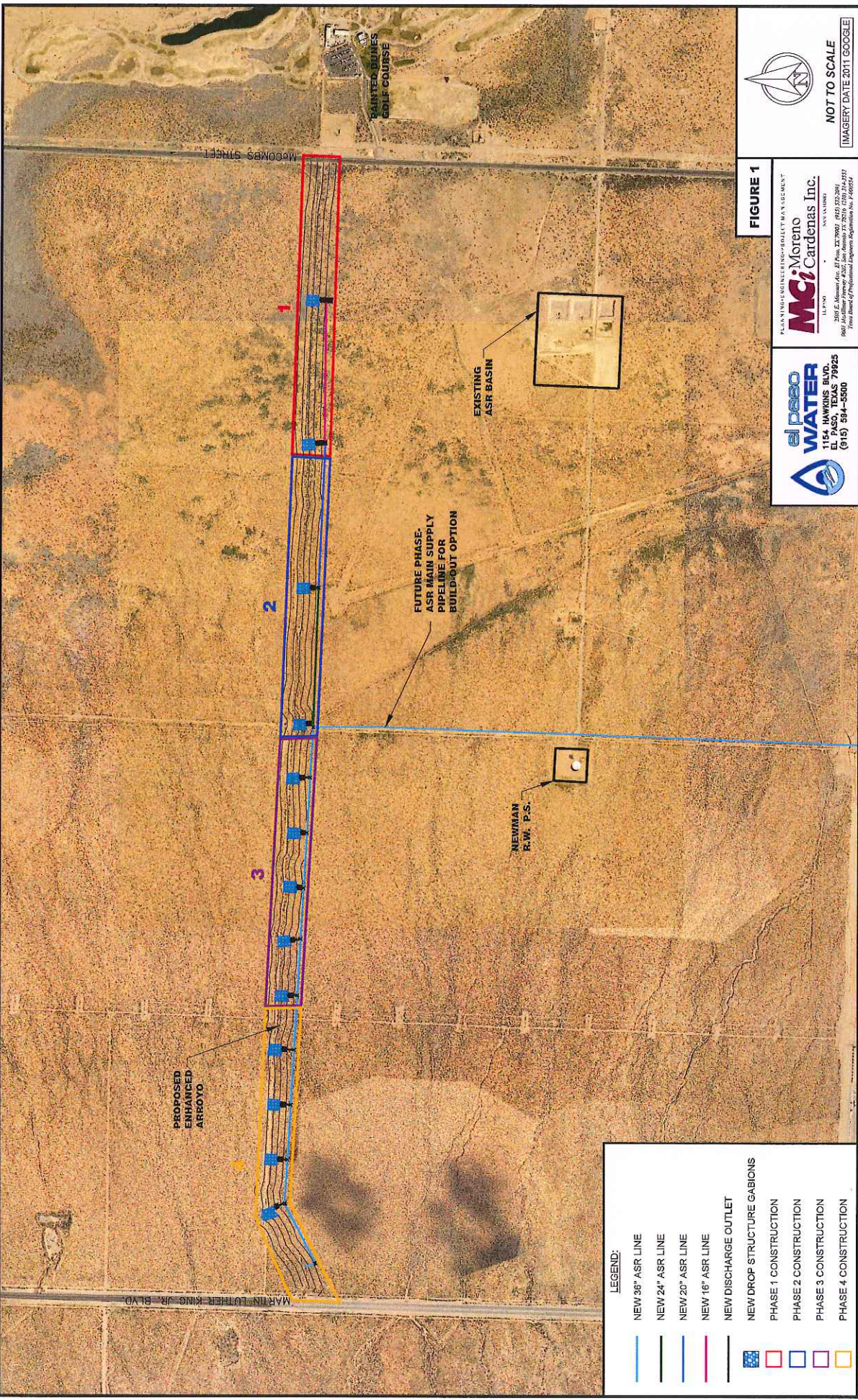
DATE: January 14, 2020

This memorandum is written to provide an overview of the construction schedule for the Enhanced Arroyo concept that is related to the expansion of the EP Water's Aquifer Recharge Project in Northeast El Paso.

Construction of this project is planned as four segments beginning with Segment 1 that is closest to Mc Combs (Figure 1). It is anticipated that it will take a year to construct each segment of the EA. Construction of Segment 4 is expected to be completed in February 2025.

Phase No.	Start	Finish
1	March, 2021	February 2022
2	March, 2022	February 2023
3	March 2023	February 2024
4	March 2024	February 2025

EP Water will discontinue use of existing infiltration basins once the new segments are built and receiving water for infiltration.



NOT TO SCALE
IMAGERY DATE 2011 GOOGLE

FIGURE 1

PLANNING/ENGINEERING/PROJECT MANAGEMENT
MCI Moreno Cardenas Inc.
LLP
3101 E. Mountain Ave. #2 Floor 20, 76060 (817) 332-3964
9801 31st Street, Suite 100, Fort Worth, TX 76116
Texas Board of Professional Engineers Registration No. 1469254

el paso WATER
1164 HAWKINS BLVD.
EL PASO, TEXAS 79925
(915) 394-5500



March 12, 2020

Mr. Ryan Burkhardt
President
Scarborough Lane Development
16380 Addison Road
Addison, TX 75001

RE: (UPDATED) Water and Sewer Availability for the Northeast Land – 2,313 acres

Dear Mr. Burkhardt:

This letter is in response to the request regarding water and sewer availability for the property referenced above.

The subject property is located within the City of El Paso Northeast Impact Fee service area. Impact fees will be assessed at the time of plat and collected by El Paso Water prior to the City of El Paso issuing a building permit.

Major water and sewer infrastructure which has been identified in the El Paso Water Northeast water and wastewater plans is required to serve the entire 2,313 acres of land. Water and sewer can be made available to the initial phases (see Exhibit enclosed) in the manner described below.

Water:

The 24-inch NE Franklin Phase 2 water line, the North 2 Booster Station and the Franklin East 1 Reservoir allow initial service to properties located on the Franklin East 1 pressure zone. The existing 16-inch diameter water main along McCombs will be switched from the East High pressure zone to the Franklin East 1 Pressure zone by interconnection with the proposed 24-inch NE Franklin Phase 2 water line. In addition, the 16-inch diameter water main along Sean Haggerty is also required. This infrastructure will be able to serve the initial three phases of the proposed development of the property as noted in the attached map.

The Franklin East 1 reservoir is currently under the final stages of construction. The North 2 Booster Station has been recently awarded and notice to proceed has been issued. The 24-inch NE Franklin Phase 2 water line is being designed with an anticipated bid date in March 2020. The 16-inch diameter water main along Sean Haggerty is currently scheduled for design in FY 20-21 and anticipated for construction in FY 21-22. Service to the remaining acreage requires the construction of the infrastructure described below:

- a. For land on the Franklin East 1 pressure zone, the Loma Real Reservoir (previously East High), Loma Real Booster Station (previously East High), and the Franklin East 1B Reservoir).
- b. b. For land on the Franklin East 2 pressure zone Franklin East 1 Booster Station and Franklin East 2 Reservoir.
- c. Water mains part of the Northeast Franklin Water System family that are on the 10-year Capital Improvement Program but have not been indentified as individual projects yet. These mains are anticipated to be installed ahead or in parallel with the development.

Sewer:

The sewer mains available to provide service to Phase 1, 3 and portion of Phase 2 are identified as the NE Interceptor System (18"/15"/12"). They are currently scheduled for design in the FY 20-21 and anticipated construction in FY 21-22. In addition, the Sean Haggerty Phase 1 sewer interceptor (27") is currently scheduled for design in FY 20-21 and anticipated construction in FY 21-22. The initial results on the sanitary sewer study for the line along Sean Haggerty has yielded that there are sections on the sewer system downstream that are at capacity and the installation of a portion of the relief lines indentified in the NE Interceptor System will be required in conjunction with the 27-inch sewer interceptor along Sean Haggerty and will follow the same schedule.

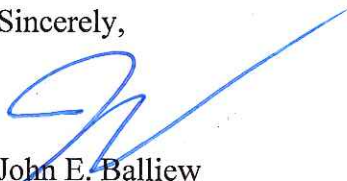
General:

A new service application is required to provide water and sewer services. The following items are required at the time of application: copy of subdivision plat (digital and hard copy); a set of complete subdivision improvement plans, including landscaping plans; benchmark check; and construction schedule.

McCombs Street, US 54, and Martin Luther King Boulevard are Texas Department of Transportation (TXDOT) rights-of-way. All proposed utility work within these rights-of-way requires written permission from TXDOT.

If you have any questions, please do not hesitate to contact Adriana Castillo at (915)594-5538.

Sincerely,



John E. Balliew
President/CEO

/ac