

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
April 10, 2019

The regular meeting of the Public Service Board was held Wednesday, April 10, 2019, at the El Paso Water Utilities Public Service Board Meeting Room, 1154 Hawkins Blvd., El Paso, Texas.

PSB MEMBERS PRESENT

Dee Margo, Ex-Officio Member
Henry Gallardo, Member
Terri Garcia, Vice-Chair
Dr. Ivonne Santiago, Member
Dr. Kristina D. Mena, Member
Bryan Morris, Member

PSB MEMBERS ABSENT

Christopher A. Antcliff, Chair

PSB EMPLOYEES PRESENT

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

EPWATER EMPLOYEES PRESENT

Alan Shubert, Vice President
Marcela Navarrete, Vice President
Juan S. Gonzalez, Assistant General Counsel
Art Duran, Chief Financial Officer
Jeff Tepsick, Assistant Chief Financial Officer
Gretchen Byram, Computer Media Specialist
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Jillian Shipp, Executive Assistant
Levi Chacon, Purchasing Agent
Israel Chavez, Senior Network Administrator
Gilbert Trejo, Chief Technical Officer
Christina Montoya, Marketing and Communications Manager
James Wolff, Senior Land and Contract Administrator
Alma De Anda, Utility Land & Water Rights Manager
Lidia Carranco, Utility Treasury & Property Control Manager
Alfredo Solano, Interim Chief Information Officer
Veronica Anaya, Web Programmer
Gerado Gomez, Engineering Program Administrator
Martha Koester, Utility Public information Coordinator
Melissa Bell, Lead Public Affairs Coordinator
Carlos Briano, Lead Public Affairs Coordinator
Rocio Alvarado, Utility Contract Development Coordinator
Corina Ledesma, Performance Systems Administrator
Pablo Mejia, Utility Engineer Associate
Gladis de Santiago, Database Administrator
Edgar Campos, Senior Project Manager
Irazema Rojas, Capital Improvement Program Manager

Aide Zamarron, Wastewater Treatment Manager
Thomas Cieslik, Utility Engineer Associate

GUESTS

Pam Forone
Joe Villesas, El Paso Rio
Maria Monsisvaris, BPR

MEDIA

None

The Public Service Board meeting was called to order by Ms. Garcia at 8:06 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Ms. Lisa Rosendorf, in reciting the Pledge of Allegiance.

CONSENT AGENDA

Mr. Morris requested to have item number 4 moved from consent agenda to regular agenda. On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board moved item 4 regular agenda.

On a motion made by Mr. Gallardo, seconded by Mr. Morris and unanimously carried, the Board took action on the following consent agenda items:

1. CONSIDERED AND APPROVED OF THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON MARCH 13, 2019

The Board approved of the minutes of the regularly scheduled meeting held on March 13, 2019.

2. CONSIDERED AND APPROVED THE PURCHASE OF TWO CATERPILLAR BACKHOE/LOADERS AND SKID STEER ATTACHMENTS FROM WAGNER EQUIPMENT COMPANY THROUGH TEXAS BUY BOARD TASB CONTRACT NUMBER 515-16, IN THE AMOUNT OF \$212,412.69.

The Board approved the purchase of two Caterpillar backhoe/loaders and skid steer attachments from Wagner Equipment Company through Texas Buy Board TASB Contract Number 515-16, in the amount of \$212,412.69.

3. CONSIDERED AND APPROVED THE PURCHASE OF SKID STEER ATTACHMENTS FROM WAGNER RENTS, A SUBDIVISION OF WAGNER EQUIPMENT COMPANY, THROUGH TEXAS BUY BOARD TASB CONTRACT NUMBER 515-16, IN THE AMOUNT OF \$53,563.

The Board approved the purchase of skid steer attachments from Wagner Rents, a subdivision of Wagner Equipment Company, through Texas Buy Board TASB Contract Number 515-16, in the amount of \$53,563.

5. CONSIDERED AND APPROVED THE PURCHASE OF HVAC UNIT REPLACEMENTS AT THE ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT FROM GAP AIR CONDITIONING AND HEATING THROUGH ESC REGION 19 ALLIED STATES COOPERATIVE CONTRACT NUMBER 18-7285, IN THE AMOUNT OF \$181,550 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

The Board approved the purchase of HVAC Unit Replacements at the Roberto R. Bustamante Wastewater Treatment Plant from GAP Air Conditioning and Heating through ESC Region 19 Allied States Cooperative Contract Number 18-7285, in the amount of \$181,550 and authorized the use of commercial paper.

6. CONSIDERED AND APPROVED A RESOLUTION APPROVING AN ADDITIONAL AUTHORIZED STAFF REPRESENTATIVE OF THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD FOR THE TEXAS SHORT TERM ASSET RESERVE PROGRAM (TEXSTAR) INVESTMENT POOL ACCOUNTS.

The Board approved a Resolution approving an additional authorized staff representative of the El Paso Water Utilities Public Service Board for the Texas Short Term Asset Reserve Program (TexSTAR) Investment Pool accounts.

REGULAR AGENDA

4. CONSIDERED AND APPROVED A CONTRACT FOR PARKING LOT REPAIRS AND IMPROVEMENTS AT PAINTED DUNES WITH G. SANDOVAL CONSTRUCTION, INC., THROUGH ESC REGION 19 ALLIED STATES COOPERATIVE CONTRACT NUMBER 17-7253, IN THE AMOUNT OF \$115,442.

Ms. Rose Guevara, Senior Purchasing Agent, provided information to the Board regarding this item. This work will consist of repairing multiple potholes, replacing parking lot striping, and adding handicap logos in the driveway and/or parking lot area at the Painted Dunes Facility. Staff received three quotes utilizing ESC Region 19 Allied States Cooperative contracts. Staff reviewed all quotes and determined that Sandoval Construction submitted the most economical quote. Their quote meets all the requirements for this procurement. Staff recommends this purchase be made from Sandoval Construction. Ms. Guevara addressed questions from Mr. Morris regarding this item.

On a motion made by Mr. Morris, seconded by Mr. Gallardo and unanimously carried, the Board approved a contract for Parking Lot Repairs and Improvements at Painted Dunes with G. Sandoval Construction, Inc., through ESC Region 19 Allied States Cooperative Contract Number 17-7253, in the amount of \$115,442.

7. PRESENTATION OF TEXAS AWWA WATERMARK AWARDS FOR THE NEW EL PASO WATER WEBSITE AND CANAL PLANT ANNIVERSARY VIDEO.

Ms. Christina Montoya, Marketing & Communications Manager, provided information to the Board regarding this item. Ms. Montoya presented the Texas AWWA Watermark Award to several EPWater staff members for their hard work and dedication to the new El Paso Water website that was launched in 2018. The reason for the new website was to modernize it and to better serve our customers. In addition, a news platform was included in the new website, which included new subscription services. In one year, there was a 40% increase in traffic to the website, and subscriptions to existing platforms tripled. Ms. Montoya went on explain that the new website was a collaborative effort between the Information Technology departments along with the Communication Department. Ms. Montoya pointed out that Ms. Lisa Rosendorf, Chief Government Affairs Officer was the one that lead the team. Ms. Montoya introduced the core team to the Board and thanked them for their hard work. The core team consisted of Lisa Rosendorf, Melissa Bell, Gretchen Byram, Corina Ledesma, Geraldo Vela, Veronica Anaya, Jessica Romo, and Gladis de Santiago. Next, Mr. Rosendorf presented the Watermark award for the 75th Canal Plant Anniversary video. She presented and thanked Christina Montoya, Melissa Bell and Martha Koester for their hard word that was put into creating the documentary regarding the history of the Canal plant and the research that was done, and interviews that were done with archivists.

8. CONSIDERED AND APPROVED A RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO SUBMIT A WATERSMART TITLE XVI CONGRESSIONALLY AUTHORIZED WATER RECLAMATION AND REUSE PROJECTS GRANT APPLICATION TO THE U.S. BUREAU OF

RECLAMATION IN AN ESTIMATED AMOUNT OF \$3,500,000 TO FUND PILOT TESTING AND COMPLETE DESIGN OF THE ADVANCED WATER PURIFICATION FACILITY IN EL PASO, TEXAS, AND TO PROVIDE ANY OTHER DOCUMENTS NECESSARY TO RECEIVE GRANT FUNDING IN CONNECTION WITH THE PROJECT.

Ms. Lisa Rosendorf, Chief Government Affairs Officer, provided information to the Board regarding this item. EPWater is planning to submit a grant application due April 22, 2019 to pursue funding for the pilot project and design costs for the Advanced Water Purification Facility. The funding opportunity under “WaterSMART: Title XVI Congressionally Authorized Water Reclamation and Reuse Projects” is available to those projects that have an associated feasibility study approved by the USBR. The program is restricted to those entities with congressional authorizations that have not reached their federal funding ceiling. USBR requires a PSB resolution authorizing the President/CEO to sign and submit the WaterSMART funding application. Ms. Rosendorf addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Dr. Mena and unanimously carried, the Board approved a Resolution authorizing the President and CEO to submit a WaterSMART Title XVI Congressionally Authorized Water Reclamation and Reuse Projects grant application to the U.S. Bureau of Reclamation in an estimated amount of \$3,500,000 to fund pilot testing and complete design of the Advanced Water Purification Facility in El Paso, Texas, and to provide any other documents necessary to receive grant funding in connection with the project.

9. CONSIDERED AND APPROVED A CONSULTING AND PLANNING SERVICES CONTRACT WITH TMG UTILITY ADVISORY SERVICES INC., FOR CUSTOMER INFORMATION SYSTEM SELECTION SERVICES IN THE ESTIMATED AMOUNT OF \$444,000 WITH THE OPTION FOR CIS PLANNING AND IMPLEMENTATION SERVICES IN THE ESTIMATED AMOUNT OF \$4,210,560, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.

Mr. Alfredo Solano, Interim Chief Information Officer, provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater provides bill processing for water, wastewater, stormwater, and solid waste services using a Customer Information System that was installed in 1997. The current CIS system has undergone two upgrades and several system enhancements that include custom applications with workaround solutions. A 2017 assessment of the system’s current business and future functional requirements provided EPWater with estimated costs and options to upgrade or replace the CIS system. CIS Selection services are needed at this time for development of an RFP (Request for Proposal), evaluation of proposals, and contract negotiation and finalization. Upon completion of CIS selection process EPWater will require planning, management, and implementation services to augment staff, increase knowledge and expertise, and reduce overall risk for this critical implementation. TMG Utility Advisory Services Inc. (TMG) was selected for their industry-specific experience with similar CIS selection, planning and implementation projects. Staff solicited and reviewed a proposal from TMG and determined that it met all the requirements for the CIS selection and implementation. Staff recommends a contract be awarded to TMG for these services. Mr. Solano addressed questions from the Board regarding this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board approved a consulting and planning services contract with TMG Utility Advisory Services Inc., for Customer Information System selection services in the estimated amount of \$444,000 with the option for CIS Planning and

Implementation Services in the estimated amount of \$4,210,560, provided that funding is available in the approved budget.

10. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR DESIGN AND BID PHASE SERVICES FOR THE JONATHAN ROGERS WATER TREATMENT PLANT RAW WATER IMPROVEMENTS TO JACOBS ENGINEERING GROUP INC., IN THE AMOUNT OF \$311,536.08; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN SERVICES AND CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$650,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.

Mr. Gilbert Trejo, Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files). The Jonathan W. Rogers Water Treatment Plant treats water from the Rio Grande. The plant has a current capacity of 60 million gallons per day (MGD). In 2013, a conceptual design report was done by CH2M Hill Engineers (now Jacobs Engineering Group) to determine the feasibility of expanding the plant's capacity to 80 MGD. EPWater decided not to proceed on the expansion. The report also revealed that improvements to the raw water intake system were necessary. This task order is to complete design and bid phase services of these raw water improvements. The design of the expansion to 80 MGD and identification of the necessary improvements to the raw water intake system of the JRWTP was awarded to CH2M Hill Engineers using the RFS process in 2013. Staff recommends utilizing Jacob's Engineering Group and building upon the work they have previously completed to undertake the design improvements to the raw water intake system, and continue their services through the construction phase. A fee proposal with the required scope of services was submitted, reviewed, and negotiated with Jacobs Engineering Group. The negotiated design services fees are in line with the level of effort and hours required to complete the project and consistent with similar work done recently. The design engineering scope of services include project management, design, and bid and construction phase services. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Mr. Gallardo and unanimously carried, the Board awarded a professional engineering services contract for design and bid phase services for the Jonathan Rogers Water Treatment Plant Raw Water Improvements to Jacobs Engineering Group Inc., in the amount of \$311,536.08; authorized future task orders or amendments to be issued under this contract for additional design services and construction phase services in the estimated amount of \$650,000, provided that funding is available in the approved budget for the task orders or amendments.

11. CONSIDERED AND APPROVED CHANGE ORDER NUMBERS 1 AND 2 BID NUMBER 47-18 HASKELL WASTEWATER TREATMENT PLANT EFFLUENT PIPING IMPROVEMENTS, TO SPIESS CONSTRUCTION COMPANY., INC. DECREASING THE CONTRACT AMOUNT BY \$975,440.

Mr. Alan Shubert, Vice President, provided a presentation to the Board regarding this item (copy on file in Central Files). The Notice to Proceed for Bid Number 47-18, Haskell Wastewater Treatment Plant (WWTP) Effluent Piping Improvements was issued to Spiess Construction on August 14, 2018. On September 6, 2018, the existing 66-inch effluent at the headworks of the Haskell R. Street WWTP ruptured and started leaking large amounts of wastewater. EPWater contracted Rain for Rent to provide emergency by-pass services necessary to access and repair the damaged effluent line. EPWater issued a Stop Work Notice to Spiess Construction until a complete condition assessment of the 66-inch effluent line was carried out. The emergency by-pass set up by Rain for Rent was identical to what was needed to perform the original Contract work. As a result, EPWater and Spiess Construction agreed to remove the by-passing from the original Contract and continue with Rain for Rent once Contract work commenced. Change Order Number 1 removes all by-passing from Spiess's Contract; accounts for administrative and contractual costs incurred by Spiess and their by-pass subcontractor; adjusts linear footage of effluent pipe found to be incorrect in design drawings; and increases the thickness of both lining and coating of pipe to provide additional corrosion protection to the proposed line. The assessment

identified significant deterioration in approximately 75 linear feet of the pipe. Change Order Number 2 is for the replacement of these 75 linear feet of 66 inch steel effluent pipe. Staff evaluated the change order requests submitted by the contractor and negotiated an agreeable cost based on the reduced work. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Dr. Mena and unanimously carried, the Board approved Change Order Numbers 1 and 2 Bid Number 47-18, Haskell Wastewater Treatment Plant Effluent Piping Improvements, to Spiess Construction Company, Inc. decreasing the contract amount by \$975,440.

12. CONSIDERED BID NUMBER 05-19, ROSEWAY 20-INCH WATER LINE FROM CARNES TO NEVAREZ ROAD (RE-BID), DECLARED SPARTAN CONSTRUCTION OF TX AS NOT RESPONSIBLE, AND AWARDED TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, KARLSRUHER, INC., DBA CSA CONSTRUCTORS, IN THE AMOUNT OF \$1,590,000, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Shubert provided a presentation to the Board regarding this item (copy on file in Central Files). This water line is a major supply line to the Mission Valley. The 24-inch to 20-inch steel cylinder concrete pipe water transmission line was installed in 1973 and runs in the Middle Drain right-of-way. This water line has broken multiple times and is at the end of its useful life. The project consists of the installation of approximately 7,596 feet of 20-inch ductile iron pipe and 170 feet of HDPE pipe. EPWater received nine bids for the referenced project on February 20, 2019. The bidders were Spartan Construction of TX, Karlsruhe dba CSA Constructors, CMD Endeavors, Bain Enterprises dba Bain Construction, Spiess Construction, Smithco Construction, Tao Industries dba Hawk Construction, ZTEX Construction, and Danny Sander Construction. The bids ranged from \$1,578,185.13 to \$2,248,248.00, or 34% to 6% below the engineer's estimate of \$2,379,345.30. The project consulting engineer, Huitt-Zollars, evaluated the qualification information submitted by the initial apparent low bidder, Spartan Construction of TX, and determined that based on the information submitted, they did meet the minimum general requirements, but did not meet one of the four minimum project specific criteria as specified in the bid documents. The consulting engineer next evaluated the qualification information submitted by the next apparent low bidder, Karlsruhe dba CSA Constructors, and determined that based on the information submitted they did meet all of the minimum general requirements and all of the minimum project specific criteria as specified in the bid documents. Staff reviewed the engineer's evaluation matrices for the two apparent lowest bidders and determined that the first bidder did not demonstrate that they were responsible based on their qualifications submitted and does not recommend award of this project to Spartan Construction of TX. Recommendation for award of Bid Number 5 19, Roseway 20-Inch Water Line from Carnes to Nevarez Road (Re-Bid), is to Karlsruhe dba CSA Constructors as the lowest responsive, responsible bidder in the amount of \$1,590,000. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Dr. Mena and unanimously carried, the Board considered Bid Number 05-19, Roseway 20-Inch Water Line from Carnes to Nevarez Road (Re-Bid), declared Spartan Construction of TX as not responsible, and awarded to the lowest responsive, responsible bidder, Karlsruhe, Inc., dba CSA Constructors, in the amount of \$1,590,000, and authorized the use of commercial paper.

13. CONSIDERED AND APPROVED THE PAYMENT OF THE DISCHARGE FEES TO THE EL PASO COUNTY WATER IMPROVEMENT DISTRICT NUMBER 1 FOR THE UPPER VALLEY ROAD WATER TRANSMISSION MAIN PHASE II PROJECT IN THE ESTIMATED AMOUNT OF \$248,352 FOR ALL THREE PHASES.

Mr. Shubert provided information to the Board regarding this item. On September 9, 2015, the Public Service Board authorized the President/CEO to sign amendments to existing agreements with the U.S. Army Corp of Engineers (USACE) for the design and construction assistance of the El Paso Water Line Replacement Phases 8, 9, 10 – Upper Valley Strahan Water Transmission Main Phase I Project. The agreements provided for a 25% EPWater – 75% Federal cost share of the total cost of the project. Phase I is now complete and construction has commenced for Phase II of the project. The construction contract for Phase II has been awarded by the

USACE, but the bid was higher than the Independent Government Estimate developed by the USACE. Due to the higher cost of the project, no federal funding was available for the dewatering licenses and fees associated with discharging into the El Paso County Water Improvement District Number 1 (EPCWID#1) laterals. EPWater has available project funding to cover these fees. EPWater is responsible for costs associated with dewatering permits and agreements with the EPCWID#1. More groundwater dewatering is needed for Phase II than originally anticipated. The dewatering must be discharged into the Canutillo Lateral and the EPCWID#1 charges a discharging fee for this process. EPWater is responsible for this discharge fee. The dewatering plan consists of three phases with each phase estimating an amount of \$82,784. A License Agreement is needed to allow the contractor to perform the dewatering work and the discharge fee must be covered in order for the EPCWID#1 approve the Agreement. A check must be deposited in the estimated amount for the discharge fee made out to the EPCWID#1.

On a motion made by Mr. Gallardo, seconded by Dr. Mena and unanimously carried, the Board approved the payment of the discharge fees to the El Paso County Water Improvement District Number 1 for the Upper Valley Road Water Transmission Main Phase II Project in the estimated amount of \$248,352 for all three phases.

14. CONSIDERED AND REJECTED THE SOLE BID RECEIVED FOR BID NUMBER 08-19 ODOR CONTROL MEDIA, AND AUTHORIZED STAFF TO RE-BID.

Mr. Shubert provided information to the Board regarding this item. Carbon filtration media is used to control odor in scrubbers from various facilities, such as lift stations and wastewater treatment plants. One bid from Cabot Norit Americas and one no bid from Univar were received for this bid. Staff evaluated the bid and determined that it did not meet the specifications as outlined within the bid proposal due to Cabot submitting exceptions to the specifications. Staff recommends the rejection of this bid and is requesting the authorization to re-bid. Staff will reanalyze the bid specifications and also reach out to other potential bidders in order to garner additional interest in the rebid. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board rejected the sole bid received for Bid Number 08-19 Odor Control Media, and authorize staff to re-bid.

15. CONSIDERED AND AWARDED BID NUMBER 19-19, REPAIR OF CITY STREETS AND TEXAS DEPARTMENT OF TRANSPORTATION HIGHWAYS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, EL PASO RIO ELECTRIC INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$12,350,800 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files). This contract is to repair pavement on highways, streets, or alleys resulting from paving cuts made by Utility crews during the construction, repair, and maintenance of water mains, sewer mains, water services, and other infrastructure, as required. This contract will also be used for the repair of concrete sidewalks, curbs, gutters and driveways; repairs that were previously completed via other contracts. The previous bid was awarded on February 14, 2018. The combination of two contracts and increased line item quantities has resulted in estimated expenditure amounts higher than the previous bid. Seven bids were received ranging from \$12,350,800 to \$17,273,850. Staff evaluated the bids and determined that the low bidder met all specifications as defined within the bid proposal. Staff recommends award to El Paso Rio Electric Inc., in the estimated annual amount of \$ 12,350,800. Mr. Trejo addressed questions from the Board regarding this item. Mayor Margo made addition comments regarding this item.

On a motion made by Mr. Gallardo, seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 19-19, Repair of City Streets and Texas Department of Transportation Highways, to the lowest responsive, responsible bidder, El Paso Rio Electric Inc., in the estimated annual amount of \$12,350,800 with the option for two, one-year extensions.

16. CONSIDERED BID NUMBER 24-19, MISCELLANEOUS CHEMICALS AND SUPPLIES FOR THE EPWATER IWQL, DECLARED FOX SCIENTIFIC INC. AS NOT RESPONSIVE FOR GROUPS 1, 6, AND 8, AND AWARDED TO THE LOWEST RESPONSIBLE, RESPONSIVE BIDDERS, BVA SCIENTIFIC INC., FOR GROUPS 1-3 AND 5-8 IN THE ESTIMATED ANNUAL AMOUNT OF \$240,000, AND FOX SCIENTIFIC INC., FOR GROUP 4 IN THE ESTIMATED ANNUAL AMOUNT OF \$45,000, BOTH WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Rose Guevara Senior Purchasing Agent, provided information to the Board regarding this item. This bid covers items which are used by the International Water Quality Laboratory (IWQL) to include: chemicals, consumables, assorted measurement and analysis items, glassware, plastic ware, microbiology, metals standards, inorganic and organic standard items. Two bids were received. The bids were evaluated based on the sample pricing methodology which is used in catalog bids and is also used by the City of El Paso Purchasing Department. Sample pricing is used with this type of bid due to the fact that an entity is able to accurately compare a product's cost from each company that submits a bid. For comparison purposes, substitution of items is not allowed in catalog bids. Staff evaluated the bids for each low bidder for the respective group and determined that the apparent low bidder Fox Scientific Inc. be deemed as not responsive for groups 1, 6, and 8, and remained as the apparent low bidder for group 4. Staff evaluated the second apparent low bidder, BVA Scientific Inc, for these groups and determined that they met all the requirements as outlined within the bid proposal. Staff recommends award to BVA Scientific Inc for groups 1-3 and 5-8 and Fox Scientific Inc. for group 4. Ms. Guevara addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Dr. Mena and unanimously carried, the Board considered Bid Number 24-19, Miscellaneous Chemicals and Supplies for the EPWater IWQL, declared Fox Scientific Inc. as not responsive for groups 1, 6, and 8, and awarded to the lowest responsible, responsive bidders, BVA Scientific Inc., for groups 1-3 and 5-8 in the estimated annual amount of \$240,000, and Fox Scientific Inc., for group 4 in the estimated annual amount of \$45,000, both with the option for two, one-year extensions.

17. CONSIDERED AND AWARDED BID NUMBER 27-19 EPW OFFSITE VEHICLE AND EQUIPMENT REFUELING TO THE SOLE RESPONSIVE, RESPONSIBLE BIDDER, WESTERN REFINING SOUTHWEST INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$650,000, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Guevara provided information to the Board regarding this item. This is a contract for offsite refueling which adds flexibility and accessibility to various locations throughout the city in order to ensure the daily operations of the Utility's fleet. The previous bid was awarded on April 13, 2016 and there's no increase in the current bid. One bid was received. Staff evaluated the bid and determined it met all requirements as outlined within the bid proposal. Staff recommends award to Western Refining Southwest. Ms. Guevara addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Mr. Morris and unanimously carried, the Board awarded Bid Number 27-19 EPW Offsite Vehicle and Equipment Refueling to the sole responsive, responsible bidder, Western Refining Southwest Inc., in the estimated annual amount of \$650,000 with the option for two, one-year extensions.

18. CONSIDERED AND AWARDED BID NUMBER 28-19, LIQUID FERRIC CHLORIDE, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, PENCCO, INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$882,050, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Guevara provided information to the Board regarding this item. Liquid Ferric Chloride is used to remove suspended particles in the water treatment process at our water treatment plants. The previous bid was awarded on April 13, 2016 due to increase in the unit cost of chemicals, the new bid is a 50% increase. Mr. Chacon addressed questions from the Board regarding this item. Three bids were received and one no bid. Staff evaluated the bids and determined that the low bidder Pencoco Inc, met all the requirements as outlined within

the bid proposal. Staff recommends award to Pencco in the estimated annual amount of \$882,050. Ms. Guevara addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Mr. Morris and unanimously carried, the Board awarded Bid Number 28-19, Liquid Ferric Chloride, to the lowest responsive, responsible bidder, Pencco, Inc., in the estimated annual amount of \$882,050, with the option for two, one-year extensions.

19. CONSIDERED AND APPROVED A SOLE-SOURCE PURCHASE OF ONLINE ARSENIC ANALYZERS FOR THE UPPER VALLEY WATER TREATMENT PLANT FROM AQUA METROLOGY SYSTEMS LTD., IN THE AMOUNT OF \$143,850.

Ms. Guevara provided information to the Board regarding this item. Online arsenic analyzers are used to monitor arsenic concentrations throughout the treatment process at the Upper Valley WTP. Arsenic concentrations must be reported in order to remain in compliance with the U.S. Environmental Protection Agency's arsenic rule. Three Arsenic Guard online analyzers are currently used to monitor arsenic concentration levels at the Upper Valley WTP. The Arsenic Guard analyzers are over 10 years old and have become obsolete and will no longer be supported under service agreements. Aqua Metrology Systems is the Sole-Source provider of the SafeGuard online arsenic instruments and the associated service agreements. Staff solicited and reviewed a quote from Aqua Metrology Systems and determined that it met all the requirements for this procurement. Staff recommends purchase of these items from Aqua Metrology Systems. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Dr. Mena, and unanimously carried, the Board approved a sole-source purchase of online arsenic analyzers for the Upper Valley Water Treatment Plant from Aqua Metrology Systems LTD., in the amount of \$143,850.

20. CONSIDERED AND APPROVED THE PURCHASE OF A MOWER FROM TORO PRODUCTS, VIA AUTHORIZED DEALER SIMPSON NORTON THROUGH BUYBOARD OMNIA PARTNERS COOPERATIVE (FORMERLY NATIONAL IPA) CONTRACT NUMBER 2017025, IN THE AMOUNT OF \$60,353.20.

Mr. Levi Chacon Purchasing Agent, provided a presentation to the Board regarding this item (copy on file in Central Files). The Fairway Mower is used to maintain the Painted Dunes golf course fairways. The purchase of one Reelmaster 5510-D Fairway Mower vehicle is available utilizing Omnia Partners/National IPA Contract #2017025. Staff solicited a quote from Simpson Norton, authorized dealer for Toro Products. Staff reviewed the quote and determined that it met all the requirements for this procurement, and recommends the purchase be made through Simpson Norton.

On a motion made by Dr. Santiago, seconded by Mr. Morris and unanimously carried, the Board approved the purchase of a Fairway Mower from Toro Products, via authorized dealer Simpson Norton through Omnia Partners Cooperative Buyboard (formerly National IPA) Contract Number 2017025 in the amount of \$60,353.20.

21. CONSIDERED AND AWARDED RFP NUMBER 34-19, ON-CALL COMMUNICATIONS CONTRACT, TO THE TWO HIGHEST RANKED OFFERORS TASK A, THE LASTER GROUP INC., DBA CULTURESPAN MARKETING AND IMPULSE DEVELOPMENT LLC., DBA HELLO AMIGO, IN THE ESTIMATED ANNUAL CUMULATIVE AMOUNT OF \$155,000, WITH \$35,000 TO BE REIMBURSED BY THE CITY OF EL PASO AND THE EL PASO COUNTY WATER IMPROVEMENT DISTRICT #1, AND TO THE TWO HIGHEST RANKED OFFERORS FOR TASK B, BARRACUDA PUBLIC RELATIONS AND THE LASTER GROUP INC., DBA CULTURESPAN MARKETING IN THE ESTIMATED ANNUAL CUMULATIVE AMOUNT OF \$100,000, ALL WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Montoya provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater prioritizes communication with its customers and is seeking outside expertise from multiple firms with differentiated areas of expertise. The On-call approach provides maximum flexibility to enlist the type of expertise needed when it's needed, sometimes on short notice. Awarding potential services to multiple firms gives staff more options and more bandwidth. The contract is broken into two tasks. Task A focuses on advertising and marketing services to include the Utility's Stormwater Safety and Illegal Dumping Outreach Campaigns. Task B focuses on community relations and communications services to include construction project outreach, publicity for a variety of public service messages and events and digital strategies to increase web traffic and social media following. Prospective respondents were invited to provide proposals for one or both tasks. The City of El Paso and the El Paso County Water Improvement District #1 are collaborating with El Paso Water on the illegal dumping campaign, and their contribution is included in the contract amount for Task A. Three proposals were received for Task A, and three proposals were received for Task B. Staff evaluated the proposals based on five qualification criteria tied to the scope of work for Task A and/or Task B. The committee scored the proposals and ranked the respondents for both tasks separately. Staff recommends awarding both tasks to the top two ranked offerors. Mr. Henry Gallardo, Board member abstained from this item.

On a motion made by Mayor Margo, seconded by Dr. Mena and unanimously carried, the Board awarded RFP Number 34-19, On-Call Communications Contract, to the two highest ranked offerors Task A, The Laster Group Inc., dba CultureSpan Marketing and Impulse Development LLC., dba Hello Amigo, in the estimated annual cumulative amount of \$155,000, with \$35,000 to be reimbursed by the City of El Paso and the El Paso County Water Improvement District #1, and to the two highest ranked offerors for Task B, Barracuda Public Relations and The Laster Group Inc., dba CultureSpan Marketing, in the estimated annual cumulative amount of \$100,000, all with the option for two, one-year extensions.

22. CONSIDERED AND ACCEPTED THE AUDIT, FINANCE, & INVESTMENT COMMITTEE'S 4TH QUARTER AND FISCAL YEAR END INVESTMENT REPORT FOR PERIOD ENDING FEBRUARY 28, 2019, AND APPROVED THE PSB RULES AND REGULATIONS NO 10, ESTABLISHING THE INVESTMENT POLICY.

Ms. Lidia Carranco, Fiscal Operations Manager, provided a presentation to the Board regarding this item (copy on file in Central Files). Ms. Carranco began her presentation with the Portfolio Composition as of February 28, 2019 with a value of \$261,263,690 with 29% going to Texpool Prime, 28% in Mutual Funds, 21% in Texstar, 20% in securities and 2% in Texpool. Next, Ms. Carranco showed a comparison of 4th quarter FY2019 to FY 2018. The value for 2018 was \$297,236,938, with purchases at \$72 million and an average weighted maturity of 7 days and weighted yield of 1.36%. In FY 2019 the portfolio, value was \$261,263,690, the purchases were \$16 million, weighted average maturity was 31 days and the weighted yield was 2.38%. Ms. Carranco went on to discuss the US Fed Funds Rate will have no more increases for 2019, but will start to increase again in 2020. Ms. Carranco showed a chart comparing 4th quarter yield comparison from FY 2018 to FY 2019, this included Texpool Prime, Texpool, TexStar, Advantage Fund, Fidelity Fund, Certificate of Deposit, Federal Agency Disc, and Municipal Bonds. Ms. Carranco then went on to show Fiscal Year Interest earned starting from FY 2016 to FY 2019; EPWater earned \$4.937 million dollars, which is almost the total amount combined from the previous three years. Ms. Carranco then went on discuss the next item, which was the approvals of revisions to PSB Rules and Regulations No. 10, Investment Policy. The Public Funds Investment Act (PFIA) required that the investments policy be reviewed no less than annually, and to be updated for any legislative changes and Utility internal changes. In this case, EPWater did have changes; the change of the investment committee name to Audit, Finance and Investment Committee (AFIC), and the addition of the Assistant CFO's to the AFIC.

On a motion made by Henry Gallardo, seconded by Dr. Mena and unanimously carried, the Board accepted the Audit, Finance & Investment Committee's 4th Quarter and Fiscal Year End Investment Report for the period ending February 28, 2019, and approved PSB Rules and Regulations No.10, establishing the Investment Policy.

23. CONSIDERED AND ACCEPTED THE EL PASO WATER'S PRELIMINARY 4th QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING FEBRUARY 28, 2019.

Mr. Jeff Tepsick, Assistant Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files). Mr. Tepsick began his presentation with a slide of Comparison of Water Billed of FY 2018-19 & FY 2018-17. This comparison shows during the summer months bills tend to be higher due to the watering of lawns and the use of swamp coolers. Next, Mr. Tepsick discussed Water and Wastewater Revenues, the total budget for FY 2018-19 was \$237,102 million, actual total amount was \$238,483 million. Next, Water and Wastewater Utility Operating Expenses were discussed; the budget amount was \$105,391 million, with the actual coming in at \$99,236 million. The increased is attributed to the emergency repairs that had to be done at the Haskell R. Street plant \$1.8 million dollars. There was also some cost savings with electricity expense of \$1.8 million; this was because our Johnathan Rogers and Robertson & Umberhauer Water Treatment Plants had 1 month less production. Mr. Tepsick then went over Water and Wastewater M&O Expenses, for FY 2018-19 total amount was \$99,236 million dollars, with 33% going towards salary and benefits, 23% towards maintenance, 16% towards materials, 14% toward utilizes and 15% towards other. Next, Water and Wasterwater Capital Projects Expenditures, total budget amount was \$279,075 million dollars, actual for FY 2018-19 came in at \$172,063 million dollars, the biggest purchases were water right leases in Dell City and water storage space. Mr. Tepsick went on to discuss the Water and Wastewater Debt Service Coverage, the Bond Ordinance was 1.50 and the budgeted amount for FY 2018-19 was 2.01. Moving on to Stormwater Utility Operating Revenues, the budgeted amount for FY 2018-19 was \$23,684 million dollars, with the actual coming in at \$24,041 million dollars. In addition, Mr. Tepsick discussed Stormwater Operating Expenses, budgeted amount for FY 2018-19 was \$6,659 million dollars, and the actual was \$6,136 million dollars. Mr. Tepsick also discussed Stormwater Capital Expenditures, which was budgeted for FY 2018-19 at \$34,083 million dollars, with the actual coming in at \$20,468 million. The Stormwater Debt Service coverage for FY 2018-19 was 1.81, the bond ordinance came in at 1.25. Mr. Tepsick pointed out that Stormwater and Water and Wastewater are working very efficiently, they are meeting their revenue targets and staying within their budget constraints.

On a motion made by Mr. Gallardo, seconded by Dr. Santiago and unanimously carried, the Board accepted El Paso Water's Preliminary 4th Quarter Financial and Performance Measures Report for period ending February 28, 2019.

24. MANAGEMENT REPORT:

- Design update on the Advanced Water Purification Facility and Video – Mr. Trejo began his presentation by informing the Board that he serves as Vice President on the Water Reuse Association, it is an organization for advancing laws, policy and funding for water reuse. Mr. Trejo shared his experience in Washington D.C. for the National Water Policy Fly In, where trade organizations spend time with administrators and staffers on both the house side and senate side. This allows for both sides to be educated on the importance of funding water reuse projects and how it impacts communities. Mr. Trejo informed the Board that when speaking with other leaders, they knew who El Paso Water was and what we were doing and the importance of what we are doing. Mr. Trejo gave an update on water reuse across the country, there is an overall initiative of one water, where all the trade organizations are coming together to see water as just water, not to see it was wastewater or drinking water, but simply as water. Mr. Trejo went on to discuss that water reuse is becoming the solution of choice in water rich communities, which are communities in the great lakes region, Florida and in Georgia. They are looking for water reuse to help solve their problem of putting their effluent in streams, rivers and lakes, instead to reuse their water into drinking water. Mr. Trejo share the graphic of a monkey turning into a human a reference of how far evolution of water reuse as come, with advanced water purification being a fully-grown man. Mr. Trejo informed the Board there are many communities across the county that are moving into Reclaimed Water stage, "the purple pipe system". This allows for a portion of their treated effluent water to be

used to irrigate golf courses and green spaces. California and El Paso are leading the way in the stage of Indirect Potable Reuse, which is aquifer storage and recovery. As EPWater looks ahead to the Advanced Water Purification stage, this allows us to treat our treated wastewater that we currently discharge into the Rio Grande and Riverside canal, which is immediately used to irrigate crops. EPWater is looking into taking that same water and turning it into drinking water and putting it into our distribution system for consumption. Currently 30% of the design is complete, this includes the design and layout of the building, sizing of pipes needed, where controls will be placed. As far as permitting, EPWater staff is continuously meeting with TCEQ to keep them informed of what is going on to ensure we are meeting their requirements, but also when they are asked from other Utilities how is our project going, they are able to give them honest updates. The project is currently on schedule and going as planned. Mr. Trejo informed the Board they are hoping to find out the final cost of the project at an upcoming review meeting with the contractors, original estimate was \$110 million dollars. It is projected that they final design will be complete 100% by the end of 2019. At that time EPWater staff and PSB will determine if they will move forward with construction or what the next steps will be. If construction is approved, and assistance with funding is approved with Watersmart Title XVI, construction will begin in 2020 and should take about three years to complete and delivery to customers will begin in 2024. Mr. Trejo then shared a video on the Advanced Water Purification Facility. Mayor Margo asked for Mr. Trejo and Mr. Balliew to share the video at one of the upcoming city council meetings.

25. 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 comments were made.

EXECUTIVE SESSION

On a motion made by Mayor Margo, seconded by Mr. Gallardo, and unanimously carried, the Board retired into Executive Session at 9:43 a.m., April 10, 2019, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Section 551.071 through 551.076 to discuss the following:

Section 551.071	Consultation with Attorney
Section 551.072	Deliberation Regarding Real Property
Section 551.074	Personnel Matters

a. Section 551.072 Deliberation Regarding Real Property

The Board will receive an update and deliberate regarding potential land purchases for the Will Ruth Pond project.

b. Section 551.071 Consultation with Attorney

Consultation with its attorneys regarding Cause No. 2017DCV1101, Mesa Executive Park, L.P. v. The City of El Paso, through the El Paso Water Utilities Public Service Board, and Ana Ruelas dba Ruga Trucking.

c. Section 551.071 Consultation with Attorney

Consultation with its attorneys regarding Cause No. 2017DCV1076, ROP Artcraft, LLC v. The City of El Paso.

On a motion made by Mr. Gallardo, seconded by Mr. Morris and unanimously carried, the Board reconvened in open session at 10:48 a.m., April 10, 2019.

DELIBERATED REGARDING POTENTIAL LAND PURCHASES FOR THE WILL RUTH POND PROJECT.

On a motion made by Dr. Mena, seconded by Mr. Gallardo, and carried that the El Paso Water Utilities President and CEO be authorized to proceed with the acquisition of land and related relocation in the manner approved by the Board and in accordance with the terms and conditions specified by the Board and sign any and all documents necessary to complete the purchases; and in the event that the land purchase cannot be achieved based upon the Board's direction, the Board further authorizes the President and CEO to seek approval of the City of El Paso to proceed with condemnation proceedings to acquire the remaining land needed to complete the Will Ruth Pond Project.

CONSULTED WITH ITS ATTORNEYS REGARDING CAUSE NO. 2017DCV1101, MESA EXECUTIVE PARK, L.P. V. THE CITY OF EL PASO, THROUGH THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD, AND ANA RUELAS DBA RUGA TRUCKING.

No Action was Taken

CONSULTATION WITH ITS ATTORNEYS REGARDING CAUSE NO. 2017DCV1076, ROP ARTCRAFT, LLC V. THE CITY OF EL PASO.

No Action was Taken.

ADJOURNMENT

On a motion made by Mr. Morris, seconded by Mr. Gallardo and unanimously carried, the meeting adjourned at 10:50 a.m., April 10, 2019.

ATTEST:



Secretary-Treasurer



Christopher Antcliff, Chair