

**SPECIAL BUDGET REVIEW MEETING MINUTES OF THE  
PUBLIC SERVICE BOARD**

**NOVEMBER 6, 2017**

The special meeting of the Public Service Board was held Monday, November 6, 2017, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

**PSB MEMBERS PRESENT**

Henry Gallardo, Chair  
Terri Garcia, Secretary-Treasurer  
Mayor Dee Margo, Ex-Officio Member  
Dr. Kristina Mena, Member  
Bradley Roe, Member  
Dr. Ivonne Santiago, Member

**PSB MEMBERS ABSENT**

Chris Antcliff, Vice Chair

**PSB EMPLOYEES PRESENT**

John E. Balliew, P.E., President and Chief Executive Officer  
Lee Ann Koehler, General Counsel

**EPWU EMPLOYEES PRESENT**

Juan S. Gonzalez, Assistant General Counsel  
Marcela Navarrete, Vice President  
Alan Shubert, P.E., Vice President  
Lisa Rosendorf, Chief Communications & Government Affairs Officer  
Art Duran, Chief Financial Officer  
Martin Noriega, Storm Water Operations Manager  
Christina Montoya, Marketing & Communications Manager  
Rene Leon, Intergovernmental Affairs Coordinator  
Jillian Shipp, Executive Assistant  
Robert Riley, Utility Construction Engineering Division Manager  
Martha Koester, Utility Public Information Coordinator  
David Torres, Water & Wastewater Economic Analyst  
Gisela Dagnino, Engineering Division Manager  
Enrique Ochoa, Engineering Division Manager  
Fernie Rico, Utility Chief Operations Officer  
Gilbert Trejo, Utility Chief Technical Officer  
Elsa Ochoa, Engineering Technician  
Ana Pucella, Budget & Management Analyst  
Jeff Tepsick, Fiscal Operations Manager  
Josh Moniz, Lead Public Affairs Coordinator

**MEDIA**

KVIA  
Univision

**GUESTS**

The Public Service Board meeting was called to order by Mr. Gallardo at 6:03 p.m. A quorum of its members was present. After a moment of silence, those in attendance joined Ms. Terri Garcia, in reciting the Pledge of Allegiance.

## REGULAR AGENDA

### **BUDGET WORKSHOP – FY 2018-19 STORMWATER OPERATING AND CAPITAL BUDGET; PROPOSED RULES AND REGULATION CHANGES.**

Mr. John Balliew, President/CEO, reviewed the schedule of budget meetings and stated this meeting would be the first of possibly three budget meetings. He stated the meeting will focus on the stormwater portion of the budget. A second budget meeting will be held on Monday, November 13, 2017, to discuss the water, wastewater and reclaimed water portion of the budget. He explained if an additional meeting is needed for questions, clarification and discussion, a third meeting will be held on November 20, 2017. If an additional meeting is not needed, the budget would go before the Board for approval at the Board's regular meeting scheduled on January 10, 2018.

Mr. Alan Shubert, Vice President, made a PowerPoint presentation summarizing the FY 2018-19 Stormwater Budget (**entire presentation on file with EPWater Central Files**). Mr. Shubert began by highlighting the FY 2017-18 Stormwater Accomplishments. In regards to public safety, EPWater has created 65 million gallons of capacity for flood control which has reduced the flooding on Interstate 10. (I-10). EPWater also maintained 243 acres of stormwater ponds, 15 miles of drains, cleaned 25 miles of channels and levees, 3 miles of conduits and 616 inlets 239 acres during FY 2017-18. Mr. Shubert informed the Board that El Paso Water will now be doing all the water extractions, whereas before we were sharing it with the City, for FY 2017-18 EPW did 149 extractions. The Board was shown pictures of the dams, ponds, channels, levees, agricultural drains, storm drains and storm drop inlets maintained and cleaned by the Utility.

Mr. Shubert reviewed the four construction projects completed during FY 2017-18 by discussing the problems that were faced prior to construction, the scope of work for each project, and the construction cost for each project: Gateway East Pond Expansion; Fairbanks Sediment Catch Structure; Keystone Dam Outlet; and Dallas Conduit Clearing of Utilities PH II. He then reviewed 11 stormwater projects currently under construction by discussing the problems to be addressed, the scope of work for each project, construction cost, start date of the project and estimated completion date. He also provided the Board with pictures of the project areas. The 11 projects are Kentucky Dam Improvements Phase 1; Grand Teton river Ponding Area Improvements; San Diego Dam Improvements; Dam No. 9 (Denver Avenue) Improvements; Ridge View/Bear Ridge Channel Improvement; Saipan Pond Rehabilitation Project; West Hills Unit 23 Storm System Improvements; Louisiana Dam Improvements; Franklin Conduit Structural Rehabilitation; Thomas Manor Stormwater Improvements; La Placita/Belvidere Emergency Repairs.

Mr. Shubert continued his presentation by discussing the FY 2017-18 Stormwater Capital Budget. He reviewed the funding requests over \$33.5 million for new stormwater projects which consisted of the following projects: Will Ruth Pond; CD Drainage Projects; Various Open Space Projects/Park Ponds; Silver Springs Dam; Dallas Outfall Basin; Monsoonal Emerging Projects (Dams, Ponds, Pump Stations and Conveyance) Thomas Manor; Franklin Conduit Repairs; Bear Ridge Improvements; Copia Pond; West Hills Unit 23 Inlets; Kentucky Dam Phase 1; Dam No. 3 Upgrade Louisiana.

Ms. Marcela Navarrete, Vice President, continued the presentation by providing a brief review of the open space financial report as of September 30, 2017. The total open space expenses from inceptions were approximately \$9.5 million. Open space revenue from inception to September 30, 2017 total approximately



\$16.8 million. The available balance for open space projects as of September 30, 2017 was approximately \$7.3 million. Currently, three open space acquisition projects are pending.

Next, Ms. Navarrete continued the presentation by reviewing the stormwater financial plan. The maintenance expense budget has been increased by \$295,000. She said two capital budget alternatives would be presented for FY 2018-19. The capital budget would total \$34.1 million and would include issuing bonds in the amount of \$9.2 million. EPWater must maintain a minimum 90-day operating reserve and debt service coverage of 1.25 times (legal minimum). Based on the five-year plan presented last year, the budget for FY 2018-19 would include a 9% fee increase.

Ms. Navarrete reviewed the FY 2018-19 storm water-operating budget which is approximately \$6.6 million. This would be a \$295,000 increase from FY 2017-18. The increase is a result of an increase in indirect cost allocation, which included in Water and Sewer sections. A chart was presented comparing El Paso's current residential and non-residential stormwater fees to those of cities across the state of Texas. Additional tables and graphs were presented comparing the current and proposed monthly stormwater fees for both residential and non-residential customers.

Overall, the stormwater maintenance expense budget for FY 2018-19 has been increased by \$295,000. The capital budget is \$34.1 million and includes a bond issuance totaling \$9.2 million. Mr. Balliew reviewed a map showing the amount of progress made in FEMA Northeast Floodplain Map and revised map when the 5,000 properties are removed for the 100-yr flood zone. He also highlighted the 10 Years of Stormwater Utility, which includes acquiring 488 acres of open space, over 100 million gallons of flood control and an estimated 5,000 properties being removed from the floodplain in Northeast El Paso.

Mr. Balliew, Mr. Shubert and Ms. Navarrete, addressed questions from the Board regarding the stormwater budget for FY 2018-19.

**PUBLIC COMMENT: THE PSB WILL PERMIT PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA. THE CHAIR MAY IMPOSE REASONABLE TIME LIMITS FOR EACH SPEAKER.**

No additional comments were made.


**EXECUTIVE SESSION**

The Board did not enter into Executive Session.

**ADJOURNMENT**

Mr. Gallardo declared the meeting adjourned at 6:48 p.m., November 6, 2017.

ATTEST:

  
Secretary-Treasurer

  
Chair