

**8<sup>th</sup> MEETING OF THE FUND COMMITTEE**  
**March 29, 2023**  
**10:00AM Mountain Time / 11:00 AM Mountain Time**  
**Meeting Minutes**

**INTRODUCTIONS AND OPENING REMARKS**

**The co-chairs introduced themselves and provided opening remarks.**

**Mariama Mitchell**, Environmental Protection Agency (EPA), US Co-Chair.

**Oscar Fentanes**, Sub-Director at the National Institute of Ecology and Climate Change (INECC, by its abbreviation in Spanish), Mexico Co-Chair.

**ROLL CALL**

**Mariama Mitchell** began the process to verify quorum by making a roll call of member from the US side:

- |                                    |  |
|------------------------------------|--|
| 1. Present: EPA – Mariama Mitchell | 3. Present: NMED – Armando Paz                 |
| 2. Present: TCEQ – Brandy Brooks   | 4. Present: City of El Paso – Anthony Dekeyzer |

**Ing. Fentanes Arriaga** roll calls members from the Mexican side:

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| 5. Present: INECC – Oscar Fentanes  | 7. Present: Juarez: Ricardo Aragon |
| 6. Present: SEDUE – Melisa Zambrano |                                    |

Administrative Unit members present: Jose Luis Palacios (TCEQ), and Cesar Fierro (SEDUE).

Other attendees: Dr. Carlos Rincón (EPA), Eddie Moderow (TCEQ), Gerardo Tarín (SEMARNAT), Gina Posada (TCEQ), Fernando Ortiz (NADB), and Stephanie Ma (TCEQ).

**ITEM 1: APPROVAL OF PREVIOUS MEETING MINUTES**

**Oscar Fentanes** introduced Item 1 regarding the Approval of Previous Meeting Minutes and asked for a motion to proceed:

**Melissa Zambrano (SEDUE) made the motion**

**Oscar Fentanes (INECC) seconded the motion**

Members vote for approval of minutes in the Zoom chat or by speaking.

EPA – **Yay**

INECC – **Yay**

TCEQ – **Yay**

SEDUE – **Yay**

NMED – **Yay**

Ecología Ciudad Juárez – **Yay**

El Paso – **Did not vote**

**Motion passes.**

**ITEM 2: PRESENTATION OF AQFS 2022 YEARLY REPORT**

**Mariama Mitchell** introduced that topic and mentioned that the approval would be voted via email.

**Jose Luis Palacios** gave an overview of the annual report for 2022, including the new appointments to the Administrative Unit and Fund Committee, the site visit to select the location of the new station, the procurement procedures conducted for operations and maintenance awarded to UACJ and for purchase of equipment awarded to PERSIS. Also mentioned was the reception of a Supplemental Environmental

Project proposal by NADB to the TCEQ, the official correspondence by AQF Cochairs, financial reports Fund Committee meeting details.

**Mariama Mitchel** volunteered to present the annual 2022 report at the next JAC meeting.

**Eddie Moderow** described that it would be a five-minute presentation.

**Oscar Fentanes** asked a question related to the official AQF correspondence, in particular the letter requesting access to the data produced by the EGU company.

**Jose Luis Palacios** mentioned that UACJ has been in touch with the company, and they have agreed to share the information, however they want an official document from SEMARNAT requesting that they share access with the AQF. We would need to request the support of Daniel Lopez so that they can facilitate the process.

### **ITEM 3: UPDATE ON THE INAUGURATION OF THE 4<sup>TH</sup> MONITORING STATION IN CIUDAD JUAREZ AND THE BINATIONAL QUALITY ASSURANCE WORKSHOP**

**Oscar Fentanes** asked Ricardo Aragon to provide an overview of the new monitoring site inauguration.

**Ricardo Aragon** mentioned that on February 16 the inauguration of the new station took place, with this there are now 4 stations. The mayor Cruz Perez Cuellar, SEDUE, UACJ, Marathon Petroleum Foundation attended the inauguration.

Regarding the technical assistance agreement between the Juarez Municipality and the NADB, they have shared all the documentation required by NADB so that they can proceed with payment to PERSIS. Juarez municipality conducted the works needed to install the new station, including concrete slab electric installations and other items. They also entered into a contract with a company that will provide “exterior” maintenance to the stations, including exterior cleanup, and electrical support.

**Oscar Fentanes** provided comments on the QA/QC Workshop. He mentioned that it was very successful, he highlighted the activities led by the Mexico City monitoring network and the site visit to the Chamizal site. He also recognized the involvement of PROFEPA so that they can be better prepared to perform audits. Oscar proposed to repeat in similar dates of January to March a similar event, inviting other Mexican cities to add to this joint effort. A very useful event that can lay the ground for future work.

**Cesar Fierro** also gave comments on the QA/QC workshop.

### **ITEM 4: OPERATIONS AND MAINTENANCE CONTRACT FOR THE APRIL TO AUGUST PERIOD AND TWO-YEAR CONTRACT STARTING IN SEPTEMBER**

**Mariama Mithcell** introduced item 4 and requested that a vote take place after each of the subjects.

**Jose Luis Palacios** provided an overview of the request for quotes sent to three companies and showed the results of what the Administrative Unit received.

**Ricardo Aragon** commented on the big difference between the quotes by UACJ and Persis and mentioned that they recommend selecting the university, not only because of the cost, but because of the

great results they have showed, the fact that they can have continuous communication and the operating capacity of Dr. Vazquez, and his team is well known.

**Cesar Fierro** mentioned that they also recommend UACJ as they know the equipment and the stations and have the experience needed.

**Ricardo Aragon (Juarez)** **made the motion to approve the contract with UACJ on the amount of 31,238.00 USD**

**Oscar Fentanes (INECC)** **seconded the motion**

Members vote in the Zoom chat or by speaking.

EPA – Yay

INECC – Yay

TCEQ – Yay

SEDUE – Yay

NMED – Yay

Ecología Ciudad Juárez – Yay

El Paso – Yay

**Motion passes.**

**Mariama Mitchell** requested that the Administrative Unit present the proposal for a two-year operations and maintenance contract.

**Jose Luis Palacios** mentioned that they have faced some difficulties to put in place operations and maintenance contracts for short periods, as it represents a big administrative burden to the parties involved, including NADB and risks periods without an operations contract in place in case of any delays, so a contract for a longer term would be better, that's why the Administrative Unit makes the following proposal:

To approve an exclusive acquisition for the contracting of operation and maintenance of the stations for a period of two years (September 2023 to August 2025) with UACJ.

**Estimated contract value:**

- \$6,666.00 USD per month
- \$160,000.00 USD for the period of two years

**Considerations that justify the two-year contract:**

- Administrative simplification of a long-term contract.
- Certainty for the Binational Fund as well as the service provider and stability in the management of the stations by being able to plan for a longer period.
- Avoidance of the risk of periods without active operation contracts due to administrative and legal delays.
- In line with the budget cycle of contributing entities (EPA and TCEQ).

**Considerations that justify the exclusive assignment based on current procedures:**

The approved AQF procurement policies allow for exclusive acquisition for the hiring of professional services such as the operation and maintenance of the stations.

Annex I must be completed, which is used for this modality, where the justification and details of why it will be carried out directly must be explained.

The contract award is based on negotiations with the most qualified provider. The procurement procedures establish that a provider of professional services should not be selected on the basis of competitive bids, but rather on the basis of demonstrated competencies and qualifications to perform the service for a fair and reasonable price."

**Considerations for assigning the contract to the Autonomous University of Ciudad Juarez:**

- They have had a good track record in their performance as contractors for the AQF, meeting the established deliverables on time.
- Institutional capacity to meet contractual and accounting requirements of the AQF and BDAN.
- Qualified human resources and technical personnel from the Center for Atmospheric Sciences and Green Technologies at the Autonomous University of Ciudad Juarez. Capacity building for operators and air quality experts through students and academic community. Continuity through the strengthening of local operator capacities in Ciudad Juarez.
- They have developed capacities in quality control and assurance in operation and monitoring, as well as in data management and validation. These processes are gradual and changing providers would entail a risk to the progress made.
- There is synergy between the UACJ meteorological network and the monitoring network, which represents savings for the AQF.
- Reputation and recognized prestige among society generate trust in the produced data, which is of enormous importance for obtaining social support for the air quality program.
- Collaboration agreement between INECC and UACJ that recognizes it as a scientific center to support the air quality program in Ciudad Juarez.
- Complementarity with other air quality projects, such as black carbon, low-cost sensors, ceilometer, among others.
- They have consistently presented the best economic proposals with a significant price difference compared to the competitor, who shows a comparable level of capabilities but is less desirable for AQF.

To do this we would need approval by the Fund Committee, the completion of Annex 1 by the Administrative Unit, and to proceed with a negotiation with UACJ to have a contract in place by September 2023.

**Ricardo Aragon (Juarez) made the motion**

**Melissa Zambrano (SEDUE) seconded the motion**

Members vote in the Zoom chat or by speaking.

EPA – **Yay**

INECC – **Yay**

TCEQ – **Yay**

SEDUE – **Yay**

Motion has carried.

#### **ITEM 5: SUPPLEMENTAL ENVIRONMENTAL PROJECT APPLICATION FOR THE AQF**

**Oscar Fentanes** introduced Fernando Ortiz from NADB to present on the application they submitted to become a third-party administrator for AQF.

**Fernando Ortiz** presented the content of the Third-Party Administrator proposal for a Supplemental Environmental Project for AQF.

The project includes two phases:

- First: Funding for Operations and Maintenance to make data continuous, reliable and publicly available.
- Second: Network expansion to up to 13 stations in total

The Third-Party Administrator can receive funds from environmental penalties determined by the state of Texas. The funds are channeled to fulfill the objectives previously stated. The proposal has been slow as it might entail specific waivers by the TCEQ due to the unique characteristics of NADB and this project.

**Jose Luis Palacios** explained how SEP funding works and highlighted that funding would be variable depending upon environmental penalties in the area and on voluntary participation by sanctioned entities. He extended the invitation to other state and local agencies to explore similar mechanisms that can enhance the resiliency of AQF funding.

**Carlos Rincón** provided an overview of historic SEP funding in the region, including a penalty to Chevron that used this modality to conduct an international SEP. Its objective was to take out of circulation old high emitting vehicles in NM, TX, and Chihuahua.

**Oscar Fentanes** asked Fernando how they arrived at the proposed network density of 13 stations. Fernando mentioned this estimate was shared by Sergio following the site visit to select the new monitoring station location.

#### **ITEM 6: TECHNICAL ASSISTANCE APPLICATION FOR THE NETWORK STUDY BY INECC**

**Mariama Mitchell** introduced item 6.

**Oscar Fentanes** explained the technical limitations faced during the process to select the optimal site for the new monitoring station, and that because of this a formal letter was just recently sent to NADB to apply for their Technical Assistance Program. The study would be conducted by INECC by an area that has done similar studies in around 4 other states in Mexico. It would entail an evaluation of the network, including required network density and station location to have optimal coverage of the urban area of Juarez. It would be ideal to have the results before a possible fifth station is added to the network to be able to place it based on the evidence and recommendations.

**Fernando Ortiz** mentioned that on Monday NADB received the letter. What would be the timeline of the Study?

**Oscar Fentanes:** It is estimated that it would take 8 months, maybe it could be reduced a little bit.

**Fernando Ortiz:** TAP projects for 2023 have been selected, however as some projects fail to continue, it could be possible to integrate this proposal, depending on the results from January to March. There are possibilities to include it, in the coming weeks they will share information with AQF.

**ITEM 7: AQF BUDGET AND PLANNED EXPENSES FOR FY2023**

**Oscar Fentanes** introduced item 7 and explained that Jose Luis would provide an overview of available funding and Cesar would provide a proposal for investments.

**Jose Luis Palacios** gave an overview of AQF funding up to March 2023, which are detailed below:

Total balance	\$204,048.77
Payments made during march	\$(12,319.29)
Payments being processed	\$(4,174.50)
Pending UACJ Contract	\$(709.50)
Fourth Monitoring station	\$(95,312.06)
Set-aside for admin costs	\$(17,137.59)
April to August O&M	\$(31,248.98)
Uncommitted & available funds	\$43,146.85

He highlighted the importance of investing the uncommitted funds by August.

**Cesar Fierro** presented the proposed investments as detailed below:

Planned expenses	Total
Calibrador Dinamico TELEDYNE API model T700	\$24,065.00
Generador de aire zero TELEDYNE API model T701	\$9,456.00
Calibración de calibrador dinámico	\$2,538.00
Total	\$36,059.00
Total with IVA	\$38,943.72
Remaining balance	\$4,203.13

**Oscar Fentanes** asked about the purpose of this equipment.

**Cesar Fierro** mentioned it would be to strengthen the new station that does not currently have automatic calibration.

**Melissa Zambrano (SEDUE)** made the motion so that the Administrative Unit can proceed with procurement of the proposed equipment.

**Mariama Mitchell (EPA)** seconded the motion

Members vote in the Zoom chat or by speaking.

EPA – **Yay**

INECC – **Yay**

TCEQ – **Yay**

SEDUE – **Yay**

NMED – **Yay**

Ecología Ciudad Juárez – **Yay**

El Paso – **Yay**

Motion has carried.

### **ITEM 8: MARATHON PETROLEUM FOUNDATION GRANT APPLICATION FOR 2023**

**Mariama Mitchell** introduced item 8 regarding the application to the Marathon Petroleum Foundation.

**Jose Palacios:** following the successful inauguration of the new monitoring station funded by the MP Foundation, we were contacted by VJ Smith, their stakeholder engagement representative to explore the possibility of a new iteration. After analysis by the Administrative Unit, we presented the proposal detailed below:

Item	Cost	Cost with IVA	Quantity	Total
Trailer	\$26,000.00	\$30,160.00	1	\$30,160.00
Automatic pm 2.5 and 10	\$46,606.00	\$54,062.96	2	\$108,125.92
Dataloger	\$9,560.00	\$11,089.60	1	\$11,089.60
Total				\$149,375.52

This would allow the network to expand with one more station, and further equip an ozone only station with automatic pm 2.5 and pm 10.

**Fernando Ortiz** asked about the transfer of Funds to NADB, specifically if they would go, as the previous time, through the Paso del Norte Community Foundation. Jose Luis mentioned that indeed, that would be the case again.

Eddie Moderow mentioned that the MP Foundation donation gave wings to AQF as its first private donation but recognized the importance talking sincerely about securing other sources of funding from government sources, other foundations and private companies to make the most out of the public-private partnership. **Mariama Mitchell** asked if the Trade Fair would be a good venue to do this.

### **ITEM 9: NEXT MEETING OF THE FUND COMMITTEE**

**Oscar Fentanes** proposed to have the next meeting on July 12, 2023.

**Mariama Mitchell (EPA)** made the motion

**Ricardo Aragon (Juarez)** seconded the motion

Members vote in the Zoom chat or by speaking.

EPA – **Yay**

INECC – **Yay**

TCEQ – **Yay**

SEDUE – **Yay**

NMED – **Yay**

Ecología Ciudad Juárez – **Yay**

El Paso – **Yay**

Motion has carried.

### **ITEM 10: PUBLIC COMMENTS**

**Mariama Mitchell** provided closing remarks.