

**MINUTES  
PUBLIC SERVICE BOARD  
CITY OF EL PASO  
September 13, 2017**

The regular meeting of the Public Service Board was held Wednesday, September 13, 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  
Christopher Antcliff, Vice Chair  
Terri Garcia, Secretary-Treasurer  
Mayor Dee Margo, Ex-Officio Member  
Dr. Kristina Mena, Member  
Bradley Roe, Member

**PSB MEMBERS ABSENT**

Dr. Ivonne Santiago, Member

**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  
Daniel Ortiz, Assistant General Counsel  
Alan Schubert, Vice President  
Marcela Navarrete, Vice President  
Art Duran, Chief Financial Officer  
Armando Renteria, Chief Information Officer  
Yessenia Castro, Utility Engineer Associate  
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  
Christina Montoya, Marketing & Communication Manager  
Angel Bustamante, Water Systems Division Manager  
Israel Chavez, Senior Network Administrator  
Martin Noriega, Storm Water Operations Manager  
Cynthia Osborn, Real Estate Manager  
Rose Guevara, Senior Purchasing Agent  
Warren Marquette, Capital Projects Manager  
Michael Parker, Water Plant Superintendent  
Severo Borrego, Instrumentation Control Manager  
Fernie Rico, Utility Chief Operations Officer  
Zulema Jamis, Secretary  
Adriana Castillo, Engineering Division Manager  
Edgar Campos, Project Manager  
Mark Bolduc, Utility Business & Customer Service Manager

Fred Gorham, Industrial Electrician

**GUESTS**

Pam Farone, Citizen  
Sanaan Villalobos, Carollo Engineers  
Steve Morgan, H2O Terra  
Phil Rothstein, Bath Engineering  
Steve Ainsa, AECOM  
Tom Ahmann, ReadyOne  
Rachel Marin, ReadyOne  
Migdaua Flores, Opportunity Center  
Alicia Guzman, Opportunity Center  
Blanca Salazar, Opportunity Center  
Ray Tullius, Opportunity Center  
Paula Nicholson, Opportunity Center  
Trinidad Cruz, Prime Controls  
Phil R. Thisan, Citizen  
John Justice, Citizen  
Annette Torro, Rise Up Task Force  
Arwen Lyle, Painted Dunes  
Mel Herrera, ECM  
Marcela Gerardo, Montana Vista  
Jennifer Rubio, Montana Vista  
James Ceallo, ESC

**MEDIA**

NONE

The Public Service Board meeting was called to order by Mr. Gallardo at 8:08 a.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.

**CONSENT AGENDA**

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

**APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON August 9, 2017.**

The Board approved the minutes of the regularly scheduled meeting held on August 9, 2017.

**APPROVED AN INTERLOCAL AGREEMENT IN THE AMOUNT OF \$37,985 WITH THE UNIVERSITY OF TEXAS AT EL PASO TO EVALUATE TECHNIQUES ENHANCING THE RATE OF INFILTRATION ASSOCIATED WITH STANDING WATER**

The Board approved an interlocal agreement in the amount of \$37,985 with the University of Texas at El Paso to evaluate techniques enhancing the rate of infiltration associated with standing water.

**AUTHORIZED THE PRESIDENT/CEO TO APPROVE INCREASE IN PARTICIPATION COST WITH THE BORDER ENVIRONMENTAL COOPERATION COMMISSION FOR THE COUNTY REGIONAL WATER AND WASTEWATER SERVICE PLAN UPDATE IN AN AMOUNT OF \$7,898 FOR A TOTAL PARTICIPATION AMOUNT OF \$94,529.**

The Board authorized the President/CEO to approve increase in participation cost with the Border Environmental Cooperation Commission for the County Regional Water and Wastewater Service Plan Update in an amount of \$7,898 for a total participation amount of \$94,529.

## **REGULAR AGENDA**

### **PRESENTED A CHECK TO THE CHARITY OF CHOICE FROM MONIES RAISED BY EL PASO WATER'S EMPLOYEES.**

Ms. Yesenia Castro, Utility Engineer Associate, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Public Service Board selects one charitable organization annually for a fundraising project. This year, the PSB selected the Opportunity Center for the Homeless. The main focus of the Opportunity Center for the Homeless in El Paso is to help those that can't move forward and protect those who can't. Funds raised by EPWater employees will go to the Opportunity Center for the Homeless' La Casa de las Abuelitas. This is their newest shelter that houses elderly single women age 55 and older. EPWater had two initiatives to raise funds for the Opportunity Center for the Homeless: a series of employee-organized fundraising events held during non-working hours and a golf tournament at Painted Dunes, sponsored by Touchstone Golf Foundation. The outcomes from both initiatives and additional contributions were presented at this meeting. Overall, the total amount raised for the Opportunity Center for the Homeless was \$55,000. Mayor Margo, Mr. Balliew, and Mr. Gallardo presented a check to Mr. Ray Tullius from the Opportunity Center for the Homeless. Mr. Balliew and Mr. Gallardo expressed their gratitude to the fundraising committee and employees for their efforts. Mr. Balliew thanked Ms. Arwen Lyle with Painted Dunes for hosting the golf tournament and for their contributions.

### **AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL PROFESSIONAL SERVICES FOR CONSTRUCTION MANAGEMENT SERVICES FOR VARIOUS WATER, WASTEWATER, AND/OR STORMWATER FACILITY CONSTRUCTION PROJECTS EACH IN AN AMOUNT NOT TO EXCEED \$600,000 WITH A TERM OF TWO YEARS TO BROWN AND CALDWELL, ECM INTERNATIONAL, INC.; ROE ENGINEERING, LC DBA H2O TERRA; AND PARKHILL, SMITH & COOPER, INC. AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Alan Shubert, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). EPWater has completed or is in the process of completing designs for major rehabilitation work at various water, wastewater, and/or stormwater projects located throughout El Paso. Existing contracts were for study/design phase services only. These projects are scheduled to bid and start construction within the next two fiscal years and will require construction management services. The Architectural/Engineering Selection Advisory Committee met on August 9, 2017, to review and recommend selection of 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. Brown and Caldwell; ECM International; Roe Engineering, LC dba H2O Terra; and Parkhill, Smith and Cooper 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 \$600,000 and each contract will be limited to two years. Mr. Shubert and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried, the Board awarded professional services contracts for On-Call Professional Services for Construction Management Services for Various Water, Wastewater, and/or Stormwater Facility Construction Projects each in an amount not to exceed \$600,000 with a term of two years to Brown and Caldwell, ECM International, Roe Engineering LC dba H2O Terra, and Parkhill Smith and Cooper, and authorized the use of commercial paper.

**APPROVED TASK ORDER NUMBER 2, AMENDMENT NUMBER 2 FOR ADDITIONAL DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES FOR THE AIRPORT RESERVOIR TO AECOM, INC. IN THE AMOUNT OF \$195,000 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The project consists of a new 4.5 million gallon tank at the location of the site of the current Airport Reservoir in east central El Paso. The new tank increased storage capacity of the Valley Pressure Zone to meet demand throughout the system. Due to unforeseen circumstances during construction staff requested periodic design modifications to the reservoir site that required additional design and construction services. The design modifications requested by staff included: 1) a new valve vault that provides water directly to the pump station from both tanks; 2) installation of a chlorine injection line; 3) additional hand railing, safety cable and harnesses on top of the tank; 4) extension of the rock wall and wrought-iron fence east along Continental Drive to the Railroad right-of-way; 5) modifications to the landscape and irrigation system; and 6) additional hydrostatic testing to the tank to determine if water is leaking from the tank. Additional construction administration and RPR Services for the duration of the project were required due to these modifications. The fees in Amendment Number 2 will cover the additional design services already provided and the ongoing construction services. AECOM, the consulting engineer, was approved by the Public Service Board on April 10, 2013, for design and construction phase services for the above-mentioned project. The fee proposal associated with the scope of work for Amendment Number 2 was submitted, reviewed, and negotiated with the consultant to come to an agreement for the costs required to complete the design of the modifications and additional construction administration services. The additional fees are in line with the level of effort required to complete the design modifications and consistent with similar work done recently. Mr. Shubert and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board approved Task Order Number 2 Amendment Number 2 for Additional Design and Construction Administration services for the Airport Reservoir to AECOM, Incorporated in the amount of \$195,000 and authorized the use of commercial paper.

**APPROVED TASK ORDER NUMBER 3, AMENDMENT NUMBER 1 FOR ADDITIONAL DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES FOR THE KAY BAILEY HUTCHISON SERVICE LINES TO A BRINE WATER TREATMENT FACILITY TO CDM SMITH INC. IN AN AMOUNT OF \$354,000.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water (EPWater) has contracted with Enviro Water Minerals Company (EWM) to provide the facilities necessary to transport concentrate produced from the KBH Desalination Facility to EWM's new brine water treatment facility. In return EPWater will receive a potable water return flow back to the KBH Desalination Facility. EPWater required technical support from CDM Smith during construction due to unforeseen circumstances. The technical support includes: 1) design of bypass pipelines at existing meter and valve vaults; 2) design of a booster station facility; 3) design of a blending pipeline facility; 4) design of a pressure relief facility; 5) preparation of technical memorandums for water quality analysis of permeate water; 6) acquisition of a dig permit from the Fort Bliss Department of Public Works for construction of the pipe blending facility; 7) assistance to EPWater in the coordination with EWM during start-up of their facility; and 8) additional construction administration and RPR services for the duration of the project. The fees shall cover the design services already provided as well as ongoing construction services.

In January 2016, CDM Smith was selected to provide professional services related to the EWM interconnections at the KBH desalination plant. The fee proposal associated with the scope of work for Amendment Number 1 was submitted, reviewed, and negotiated with the consultant to come to an agreement for the costs required to complete the design modifications and technical support. The additional fees are in line with the level of effort

required to complete the design modifications and technical support and is consistent with similar work done recently. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff seconded by Dr. Mena and unanimously carried, the Board approved Task Order Number 3, Amendment Number 1, for Additional Design and Construction Administration Services for the Kay Bailey Hutchison Service Lines to a brine water treatment facility to CDM Smith, in an amount of \$354,000.

**APPROVED CHANGE ORDER NUMBER 3 FOR BID NUMBER 35-16, HASKELL R. STREET WASTEWATER TREATMENT PLANT CLARIFIER REHAB (BIO SCRUBBERS), TO CUBIC WATER, LLC IN THE AMOUNT OF \$237,679.97 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This bid was awarded in August 2016. The project is part of the on-going \$13.5 million odor improvement program at the Haskell R. Street Wastewater Treatment Plant (WWTP). This project consists of the installation of bio-scrubbers which will reduce odor emissions from the wastewater treatment plant. During construction, numerous unforeseen site conditions were discovered requiring frequent changes to the contracted work. The unforeseen site conditions are due to the subsurface condition which the Haskell WWTP was built on and the lack of records associated with the many upgrades and projects completed throughout the years. Change Order Number 3 increases the original contract value by 13.4%. The proposals provided by the contractor were reviewed by staff for accuracy of scope, material quantities, and cost. Staff negotiated the cost and agreed the recommended amount is fair and accurate for the scope of work performed. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Roe, and unanimously carried, the Board approved Change Order Number 3 - Bid Number 35-16, Haskell R. Street Wastewater Treatment Plant Clarifier Rehabilitation (Bio-Scrubbers), to Cubic Water, LLC in the amount of \$237,679.97 and authorized the use of commercial paper.

**AWARDED A DESIGN-BUILD SERVICES CONTRACT FOR THE CANAL WATER TREATMENT PLANT DISCHARGE MAIN TUNNEL TO BRH-GARVER CONSTRUCTION, LP IN THE AMOUNT OF \$5,134,330 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). At the Canal Water Treatment Plant treated river water is pumped via two large diameter water mains that extend below a railroad maintenance yard and several railroad tracks located between the plant and Paisano Drive. The water mains are over 50 years old and need to be replaced. Replacement of the water mains requires two new tunnels underneath the railroad yard, tracks, and Paisano Drive. A design-build method for the delivery of this project was recommended by staff. Approval for the use of the Design-Build Alternative Project Delivery Method was received during the August 8, 2016, Public Service Board meeting. A Request for Qualifications was issued soliciting Statement of Qualifications from prospective Design-Build teams. Three design-build teams were selected to submit price proposals via a Request for Proposals (RFP). BRH-Garver Construction (with support from Parkhill, Smith and Cooper and Kilduff Underground Engineering) and Oscar Renda/Southland Contracting Joint Venture submitted responses to the RFP. EPWater's engineering selection committee met on July 26, 2017, to review the RFPs. The proposals were evaluated for their tunneling approach, dealing with railyard and roadway challenges, their overall understanding, plan and resource knowledge of the project, and the cost to perform the project. The BRH-Garver team was selected as the Design-Build team that best meets the needs of the Utility in this important project and demonstrated excellent abilities in all the evaluated qualities. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Mr. Antcliff and unanimously carried, the Board awarded a Design-Build Services Contract for the Canal Water Treatment Plant Discharge Main Tunnel to BRH-Garver

Construction, LP in the amount of \$5,134,330 and authorized the use of commercial paper.

**AWARDED BID NUMBER 11-17 EMERGENCY BACKUP POWER PACKAGE 3 AND 4 INSTALLATION, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, EL PASO A.R.C. ELECTRIC INC., IN THE AMOUNT OF \$5,427,609.39.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). As a result of the Power Reliability Assessment of El Paso Water (EPWater) facilities, a program was implemented to install emergency backup power equipment at all the major facilities. Due to the size of the project, it was divided into four equipment and installation procurement and installation packages (packages 1-4). The generators and associated automatic transfer switches have longer delivery times and needed to be pre-purchased, so their procurement was separated from the installation package. To date, Packages 1 and 2 have been purchased and successfully installed, totaling 35 generators now operational at critical facilities in the water distribution system. In September 2016, the Public Service Board approved the pre-purchase of (Packages 3 and 4) generators and automatic transfer switches to provide emergency power capacity at a total of 15 well sites, 12 booster pump stations, and the desalination plant. This bid is for the selection of a contractor to install the pre-purchased Package 3 and 4 generators and complete required site improvements at these facilities. EPWater received two bids for this project on August 15, 2017 ranging from \$5,427,609.39 to \$8,323,469.00. The Engineer's estimate was \$4,321,907.00. The project consulting engineer, Black and Veatch Corporation, evaluated the qualifications of the apparent low bidder and determined that El Paso A.R.C. Electric 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 11-17, Emergency Backup Power Package 3 and 4 Installation, to El Paso A.R.C. Electric as the lowest responsive, responsible bidder in the amount of \$5,427,609.39. Mr. Shubert and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Roe seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 11-17, Emergency Backup Power Package 3 and 4 Installation, to the lowest responsive, responsible bidder, El Paso A.R.C. Electric, Inc., in the amount of \$5,427,609.39.

**AWARDED BID NUMBER 64-17 HASKELL R. STREET WWTP DIGESTERS 1, 2, 3 & 4 DIGESTER HEATING SYSTEM UPGRADES AND DIGESTER NO. 1 COVER AND MIXER REPLACEMENT TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, R.M. WRIGHT CONSTRUCTION CO., IN THE AMOUNT OF \$4,606,150 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The plant has four anaerobic digesters with floating metal covers and gas collection systems. Each digester holds a volume of about one million gallons. El Paso Water (EPWater) retained the engineering services of an engineering consulting firm to evaluate the condition of the cover and the interior concrete. Due to the corrosion identified during the study phase the cover must be replaced and a new mixer will be installed to improve the performance of the digester. In addition, the heating system will also be upgraded to improve the heating capacity of the boilers, improve temperature maintenance in the four digesters, and help increase the production of digester gas which is utilized in a cogeneration engine to produce electricity for plant consumption. EPWater received three bids for this project on August 15, 2017 ranging from \$4,606,150 to \$5,325,150. The Engineer's estimate was \$4,889,984. The project consulting engineers, H2O Terra and Parkhill, Smith and Cooper, evaluated the qualifications of the apparent low bidder and determined that R.M. Wright 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 64-17, Haskell R Street Wastewater Treatment Plant Digesters 1, 2, 3 & 4 Digester Heating System Upgrades and Digester No. 1 Cover and Mixer Replacement, to R.M. Wright Construction as the lowest responsive, responsible bidder in the amount of \$4,606,150. Mr. Shubert and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board awarded Bid Number 64-17, Haskell R Street Wastewater Treatment Plant Digesters 1, 2, 3 & 4 Digester Heating System Upgrades and Digester No. 1 Cover and Mixer Replacement, to the lowest responsive, responsible bidder, R.M. Wright Construction Company, in the amount of \$4,606,150 and authorized the use of commercial paper.

**CONSIDERED BID NUMBER SW55-17, STORMWATER CONSTRUCTION ON-CALL CONTRACT; DECLARE DEL MAR CONTRACTING, INC. AS NOT RESPONSIBLE; AWARD TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER BLACK STALLION CONSTRUCTION INC.; AND AUTHORIZE THE PRESIDENT/CEO TO AUTHORIZE ALL EMERGENCY REPAIRS LESS THAN \$100,000 USING THIS ON-CALL CONTRACT FOR A PERIOD OF ONE YEAR.**

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board removed this item from the agenda as requested by staff.

**CONSIDERED BID NUMBER SW52-17, WEST HILLS UNIT 23 STORM SYSTEM IMPROVEMENTS, DECLARE CSA CONSTRUCTORS AS NOT RESPONSIBLE, AND AWARD TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, BLACK STALLION CONTRACTORS INC., IN THE AMOUNT OF \$2,042,168.32.**

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board removed this item from the agenda as requested by staff.

**APPROVED AN INCREASE TO THE EMERGENCY PURCHASE ORDER ISSUED TO RAIN FOR RENT FOR THE COMMISSIONING OF THE ENVIRO WATER MINERALS FACILITY IN THE AMOUNT OF \$100,000.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The new Enviro Water Minerals (EWM) facility located adjacent to El Paso Water's (EPWater) Kay Bailey Hutchison (KBH) Desalination Facility is currently in the start-up phase. As part of this phase, the EWM facility will be discharging one million gallons a day (MGD) of water for a period of 14 to 30 days. This period is required to ensure proper operation of the facility and water quality goals are satisfied. For the last three months, EWM's flows to the KBH Desalination Facility have not exceeded 200 gallons per minute and operation of their facility has been intermittent. A purchase order was issued to Rain for Rent in the amount of \$160,273.13 in May 2017 to provide pumps and a pipeline required to handle the EWM test water at the KBH plant. To meet EWM's construction and commissioning schedule, EPWater must keep pumps and discharge piping in place until the commissioning period is completed and full start-up of the EWM Facility is accomplished. Full flow pumping operation was estimated to begin in May 2017, but is now estimated to begin on September 15, 2017. The original purchase order to Rain for Rent was for the rental of the pumps and pipes, as well as operations and maintenance personal. This purchase order increase is for the additional rental cost that will be incurred to keep the equipment on site. Mr. Shubert and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board approved an increase to the Emergency Purchase Order issued to Rain for Rent for the Commissioning of the Enviro Water Minerals Facility in the amount of \$100,000.

**AWARDED BID NUMBER 70-17 LARGE PRECAST CONCRETE METER BOXES TO THE SOLE RESPONSIVE, RESPONSIBLE BIDDER, WESTERN PRECAST INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$148,860 WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

Ms. Rose Guevara, Senior Purchasing Agent presented information to the Board regarding this item. The large precast concrete meter boxes are utilized at various installations throughout the Utility's customer base for water services that require connections of 1-1/2 inch or larger. One bid was received from Western Precast Inc. Staff

evaluated the bid and determined that the bidder met all specifications required within the bid proposal, therefore staff recommended award to the sole bidder Western Precast for the large precast concrete meter boxes. Ms. Guevara addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board awarded Bid Number 70-17 Large Precast Concrete Meter Boxes, to the sole responsive, responsible bidder, Western Precast Inc., in the estimated annual amount of \$148,860 with the option for two one-year extensions.

**DECLARED BENMARK SUPPLY COMPANY, INC., MUELLER SYSTEMS, LLC., AND ZENNER PERFORMANCE METERS, INC. NOT RESPONSIBLE; AND AWARDED LINE ITEMS 1-6 OF BID NUMBER 24-17 COLD WATER POSITIVE DISPLACEMENT METER AND COMPOUND METERS; TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, NEPTUNE TECHNOLOGY GROUP, INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$340,695 WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

Ms. Guevara presented information to the Board regarding this item. Cold water compound meters are used to monitor and regulate industrial and commercial water use, measuring wide flow ranges with varying flowrates. El Paso Water (EPWater) received five bids. Utility meters currently undergo a three-year field performance test. Currently, only two bidders Neptune Technology Group and Badger Meter dba National Meter and Automation are compliant meeting EPWater test requirements. Zenner Performance meters installed in July of 2015 are currently undergoing the three-year field performance test and have not completed evaluation. The Utility currently has not tested the Mueller Systems and Benchmark Supply Company meters. Therefore, staff recommended that Zenner Performance Meters, Mueller Systems, and Benchmark Supply Company be deemed not responsible and award to the lowest responsive, responsible bidder, Neptune Technology Group, for line items 1-6. Ms. Guevara and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff seconded by Mr. Roe and unanimously carried, the Board declared Benchmark Supply Company, Inc., Mueller Systems, LLC., and Zenner Performance Meters, Inc., not responsible and awarded line items 1-6 of Bid Number 24-17 Cold Water Positive Displacement Meter and Compound Meters to the lowest responsive, responsible bidder, Neptune Technology Group, Inc., in the estimated annual amount of \$340,695 with the option for two one-year extensions.

**DECLARED MINI CONCRETE MATERIALS NOT RESPONSIBLE, AND AWARDED BID NUMBER 44-17, TXDOT CEMENT STABILIZED BACKFILL MATERIAL (RE-BID), TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, PASO DEL NORTE MATERIALS LLC., IN THE ESTIMATED ANNUAL AMOUNT OF \$199,470 WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

Ms. Guevara presented information to the Board regarding this item. Cement stabilized backfill material is used to backfill pipe trenches and as a street paving base at various locations throughout the city. Five bids were received for the cement stabilized backfill material. The apparent low bidder, Mini-Concrete Materials, which offered a 5% early payment discount, does not have an approved Texas Department of Transportation cement stabilized mix design as required by the bid proposal. Staff recommended that Mini-Concrete materials be deemed not responsible, and award to the second lowest bidder, Paso Del Norte Materials, LLC., which met all the specifications in the bid proposal. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board declared Mini Concrete Materials not responsible and awarded Bid Number 44-17, TXDOT Cement Stabilized Backfill Material (Re-Bid), to the lowest responsive, responsible bidder, Paso Del Norte Materials LLC., in the estimated annual amount of \$199,470 with the option for two one-year extensions.

**APPROVED A SOLE SOURCE PURCHASE FOR THE REHABILITATION AND OVERHAUL OF ONE BELT FILTER PRESS AT THE ROBERTO R. BUSTAMANTE WASTEWATER**



**TREATMENT PLANT FROM ALFA LAVAL, INCORPORATED IN THE AMOUNT OF \$213,275 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Ms. Guevara presented information to the Board regarding this item. The overhaul of the existing equipment will include various replacement parts. New components and equipment will facilitate proper operation of the BFP, which will enhance the dewatering of the bio-solids, producing a dryer cake that will save money on the sludge hauling costs. All parts, service, installation, and startup costs are included and will be performed by Alfa Laval. Staff evaluated this purchase and recommended purchase from Alfa Laval in the amount of \$213,275. Alfa Laval is the original equipment manufacturer (OEM) and will supply OEM parts and services for site rebuilding of an Alfa Laval Winklepress Type 84.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board approved a sole source purchase for the rehabilitation and overhaul of one Belt Filter Press at the Roberto R. Bustamante Wastewater Treatment Plant from Alfa Laval, Incorporated in the amount of \$213,275 and authorized the use of commercial paper.

**APPROVED A SOLE SOURCE PURCHASE FOR PURATE TECHNOLOGY CHLORINE DIOXIDE GENERATION, FROM THORNTON, MUSSO AND BELLEMIN, INC. IN THE ESTIMATED ANNUAL AMOUNT OF \$923,600 WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

Ms. Guevara presented information to the Board regarding this item. The Robertson/Umbenhauer Water Treatment Plant (Canal WTP) uses chlorine dioxide as a pre-disinfectant in the water treatment process. Chlorine dioxide must be generated on-site and can be done with the use of the proprietary Purate® Technology Chlorine Dioxide Generators. The Canal WTP has successfully used the Purate® technology method for the generation of chlorine dioxide. Staff solicited a proposal from Thornton, Musso, and Bellemin, (TMB) Inc. for the on-site generation of chlorine dioxide using the Purate® technology. TMB Inc. is the authorized distributor of Purate® for sole source provider, Nalco Water. This proposal includes all necessary chemicals, equipment, installation, training, and service visits both routine monthly and emergency. Staff reviewed the proposal and determined that it met the requirements. Mr. Angel Bustamante addressed questions from the Board regarding this item.

On a motion made by Dr. Mena, seconded by Mr. Roe and unanimously carried, the Board approved a sole source purchase for Purate Technology Chlorine Dioxide Generation, from Thornton, Musso and Bellemin, Inc. in the estimated annual amount of \$923,600 with the option for two one-year extensions.

**APPROVED A SOLE SOURCE CONTRACT TO DERCETO, INCORPORATED FOR THE DERCETO AQUADAPT WATER MANAGEMENT SOFTWARE IN THE AMOUNT OF \$354,865.**

Mr. John Balliew, President/CEO presented information to the Board regarding this item. Derceto Aquadapt is the water management software implemented in 2014. The software currently controls starts and stops on pump stations based on projected water demand, historical demands and levels on tanks throughout the distribution system. The upgrade will allow for the installation of the web based energy dashboard software suite, which monitors key performance indicators and reports energy consumption and efficiency for different management level and operations and maintenance. Derceto, Inc. is the sole source provider for the Aquadvanced Energy and Energy Dashboard software suite. Derceto will provide the upgrade and implementation of the software. It also includes the service contract for one year for the dashboard. Staff recommends award of the Derceto Aquadapt Energy Upgrade and Energy Dashboard Implementation to Derceto, Incorporated as the sole source provider in the amount of \$354,865. Mr. Balliew addressed questions from the Board regarding this item

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board approved a sole source contract to Derceto, Incorporated for the Derceto Aquadapt water management software in the amount of \$354,865.

**APPROVED A PROFESSIONAL SERVICES CONTRACT WITH AAC UTILITY PARTNERS, LLC FOR CIS RFP DEVELOPMENT, EVALUATION, AND SELECTION SERVICES IN THE AMOUNT NOT TO EXCEED \$190,000**

Mr. Armando Renteria, Chief Information Officer, presented information to the Board regarding this item. El Paso Water provides bill processing services for water, wastewater, stormwater and solid waste using a Customer Information System (CIS) that was installed in 1997. The current CIS system has undergone two upgrades and several system enhancements that include custom applications with workaround solutions. AAC Utility Partners (AAC) was contracted in June 2017 for professional services to assist with the assessment of the CIS system. An assessment of the system's current business and future functional requirements was necessary for identifying options to upgrade or replace the system. The services included an analysis and report with estimated costs and options to upgrade or replace the CIS system. Additional AAC services are needed at this time for development of an RFP (Request for Proposal) for the replacement of the CIS system, evaluation of proposals and selection process. Proposals were requested from three technology solution consulting firms for CIS professional services. AAC Utility Partners, LLC was selected for their experience with similar CIS projects, their use of structured project management practices and pricing. AAC successfully completed the CIS assessment project and provided a quotation for professional services. Mr. Renteria addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried, the Board approved a professional services contract with AAC Utility Partners, LLC for CIS RFP development, evaluation and selection services in an amount not to exceed \$190,000.

**APPROVED THE FRED HERVEY PHASE I SCADA UPGRADE QUOTED BY PRIME CONTROLS WITH BUY BOARD PRICING THROUGH GSA SCHEDULE CONTRACT NUMBER: GS-35F-0455W IN THE AMOUNT OF \$1,931,801 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Renteria presented information to the Board regarding this item. Prime Controls successfully completed the Haskell Street Wastewater Treatment Plant Supervisory Control and Data Acquisition (SCADA) system upgrade in 2014 and the Roberto R. Bustamante Wastewater Treatment Plant DCU's (Direct Control Unit) and SCADA System Upgrade in 2016. The Fred Hervey Plant Phase I upgrade involves replacement of the ABB Symphony Controls System with a Rockwell Automation Controls System. Additionally, the existing ABB Symphony HMI (Human Machine Interface) system will be replaced with Factory Talk View Site Edition to include redundant server software and three Factory Talk View SE workstations. Prime Controls Quote No. EPWU022217Ph1 was received with buy board pricing through U.S. General Administration Services (GSA) Schedule Contract Number: GS-35F-0455W. The price offered through the GSA contract was reviewed and determined to be reasonable. Mr. Renteria addressed additional questions from the Board regarding this item. Mr. Trinidad Cruz, with Prime Controls made additional comments and answered questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board approved the Fred Hervey Phase I SCADA upgrade quoted by Prime Controls with buy board pricing through GSA Schedule Contract Number: GS-35F-0455W in the amount of \$1,931,801, and authorized the use of commercial paper.

**AWARDED A CALL OVERFLOW SUPPORT SERVICES CONTRACT TO READYONE INDUSTRIES IN THE ESTIMATED ANNUAL AMOUNT OF \$300,000 WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

Mr. Art Duran, Chief Financial Officer, presented the Board with information regarding this item. In March of this year, the Utility went live with a new Interactive Voice Response (IVR) system to better assist customers by automating payment, account information and other service options, with the goal of reducing call wait time and abandoned calls. Through the first six months of this fiscal year, our new IVR system has received over 500,000 customer calls, of which 192,000 were transferred to our Customer Care Center, but with limited staff, only 80% of the calls were answered. The new IVR system has been successful in reducing the number of calls received

by the Customer Care Center by 15%. Last year the Utility experienced high turnover of customer relations clerks (CSR's) in the call center. El Paso Water averaged only 17 CSR positions filled of the 30 budgeted positions. Currently, with the addition of 10 new employees and including four temporary employees, EPWater is fully staffed.

In order to reduce the abandoned call rate, staff assessed outsourcing the call overflow and two proposals were requested. ReadyOne's proposal provided the staffing required and competitive pricing. ReadyOne Industries is a local non-profit organization that provides call overflow support services. Their mission is to employ persons with significant disabilities and deliver high quality services with a diverse workforce. ReadyOne Industries services are exempt from competitive bidding requirements in accordance with Texas Local Government Code Section 252.022. Mr. Duran, Mr. Mark Bolduc, Utility Business & Customer Service Manager, addressed questions from the Board regarding this item. Additional questions and comments were addressed by Mr. Tom Ahmann and Ms. Rachel Marin with ReadyOne.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board awarded a call overflow support services contract to ReadyOne Industries in the estimated annual amount of \$300,000 with the option for two one-year extensions.

**APPROVED A RESOLUTION AUTHORIZING THE PRESIDENT/CEO TO SIGN AND SUBMIT TO THE TEXAS WATER DEVELOPMENT BOARD THE STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS FINANCING AGREEMENT IN THE TOTAL AMOUNT OF \$50,000,000 IN ADDITION TO ANY AND ALL NECESSARY AND RELATED DOCUMENTS TO THE FINANCING AGREEMENT, WHICH FINANCES PURCHASES FOR LAND IN HUDSPETH COUNTY, TEXAS.**

Ms. Marcela Navarrete, Vice President, presented the Board with information regarding this item. On July 21, 2016, TWDB approved a loan with El Paso Water Utilities Public Service Board (PSB), acting on behalf of the City of El Paso, for financial assistance in the amount of \$150,000,000 from the SWIRFT funding. The loan was split over two years, \$100,000,000 in 2016 and \$50,000,000 in 2017. The 2017 proceeds of the loan will be used to continue to fund land acquisitions identified in the water management strategy included in the 2016 Far West Texas Regional Water Plan, Region E. TWDB requires a PSB resolution authorizing the President/CEO to sign and submit the SWIRFT Financing Agreement. Ms. Navarrete addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board approved a resolution authorizing the President/CEO to sign and submit to TWDB the SWIRFT Financing Agreement in the total amount of \$50,000,000 in addition to any and all necessary and related documents to the Financing Agreement, which finances purchases for land in Hudspeth County, Texas. **(Resolution attached)**

**ACCEPTAED THE ANNUAL HISTORICALLY UNDERUTILIZED BUSINESS (HUB) REPORT INCLUDING REPORTING ON MEETING PSB GOALS FOR SMALL LOCALLY OWNED (SLBE) MINORITY (MBE) AND WOMEN OWNED BUSINESS (WBE).**

Ms. Guevara made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The PSB adopted a policy to increase HUB participation in 1992. EPWater staff solicits increased participation of small locally owned, minority and women owned businesses which requires mandatory efforts by staff to contact these local businesses in procuring goods and services, and reports on EPWater's progress in this area. Purchasing tracks payments to these vendors through monthly minority businesses activity credit card reports and PeopleSoft Purchasing and Accounts Payable systems. Data is summarized and presented to management and the PSB annually. For Fiscal Year ending 2017, the amount of expenditures from HUB businesses totaled \$15,753,766 and accounts for 55.46% of total expenditures. In reference to completed construction projects, the total expenditures from HUB businesses for FY 2017 was \$11,457,850. This accounts for 49.31% of the total

expenditures from HUB Businesses. Mr. Balliew made additional comments and Ms. Guevara addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board accepted the annual Historically Underutilized Business (HUB) report including reporting on meeting PSB goals for small locally owned (SLBE) minority (MBE) and women owned business (WBE).

**AUTHORIZED ASSISTANCE TO BE PROVIDED TO OTHER TEXAS WATER UTILITIES AFFECTED BY HURRICANE HARVEY IN CONNECTION WITH THE TEXAS WATER/WASTEWATER AGENCY RESPONSE NETWORK (TXWARN), AND/OR BY WORKING DIRECTLY WITH THE AFFECTED MUNICIPALITY, AND AUTHORIZED THE PRESIDENT/CEO TO SIGN ANY CONTRACTS NECESSARY TO EFFECTUATE SUCH ASSISTANCE AND RELATED REIMBURSEMENT.**

Mr. Balliew, presented the Board with information regarding this item. El Paso Water is a member of the TXWARN network. TXWARN a state wide network which supports and promotes statewide emergency preparedness, disaster response, and mutual aid assistance for public and private water and wastewater utilities. Mr. Balliew said no requests have been made for assistance however, El Paso Water stands ready to assist those utilities in Texas affected by Hurricane Harvey. He requested that the Board authorize the President/CEO to provide assistance to other Texas water utilities affected by Hurricane Harvey in connection with TXWARN, and/or by working directly with the affected municipality and sign any contracts necessary to effectuate such assistance and related reimbursement.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried, the Board authorized assistance to be provided to other Texas water utilities affected by Hurricane Harvey in connection with the Texas Water/Wastewater Agency Response Network (TXWARN), and/or by working directly with the affected municipality, and authorized the President/CEO to sign any contracts to necessary to effectuate such assistance and related reimbursement.

**APPROVED THE PROPOSED PSB MEMBER SELECTION TIMELINE.**

Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Board member Christopher Antcliff is serving his first, four-year term as a member of the Public Service Board. His term will expire on December 31, 2017. In 2009, City Council adopted a resolution establishing the process for the selection of new board members. Currently, Mr. Antcliff serves in the Consumer or Citizen Advocacy position. The process requires a selection committee consisting of the Public Service Board members and eight Council-appointed members to review all qualified applicants to determine which three applicants will be forwarded to City Council as candidates to fill each of the Board positions. The selection of one candidate for the position will be made by City Council during a council meeting. The Mayor serves as the presiding officer for the selection committee and calls all committee meetings. The selection process is expected to be completed in November 2017. A schedule of events was presented to the Board for review and approval.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board approved the proposed PSB member selection timeline.

**MANAGEMENT REPORT:**

***10th Anniversary Celebration of Kay Bailey Hutchison Desalination Plant.***

Ms. Lisa Rosendorf, Chief Communications & Government Affairs Office presented the Board with information regarding this item. On Friday September 15, 2017, El Paso Water will celebrate the 10<sup>th</sup> Anniversary of The Kay Bailey Hutchison Desalination Plant. The celebration will begin with a welcome ceremony and tour of the KBH Desalination Plant, Enviro Water Minerals with a research forum for follow. The first hour of the forum will consists of 7 researchers who have done work at our KBH facility. They

will go over their finding and what it means for desalination. Second half, will consist of state and national water sector leaders talking about the outlook for desalination, what are the barriers that need to be overcome from a research standpoint and the pathway forward to fulfill the potential for desalination.

***Update on the Efforts of the County to Develop a Stormwater Utility.***

Mr. Balliew presented the Board with information regarding this item. During his previous presentation, Mr. Balliew updated the Board on adopted legislation and the efforts made by Representative Mary Gonzalez. At that point the County focused its concentration on the idea of the County creating an authoritative structure/entity that would embark on a program for constructing a stormwater facility. However, the County is leaning more towards issuing bonds to design and construct projects under their own bonding capacity without creating an authoritative entity. He said the County will request assistance from EPWater for the projects. As of now, no request has been made. Mr. Balliew will issue a memo to the City Manager with information regarding this item. Mr. Balliew addressed questions from the Board regarding this item.

**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. John Justice.

**EXECUTIVE SESSION**

On a motion made by Mr. Antcliff, seconded by Dr. Mena, and unanimously carried, the Board retired into Executive Session at 9:44 a.m., September 13, 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 551.072-Deliberation regarding Real Property**

The Board will deliberate regarding potential land purchases in Hudspeth County, Texas.

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

The Board will deliberate regarding potential land purchases for the Will Ruth Pond project.

**c. Section 551.072-Deliberation Regarding Real Property**

The Board will deliberate regarding potential land development in Northeast El Paso.

**d. Section 551.072-Deliberation Regarding Real Property**

The Board will deliberate regarding potential land development in Northwest El Paso.

**e. Section 551.071 -Consultation with Attorney**

The Board will consult with its attorneys regarding the claim of Simon Andolina.

On a motion made by Mr. Roe, seconded by Ms. Garcia, and unanimously carried, the Board reconvened in open session at 10:45 a.m., September 13, 2017.

**DELIBERATED REGARDING POTENTIAL LAND PURCHASES IN HUDSPETH COUNTY, TEXAS.**

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board authorized the President/CEO to proceed with the acquisition of the Acuna land in the manner approved by the Board and in accordance with the terms and conditions specified by the Board; sign any and all documents necessary to complete the purchase; and sign the application for transfer of ownership of the validation permits.

**DELIBERATED REGARDING A POTENTIAL LAND PURCHASE FOR THE WILL RUTH POND PROJECT**

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board authorized the President/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 an documents necessary to complete the purchases.

**DELIBERATED REGARDING A POTENTIAL LAND PURCHASE IN NORTHEAST EL PASO.**

The Board did not take action on this item.

**DELIBERATED REGARDING A POTENTIAL LAND PURCHASE IN NORTHWEST EL PASO**

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board authorized the President/CEO and the Office of General Counsel to work with the City of El Paso on a Memorandum of Understanding related to potential land developments which meet certain eligibility requirements, including but not limited to potential land developments which may utilize land that is within PSB inventory, and further authorized the Board Chair and President/CEO to sign all related agreements with the City of El Paso upon finalization.

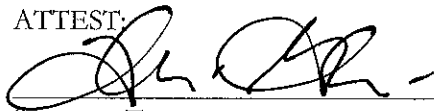
**CONSULTED WITH ITS ATTORNEYS REGARDING THE CLAIM OF SIMON ANDOLINA**

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board authorized its General Counsel to deny the claim of Simon Andolina for date of incident of 02/17/17.

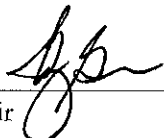
**ADJOURNMENT**

On a motion made by Mr. Gallardo, seconded by Mr. Roe, and unanimously cartied, the meeting adjourned at 10:47 a.m., September 13, 2017.

ATTEST:

  
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Secretary-Treasurer

Chair

  
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