

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
August 9, 2017

The regular meeting of the Public Service Board was held Wednesday, August 9, 2017, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

PSB MEMBERS PRESENT

Christopher Antcliff, Vice Chair
Mayor Dee Margo, Ex-Officio Member
Dr. Ivonne Santiago, Member
Dr. Kristina Mena, Member
Bradley Roe, Member

PSB MEMBERS ABSENT

Terri Garcia, Secretary-Treasurer
Henry Gallardo, Chair

PSB EMPLOYEES PRESENT

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

EPWU EMPLOYEES PRESENT

Matthew Behrens, Assistant General Counsel
Alan Schubert, Vice President
Marcela Navarrete, Vice President
Art Duran, Chief Financial Officer
Armando Renteria, Chief Information Officer
Gretchen Byram, Computer Media Specialist
Georgette Webber, Temporary Employee
Levi Chacon, Purchasing Agent
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Joshua Moniz, Lead Public Information Coordinator
Robert Davidson, Temporary Employee
Jillian Velasquez-Shipp, Executive Secretary
Jeff Tepsick, Fiscal Operations Manager
Christina Montoya, Marketing & Communication Manager
Gustavo Ogaz, Wastewater Plant Superintendent
Angel Bustamante, Water Systems Division Manager
Gilbert Trejo, Utility Chief Technical Officer
Teresa Alcala, Quality Control Chemist
Israel Chavez, Senior Network Administrator
Brianna Webb, Temporary Employee
Martin Noriega, Storm Water Operations Manager
Martha Koester, Utility Public Information Coordinator
Cynthia Osborn, Real Estate Manager
Rodolfo Duran, Water Lead Service Worker

GUESTS

Pam Farone, Citizen
Frank Spencer, Frank X. Spencer and Associates

Sanaan Villalobos, Carollo Engineers
Phil Rothstein, Bath Engineering
Michael Ancel, CH2M Hill
Steve Morgan, H2O Terra
Maria Urbina, First Southwest
Paul Braden, Norton, Rose, Fulbright
C.R. Kit Bramblett, Citizen

MEDIA
NONE

The Public Service Board meeting was called to order by Mr. Roe at 8:08 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Dr. Mena, in reciting the Pledge of Allegiance.

CONSENT AGENDA

On a motion made by Mr. Roe, seconded by Dr. Santiago and unanimously carried, the Board took action on the following agenda items:

APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON JULY 12, 2017.

The Board approved the minutes of the regularly scheduled meeting held on July 12, 2017.

EXCUSED THE ABSENCE OF PSB BOARD MEMBER TERRI GARCIA.

The Board excused the absence of PSB Board member, Terri Garcia.

APPROVED A RESOLUTION ALLOWING FOR THE ADDITION OF STAFF AS AN AUTHORIZED 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 allowing for the addition of staff as an authorized representative of the El Paso Water Utilities/Public Service Board for the Texas Short Term Asset Reserve Program (TEXSTAR) Investment Pool accounts. **(Resolution attached)**

APPROVED THE PURCHASE OF A GAS CHROMATOGRAPH THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE TXMAS CONTRACT #11-66020 FROM ALL BUSINESS MACHINES, INC. (DBA ATTAIN IT), IN THE AMOUNT OF \$84,117.68

The Board approved the purchase of a gas chromatograph through the Texas Local Government Purchasing Cooperative TXMAS Contract #11-66020 from All Business Machines, Inc. (dba Attain It), in the amount of \$84,117.68.

REGULAR AGENDA

PRESENTED SAFEST SECTION OF THE QUARTER AWARDS (SECOND QUARTER 2017)

Ms. Christina Montoya, Marketing and Communications Manager, presented the Board with information regarding the Safest Section of the Quarter Awards for the Second Quarter of 2017. The awards recognize the sections with the lowest accident rate for the months of April, May and June. The sections were "Accident Free" during the second quarter. The members of each section performed their jobs safely as a group and as individuals. Mayor Margo and Mr. Balliew presented awards to Mr. Gustavo Ogaz, Wastewater Plant Superintendent, on behalf of the Roberto Bustamante Wastewater Treatment Plant; Mr. Rodolfo Duran, Water Lead Service Worker, on behalf of Field Construction Section Water Distribution; Ms. Teresa Alcala on behalf

of Compliance Materials Section Laboratory Services; and Mr. Arturo Duran, Chief Financial Officer, on behalf of Support Services Section Customer Service.

PRESENTED THE GOVERNMENT FINANCE OFFICERS ASSOCIATION'S (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FOR THE FISCAL YEAR 2015-16 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Ms. Montoya presented the Board with information regarding this award. The GFOA's Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. El Paso Water first received this award for its Fiscal Year Ended February 29, 1996 CAFR. EPWater has now received this award for 21 consecutive years. The CAFR has been judged by an impartial panel to meet the high standards of the programs including demonstrating a constructive spirit of full disclosure to clearly communicate its financial story and motivate potential users and user groups to read the CAFR. Mayor Margo and Mr. Balliew presented the award to Mr. Jeff Tepsick, Fiscal Affairs Manager.

MOTION TO SUSPEND ORDER OF AGENDA.

On a motion made by Mr. Roe, seconded by Dr. Santiago and unanimously carried, the Board suspended the order of the agenda to hear and consider Item 25.

DISCUSSION ON THE STATUS OF PROPOSED STATE LEGISLATION.

Ms. Lisa Rosendorf, Chief Communications and Government Affairs Officer, said of the 178 bills reviewed by staff, 21 were track and three were supported. One of the three bills was related to the Economically Distressed Areas Program (EDAP) overseen by the Texas Water Development Board. It was approved by both the House and Senate, but fell short on the 2/3 majority vote. The next was the Affordability Program Bill. It along with 49 other local bills did make it to the House as a result of the Freedom Caucus' dissatisfaction. Lastly, due to a lack of time, the Compensation Bill failed to gain full delegation support. Although referred to a legislative committee, the bill was unable to move forward. Ms. Lee Ann Koehler, General Council, advised the Board to move into Executive Session to further discuss matters pertaining to the EDAP program and compensation.

EXECUTIVE SESSION

On a motion made by Mr. Roe seconded by Dr. Mena, and unanimously carried, the Board retired into Executive Session at 8:20 a.m., August 9, 2017.

On a motion made by Dr. Santiago, seconded by Mr. Roe, and unanimously carried, the Board reconvened in open session at 8:41a.m., August 9, 2017. At this time Mr. Balliew left the meeting and did not return.

No action was taken on this item.

AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL PROFESSIONAL SERVICES FOR MECHANICAL, ELECTRICAL, AND PLUMBING ENGINEERING SERVICES FOR WATER, WASTEWATER, STORMWATER, AND ADMINISTRATIVE FACILITIES TO BATH ENGINEERING CORPORATION AND FREESE AND NICHOLS, INC. EACH IN AN AMOUNT NOT TO EXCEED \$300,000 WITH A TERM OF TWO YEARS AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Gilbert Trejo, Chief Technical Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water has 17 buildings and over 100 facilities with mechanical; electrical; heating, ventilation, and air conditioning (HVAC); power and lighting; and water/sewer piping throughout the city that need to be rehabilitated, repaired, or replaced. This on-call services contracts will be used to design repairs to the mechanical, electrical, and plumbing systems at these buildings.

The Architectural/Engineering Selection Advisory Committee met on July 26, 2017 to review and recommend selection of the engineering firms for these services. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. Bath Engineering and Freese and Nichols were selected as the firms that best meet the needs of the Utility for these important services and demonstrated excellent abilities in all the evaluated categories. Each consultant will be issued a professional services contract for a maximum amount of \$300,000 and each contract will be limited to two years. Mr. Trejo addressed questions from the Board on this item.

On a motion made by Dr. Santiago, seconded by Dr. Mena and unanimously carried, the Board awarded professional services contracts for On-Call Professional Services for Mechanical, Electrical, and Plumbing Engineering Services for Water, Wastewater, Stormwater, and Administrative Facilities to Bath Engineering Corporation and Freese and Nichols, Inc. each in an amount not to exceed \$300,000 with a term of two years and authorized the use of commercial paper.

AWARDED A PROFESSIONAL SERVICES CONTRACT FOR DESIGN AND BID PHASE SERVICES FOR THE MEMPHIS AIR STRIPPER TO CAROLLO ENGINEERS, INCORPORATED IN THE AMOUNT OF \$127,500, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water (EPWater) is currently constructing the Memphis elevated storage tank. A packed tower air stripper is required to treat the water leaving the Memphis elevated storage tank by removing disinfection byproducts, in order to comply with Texas Commission on Environmental Quality rules. Staff worked with Carollo Engineers to develop the scope and services required for this project. The staff at Carollo Engineers was involved in the design of the Memphis Elevated Storage Tank that is currently under construction and is the most qualified firm for this design project. A fee proposal for the scope of services was submitted, reviewed, and negotiated and is in line with the level of effort required to complete this project. Mr. Trejo addressed questions from the Board on this item.

On a motion made by Dr. Santiago, seconded by Dr. Mena, and unanimously carried, the Board awarded a professional services contract for Design and Bid Phase Services for the Memphis Air Stripper to Carollo Engineers, Incorporated in the amount of \$127,500, and authorized the use of commercial paper.

APPROVED TASK ORDER NUMBER 2 – CONSTRUCTION ADMINISTRATION SERVICES FOR SECONDARY MEMBRANE TREATMENT OF REVERSE OSMOSIS CONCENTRATE AT WELLS 404, 408, AND 414 TO ROE ENGINEERING, L.C. (DBA H2O TERRA) IN THE AMOUNT OF \$135,286.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water (EPWater) operates 11 reverse osmosis (RO) membrane units at existing Lower Valley wells to treat brackish groundwater to potable standards. These units discharge up to 25% of their water production to the sanitary sewer as brine concentrate, reducing the volume of potable water available for consumption. Joint research by EPWater and UTEP has shown that secondary RO techniques, including seawater reverse osmosis (SWRO), can reduce the total volume of concentrate disposal to approximately 3%. Professional engineering services are required to perform construction oversight. Roe Engineering, L.C. (dba H2O Terra) was selected to perform the construction phase services due to their involvement in the pilot and design phases of this project. Staff worked with H2O Terra to develop a scope of construction phase services for the installation of three SWRO units. The scope includes office engineering and field engineering services. The fee proposal associated with this scope of services was submitted, reviewed, and negotiated with the consultant and are in line with the level of effort and hours required to complete the construction project. Mr. Trejo addressed questions from the Board on this item.

On a motion made by Dr. Mena, seconded by Mr. Roe and unanimously carried, the Board approved Task

Order Number 2 – Construction Administration Services for Secondary Membrane Treatment of Reverse Osmosis Concentrate at Wells 404, 408, and 414 to Roe Engineering, L.C. (dba H2O Terra) in the amount of \$135,286.

AWARDED BID NUMBER 17-17, MONTANA EAST 16-INCH WATER MAIN EXTENSION IMPROVEMENTS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, CMD ENDEAVORS, INC. IN THE AMOUNT OF \$931,780.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water (EPWater) provides water service to the East Montana service area. The transmission main conveys potable water to two elevated water storage tanks. Several small diameter water mains currently connect to the transmission main along the pipeline alignment that supply the residents located north and south of Montana Avenue. When the transmission main is shut down for maintenance, water service to this area is interrupted because this water main is the only water supply source to the area. The extension of the proposed main will add a second supply source that will help meet demand during an unplanned event or maintenance.

EPWater received five bids for this project on July 13, 2017 ranging from \$931,780 to \$1,283,110. The Engineer's estimate was \$1,343,552.40. The project consulting engineer, CEA Group, evaluated the qualifications of the apparent low bidder and determined that CMD Endeavors met the minimum general requirements as well as the minimum project criteria as specified on the bid documents. Staff reviewed the Engineer's evaluation matrix and recommended award of Bid Number 17-17, Montana East 16-Inch Water Main Extension Improvements, to CMD Endeavors as the lowest responsive, responsible bidder in the amount of \$931,780. Mr. Trejo addressed questions from the Board on this item.

On a motion made by Dr. Santiago seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 17-17, Montana East 16-Inch Water Main Extension Improvements, to the lowest responsive, responsible bidder, CMD Endeavors, Inc. in the amount of \$931,780.

AWARDED TASK ORDER NUMBER 5 – CONSTRUCTION ADMINISTRATION SERVICES FOR UNION PACIFIC RAILROAD 16-INCH TRANSMISSION MAIN – PHASE II (PERSHING DRIVE FROM RAYNOR STREET TO ALTA STREET) TO MORENO CARDENAS, INC. IN THE AMOUNT OF \$141,717.48 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Phase II of the Union Pacific Railroad (UPRR) 16-Inch Transmission Main project will replace an existing 16-inch transmission main located inside and along the UPRR right-of-way, from Raynor Street to Alta Street. Professional engineering services are required to perform construction oversight. Staff worked with the consultant, Moreno Cardenas, to develop the scope of work for the project construction administration services. A fee proposal associated with this scope of services was negotiated with the consultant. The negotiated construction services fees are in line with the level of effort and hours required to complete the project and include coordination, office engineering, field engineering, and resident project representative services. Mr. Trejo addressed questions from the Board on this item.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board awarded Task Order Number 5 – Construction Administration Services for Union Pacific Railroad 16-Inch Transmission Main – Phase II (Pershing Drive from Raynor Street to Alta Street) to Moreno Cardenas, Inc. in the amount of \$141,717.48 and authorized the use of commercial paper.

AWARDED BID NUMBER 29-17, UNION PACIFIC RAILROAD 16-INCH TRANSMISSION MAIN – PHASE II (PERSHING DRIVE FROM RAYNOR STREET TO ALTA STREET), TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, BAIN ENTERPRISES, LLC (DBA BAIN CONSTRUCTION) IN THE AMOUNT OF \$2,129,763.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Phase II of the Union Pacific Railroad (UPRR) 16-Inch Transmission Main project will replace an existing 16-inch transmission main located inside and along the UPRR right-of-way, from Raynor Street to Alta Street. EPWater received five bids for this project ranging from \$2,129,763 to \$2,984,830. The Engineer's estimate was \$2,119,986.75. The project consulting engineer, Moreno Cardenas, Inc., evaluated the qualifications of the apparent low bidder and determined that Bain Construction met the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. Staff reviewed the Engineer's evaluation matrix and recommended award of Bid Number 29-17, Union Pacific Railroad 16-Inch Transmission Main – Phase II (Pershing Drive from Raynor Street to Alta Street), to Bain Construction as the lowest responsive, responsible bidder in the amount of \$2,129,763. Mr. Trejo addressed questions from the Board on this item.

On a motion made by Dr. Santiago, seconded by Mr. Roe and unanimously carried, the Board awarded Bid Number 29-17, Union Pacific Railroad 16-Inch Transmission Main – Phase II (Pershing Drive from Raynor Street to Alta Street), to the lowest responsive, responsible bidder, Bain Enterprises, LLC (dba Bain Construction) in the amount of \$2,129,763.

REJECTED BID NUMBER 30-17, CANUTILLO WASTEWATER VACUUM SYSTEM REPLACEMENT PHASE I – CRYSTAL MARIE GRAVITY MAIN.

Mr. Trejo presented information to the Board regarding this item. The Canutillo service area is served by a vacuum collection system. Staff has encountered several operational and maintenance issues, including pipe leaks and excessive maintenance and corrosion of the vacuum components at the vacuum lift station. Staff recommended replacement of the entire vacuum system with a traditional gravity system; due to the size of vacuum system, it will be completed in phases. El Paso Water (EPWater) received three bids for this project on July 6, 2017, and all three bids were in excess of the Engineer's estimate. The unit prices for similar small diameter sanitary sewer pipeline work were higher than the average costs received in recent months. Staff believed the higher unit prices were due to a high groundwater table requiring extensive dewatering. Staff recommended rejecting this bid and rebidding when the seasonal groundwater levels are lower. During rebidding, staff will combine Phase 1 with Phase 2 to increase the scope of work and contract value, to generate more interest in the project from more contractors. Mr. Trejo addressed questions from the Board on this item.

On a motion made by Dr. Santiago, seconded by Dr. Mena and unanimously carried, the Board rejected Bid Number 30-17, Canutillo Wastewater Vacuum System Replacement Phase I – Crystal Marie Gravity Main.

AWARDED BID NUMBER 33-17, REPLACEMENT OF WELL COLLECTOR LINE BETWEEN WELL 504 AND WELL 503, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SMITHCO CONSTRUCTION, INC., IN THE AMOUNT OF \$503,750 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This project consists of replacing a pipeline that collects water from two brackish water supply wells to the Kay Bailey Hutchison Desalination Plant. This is one of several planned projects at the Kay Bailey Hutchison Desalination Plant to increase production. Over the next 7 to 10 years, projects will be completed to include addition of new brackish water supply wells and adding a sixth reverse osmosis (RO) skid, increasing production to 32 million gallons per day (MGD) and ultimately to 42 MGD. El Paso Water received six bids for this project on July 12, 2017 ranging from \$503,750 to \$919,948. The Engineer's estimate was \$587,870. The project consulting engineer, CDM Smith, evaluated the qualifications of the apparent low bidder and determined that Smithco Construction met the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. Staff reviewed the Engineer's evaluation matrix and recommended award of Bid Number 33-17, Replacement of Well Collector Line Between Well 504 and Well 503, to Smithco Construction as the lowest responsive, responsible bidder in the amount of \$503,750. Mr. Trejo addressed questions from the Board on this item.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 33-17, Replacement of Well Collector Line Between Well 504 and Well 503, to the lowest responsive, responsible bidder, Smithco Construction, Inc., in the amount of \$503,750 and authorized the use of commercial paper.

DECLARED TAO INDUSTRIES, INC. (DBA HAWK CONSTRUCTION) NOT RESPONSIBLE, AND AWARDED BID NUMBER 38-17, CANAL WATER TREATMENT PLANT LONG TERM STRUCTURAL REPAIRS – PHASE 2 REBID, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SMITHCO CONSTRUCTION, INC., IN THE AMOUNT OF \$333,610, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Canal Water Treatment Plant Long Term Structural Repairs – Phase 2 Rebid is in the long term structural repair program. The work in Phase 2 includes replacement of structural steel and concrete repairs. El Paso Water received three bids for this project on July 18, 2017 ranging from \$259,423.00 to \$518,764.44. The Engineer's estimate was \$242,749.50. The project consulting engineer, CDM Smith, evaluated the pre-qualifications of the apparent low bidder and determined that Hawk Construction did not meet the experience as specified on the contractor prequalification form. Smithco Construction was the second lowest bidder with a bid of \$333,610 and meeting the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. Staff reviewed the Engineer's evaluation matrix and recommended award of Bid Number 38-17, Canal Water Treatment Plant Long Term Structural Repairs – Phase 2 Rebid, to Smithco Construction as the lowest responsive, responsible bidder in the amount of \$333,610.

On a motion made by Mr. Roe, seconded by Dr. Santiago and unanimously carried, the Board declared Tao Industries, Inc. (dba Hawk Construction) not responsible and awarded Bid Number 38-17, Canal Water Treatment Plant Long Term Structural Repairs – Phase 2 Rebid, to the lowest responsive, responsible bidder, Smithco Construction, Inc., in the amount of \$333,610, and authorized the use of commercial paper.

AWARDED BID NUMBER 41-17, SECONDARY MEMBRANE TREATMENT OF REVERSE OSMOSIS CONCENTRATE AT WELLS 404, 408, AND 414, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, EL PASO A.R.C. ELECTRIC, INC., IN THE AMOUNT OF \$1,942,114 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water (EPWater) operates 11 reverse osmosis (RO) membrane units at existing Lower Valley wells to treat brackish groundwater to potable standards. These units discharge up to 25% of their water production to the sanitary sewer as brine concentrate, reducing the volume of potable water available for consumption. Joint research by EPWater and UTEP has shown that secondary RO techniques, including seawater reverse osmosis (SWRO), can reduce the total volume of concentrate disposal to approximately 3%. This bid is for the installation of three SWRO treatment units at Wells 414, 408, and 414.

EPWater received four bids for this project on July 12, 2017 ranging from \$1,942,114 to \$2,093,100. The Engineer's estimate was \$1,569,985. The apparent low bidder was RMCI of Texas. RMCI of Texas is not a local contractor; therefore, once a 5% reciprocity was applied, the apparent low bidder became El Paso A.R.C. Electric. The project consulting engineer, Roe Engineering, L.C. (dba H2O Terra), evaluated the bids and determined that El Paso A.R.C. Electric met the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. Staff reviewed the Engineer's evaluation and recommended award of Bid Number 41-17, Secondary Membrane Treatment of Reverse Osmosis Concentrate at Wells 404, 408, and 414, to El Paso A.R.C. Electric, as the lowest responsive, responsible bidder in the amount of \$1,942,114. Mr. Trejo addressed questions from the Board.

On a motion made by Dr. Santiago seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 41-17, Secondary Membrane Treatment of Reverse Osmosis Concentrate at Wells 404, 408, and 414,

to the lowest responsive, responsible bidder, El Paso A.R.C. Electric, Inc., in the amount of \$1,942,114 and authorized the use of commercial paper.

AWARDED BID NUMBER 54-17, PIPE AND VALVES, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDERS: FERGUSON WATERWORKS FOR LINE ITEMS 1, 2, 18-21, 24 & 25 IN THE ESTIMATED AMOUNT OF \$224,866.95; CLOWE AND COWAN OF EL PASO, LLC., FOR LINE ITEMS 3-12 IN THE ESTIMATED AMOUNT OF \$915,916.80; HD SUPPLY WATERWORKS FOR LINE ITEMS 13-17 IN THE ESTIMATED AMOUNT OF \$148,612.80; AND J & S VALVE FOR LINE ITEMS 22 & 23 IN THE ESTIMATED AMOUNT OF \$140,490.

Mr. Levi Chacon, Purchasing Agent provided information to the Board regarding this item. El Paso Water (EPWater) is purchasing pipe and valves for use in upcoming line replacement construction projects completed by EPWater staff. Five bid proposals were received. Staff evaluated the low bidders for each line item and recommended award by line item as follows: Ferguson Waterworks (Line items 1 & 2, 18 thru 21, 24 & 25) total estimated \$224,866.95; Clowe and Cowan (Line items 3 thru 12) total estimated \$915,916.80; HD Supply Waterworks (Line items 13 thru 17) total estimated \$148,612.80; and J & S Valve (Line items 22 & 23) total estimated \$140,490.

On a motion made by Mr. Roe, seconded by Dr. Santiago and unanimously carried, the Board awarded Bid Number 54-17, Pipe and Valves, to the lowest responsive, responsible bidders: Ferguson Waterworks for line items 1, 2, 18-21, 24 & 25 in the estimated amount of \$224,866.95; Clowe and Cowan of El Paso, LLC., for line items 3-12 in the estimated amount of \$915,916.80; HD Supply Waterworks for line items 13-17 in the estimated amount of \$148,612.80; and J & S Valve for line items 22 & 23 in the estimated amount of \$140,490.

APPROVED AN INTERLOCAL AGREEMENT TO JOIN THE U.S. COMMUNITIES GOVERNMENT PURCHASING ALLIANCE AND A CONTRACT FOR OFFICE FURNITURE THROUGH THE U.S. COMMUNITIES GOVERNMENT PURCHASING ALLIANCE, HAWORTH CONTRACT NUMBER 4400003402, WITH CONTRACT ASSOCIATES OF EL PASO, LLC IN AN AMOUNT NOT TO EXCEED \$100,000

Mr. Chacon provided information to the Board regarding this item. Office furniture is added or replaced on an annual basis throughout El Paso Water facilities based on wear and tear, safety, office space repurposing and reconfiguration. Staff evaluated the US Communities Buy Board Haworth contract number 4400003402, awarded to Contract Associates of El Paso, and determined that in order to meet office workspace needs a contract with a Haworth furniture supplier would be recommended. As of now, approximately 95% of the office furniture and cubicles within EPWater offices are the Haworth brand. Staff recommended contracting with Contract Associates of El Paso, LLC for office furniture. Mr. Chacon addressed questions from the Board.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board approved an interlocal agreement to join the U.S. Communities Government Purchasing Alliance and a contract for office furniture through the U.S. Communities Government Purchasing Alliance, Haworth contract number 4400003402, with Contract Associates of El Paso, LLC in an amount not to exceed \$100,000.

APPROVED A SOLE SOURCE PURCHASE OF A THREE-YEAR HANSEN SUPPORT AND MAINTENANCE CONTRACT WITH INFOR PUBLIC SECTOR, INC. IN THE TOTAL AMOUNT OF \$714,628.27.

Mr. Armando Renteria, Chief Information Officer, provided information to the Board regarding this item. The Infor Hansen Enterprise Asset Management System is a series of integrated asset and work order management applications used throughout El Paso Water. Infor is the sole source provider of Hansen support and maintenance services. A three-year support and maintenance renewal quotation was received from Infor with discounted pricing and estimated savings of \$28,209.56. Staff recommended the purchase of a three-year support and maintenance contract with Infor for a total amount of \$714,628.27. Mr. Renteria addressed questions from the Board.

On a motion made by Dr. Mena, seconded by Dr. Santiago and unanimously carried, the Board approved a sole source purchase of a three-year Hansen support and maintenance contract with Infor Public Sector, Inc. in the total amount of \$714,628.27.

ADOPTED A RESOLUTION REQUESTING CITY COUNCIL TO AUTHORIZE THE ISSUANCE OF UP TO \$56,310,000 OF CITY OF EL PASO MUNICIPAL DRAINAGE UTILITY SYSTEM REVENUE BONDS TO FUND \$18,800,000 OF APPROVED CAPITAL IMPROVEMENT PROJECTS, REFUND \$39,375,000 OF EXISTING BONDS, AND FUND RELATED TRANSACTION COSTS.

Ms. Marcela Navarrete, Vice President, introduced Ms. Maria Urbina, Financial Advisor with First Southwest, to make a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water is requesting City Council to issue up to \$56,310,000 of City of El Paso Municipal Drainage Utility System Revenue Bonds Series 2017 to fund \$18,800,000 of Stormwater infrastructure projects and refund \$39,375,000 of existing bonds plus related bond issue cost. Due to a recently begun Internal Revenue Service audit of the 2009 bond issuance, the proposed bond issue may have to be split into two separate bond issues (2017 and 2017A) in order to not delay the bond issuance of \$18,800,000 to fund infrastructure projects. The authorized pricing officers for the transactions would be Mr. John Balliew, Ms. Marcela Navarrete and Mr. Arturo Duran. The PSB recommended parameters are as follows: Maximum True Interest Cost – 4.50%; Minimum Present Value Savings Percentage – 3.00%; Aggregate Principal Amount of Issue - \$56,310,000; Final Maturity Date – December 31, 2039; and Expiration of Delegated Authority – 12 months. The recommended underwriters for this transaction are Citi (Lead) and George K. Baum & Company. Ms. Urbina also reviewed the schedule of events related to this issuance. Ms. Urbina addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Santiago and unanimously carried, the Board adopted a resolution requesting City Council to authorize the issuance of up to \$56,310,000 of City of El Paso Municipal Drainage Utility System Revenue Bonds to fund \$18,800,000 of approved capital improvement projects, refund \$39,375,000 of existing bonds, and fund related transaction costs. **(Resolution attached)**

ADOPTED A RESOLUTION REQUESTING CITY COUNCIL TO AUTHORIZE THE ISSUANCE OF UP TO \$95,360,000 OF CITY OF EL PASO WATER AND SEWER SYSTEM REFUNDING BONDS SERIES 2017 TO FUND \$51,600,000 OF APPROVED CAPITAL IMPROVEMENT PROJECTS, PAY OFF \$28,000,000 IN COMMERCIAL PAPER NOTES, REFUND \$15,460,000 OF EXISTING BONDS, AND FUND RELATED TRANSACTION COSTS.
MANAGEMENT REPORT:

Ms. Urbina made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water (EPWater) is requesting City Council to issue up to \$95,360,000 of City of El Paso Water and Sewer System Revenue Refunding Bonds Series 2017 to fund \$51,600,000 of capital improvement projects (CIP) approved for Fiscal Year 2017-2018, refund \$15,460,000 of existing bonds, pay off \$28,000,000 in Commercial Paper Notes, and fund related transaction costs. Due to current market conditions, El Paso Water can refund the 2008 Revenue Refunding Bonds and 2010 Taxable Series NadBank Build America Bonds in order to realize interest cost savings. In addition, EPWater will pay off \$28,000,000 in Commercial Paper Notes outstanding and issue \$51,600,000 of bonds to fund CIP. The Finance Committee met on August 1, 2017, to review the bond issue proposal. The authorized pricing officers for the transactions would be Mr. John Balliew, Ms. Marcela Navarrete and Mr. Arturo Duran. The PSB recommended parameters are as follows: Maximum True Interest Cost – 4.60%; Minimum Present Value Savings Percentage – 3.00%; Aggregate Principal Amount of Issue - \$95,360,000; Final Maturity Date – December 31, 2038; and Expiration of Delegated Authority – 3 months. The recommended underwriters for this transaction are Stifel Nicolaus (Lead Manager); Wells Fargo Securities; and Ramirez & Co., Inc. Ms. Urbina also reviewed the schedule of events related to this issuance. Ms. Urbina addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Santiago and unanimously carried, the Board adopted a resolution requesting City Council to authorize the issuance of up to \$95,360,000 of City of El Paso Water and Sewer System Refunding Bonds Series 2017 to fund \$51,600,000 of approved capital improvement projects, pay off \$28,000,000 in Commercial Paper Notes, refund \$15,460,000 of existing bonds, and fund related transaction costs. **(Resolution attached)**

MANAGEMENT REPORT:

Presentation on the chemicals and processes for well water treatment.

Mr. Angel Bustamante, Water Systems Division Manager, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Mr. Bustamante said the chemicals and processes for well water treatment are regulated by the Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality. A map pinpointing the locations of ground water wells was presented to the Board. Eight reverse osmosis wells in the Lower Valley were completed for production in 2004. A list of chemicals used for groundwater production was reviewed along with their role in the treatment process. He also discussed the arsenic treatment facilities in the Northeast, Cielo Vista and Eastwood areas of El Paso and the chemicals used for groundwater treatment at those facilities. Mr. Bustamante addressed questions from the Board.

Update on monsoon season and flooding in El Paso.

Mr. Alan Shubert, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). He reviewed historic data pertaining to average annual rainfall in El Paso and said the average annual rainfall through July 2017 was 5.9 inches. Mr. Shubert provided a brief overview of the stormwater operations during the monsoon season and provided an update on the 2017 Stormwater Public Awareness Campaign. Mr. Shubert addressed questions and comments from the Board regarding this item.

TOOK ACTION ON COMMITTEE APPOINTMENTS TO THE 1) ARCHITECT/ENGINEER SELECTION ADVISORY COMMITTEE, 2) COMMUNICATIONS COMMITTEE, 3) AUDIT, FINANCE AND INVESTMENT COMMITTEE.

Committee appointments are an opportunity for Board members to serve on the different committees during their tenure on the PSB and serve as a way to promote succession on the Board. The four committees established by the PSB are as follows: Audit, Finance and Investment Committee.; Architect/Engineer Selection Advisory Committee; Communications Committee; and an Ad Hoc Planning and Development Committee. Currently, Dr. Santiago and Mr. Roe serve on the Ad Hoc Planning and Development Committee.

On a motion made by Mr. Roe, seconded by Dr. Santiago and unanimously carried, the Board approved Mr. Gallardo's appointments as follows: Audit, Finance and Investment Committee - Mr. Antcliff, Ms. Garcia and Mr. Gallardo; Architect/Engineer Selection Advisory Committee - Dr. Mena, Mr. Roe and Dr. Santiago; and Communications Committee - Dr. Santiago, Dr. Mena and Mr. Gallardo

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.

The Board heard additional comments from Mr. C.R. Kit Bramblett, citizen.

EXECUTIVE SESSION

On a motion made by Dr. Santiago, seconded by Dr. Mena, and unanimously carried, the Board retired into Executive Session at 10:13 a.m., August 9, 2017 pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 through 551.076 to discuss any of the following:

Section 551.071

Consultation with Attorney

Section 551.072	Deliberation Regarding Real Property
Section 551.074	Personnel Matters

a. **Section 551.071 Consultation with Attorney**

The Board will deliberate regarding Criselda Cordova v. El Paso Water Utilities Public Service Board and Ricardo Martinez, Case No. 2012DCV03269.

b. **Section 551.072 Deliberation regarding Real Property**

The Board will deliberate regarding a potential land purchase for the replacement of Well SP1.

c. **Section 551.072 Deliberation regarding Real Property**

The Board will deliberate regarding the possible sale of approximately 6.31 acres of land generally described as a portion of Lot 3, Block 1, Coronado Del Sol, City of El Paso, El Paso County, Texas, located near the intersection S. Mesa Hills Dr. and Bluff Canyon Cir.

On a motion made by Dr. Santiago, seconded by Mr. Roe, and unanimously carried, the Board reconvened in open session at 10:40 a.m., August 9, 2017.

DELIBERATED REGARDING CRISELDA CORDOVA V. EL PASO WATER UTILITIES PUBLIC SERVICE BOARD AND RICARDO MARTINEZ, CASE NO. 2012DCV03269.

On a motion made by Dr. Mena, seconded by Mr. Roe and unanimously carried, the Board authorized the settlement in the lawsuit of Criselda Cordova v. El Paso Water Utilities Public Service Board and Ricardo Martinez, Case No. 2012DCV03269, as recommended by the Office of General Counsel, and authorized the President/CEO to sign all related documents necessary to effectuate the settlement of this matter.

DELIBERATED REGARDING A POTENTIAL LAND PURCHASE FOR THE REPLACEMENT OF WELL SP1.

On a motion made by Dr. Mena, seconded by Dr. Santiago and unanimously carried, the Board authorized the President and CEO to proceed with the acquisition of land 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.


DELIBERATED REGARDING THE POSSIBLE SALE OF APPROXIMATELY 6.31 ACRES OF LAND GENERALLY DESCRIBED AS A PORTION OF LOT 3, BLOCK 1, CORONADO DEL SOL, CITY OF EL PASO, EL PASO COUNTY, TEXAS, LOCATED NEAR THE INTERSECTION S. MESA HILLS DR. AND BLUFF CANYON CIR.

On a motion made by Dr. Mena, seconded by Dr. Santiago and unanimously carried, the Board declared the land inexpedient to the water system and authorized the President and CEO to enter into a Memorandum of Understanding with the Housing Authority of the City of El Paso agreeing to recommend to the City of El Paso that the land be conveyed to the Housing Authority of the City of El Paso, at the price per acre reflected in the April 2017 appraisal obtained by the El Paso Independent School District, and to make said recommendation to the City of El Paso, and to sign any and all documents necessary to complete the conveyance of the land to the Housing Authority for the City of El Paso.

ADJOURNMENT

On a motion made by Mayor Margo, seconded by Mr. Roe, and unanimously carried, the meeting adjourned at 10:42 a.m., August 9, 2017.

ATTEST:


Secretary-Treasurer


Chair