

**MINUTES  
PUBLIC SERVICE BOARD  
CITY OF EL PASO  
October 9, 2019**

The regular meeting of the Public Service Board was held Wednesday, October 9, 2019, at the El Paso Water Utilities Public Service Board Meeting Room, 1154 Hawkins Blvd., El Paso, Texas.

**PSB MEMBERS PRESENT**

Christopher A. Antcliff, Chair  
Terri Garcia, Member  
Dr. Ivonne Santiago, Secretary-Treasurer  
Dr. Kristina D. Mena, Vice-Chair  
Bryan Morris, Member  
Henry Gallardo, Member

**PSB MEMBERS ABSENT**

Dee Margo, Ex-Officio Member

**PSB EMPLOYEES PRESENT**

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

**EPWATER EMPLOYEES PRESENT**

Marcela Navarrete, Vice President  
Juan S. Gonzalez, Assistant General Counsel  
Art Duran, Chief Financial Officer  
Gretchen Byram, Computer Media Specialist  
Lisa Rosendorf, Chief Communications and Government Affairs Officer  
Jillian Shipp, Executive Assistant  
Levi Chacon, Purchasing Agent  
Rose Guevara, Senior Purchasing Agent  
Robert Davidson, Contract Construction Administrator  
Christina Montoya, Marketing and Communications Manager  
Carlos Briano, Lead Public Affairs Coordinator  
Jeanette Cordero, Assistant Chief Financial Officer  
Jeff Tepsick, Assistant Chief Financial Officer  
Zulema Jamis, Secretary  
Ivan Hernandez, Engineering Division Manager  
Sergio Castro, Haskell R. Street Wastewater Plant Superintendent  
Paul Rivas, Chief Operating Officer  
Martin Noriega, Stormwater and Fleet Maintenance Division Manager  
Michael Dubrule, Heavy Equipment Supervisor  
Joey Paz, Stormwater Superintendent  
Irazema Rojas, Capital Improvement Program Manager  
Daniel Ortiz, Assistant General Counsel  
Laura Carrasco, Temp  
Lidia Carranco, Fiscal Operations Manager  
Geoffrey Espineli, Engineering Division Manager  
Hector Gonzalez, Government Affairs Manager  
Enrique Ochoa, Engineering Division Manager

Mike Parker, Water Plant Superintendent  
Gerardo Gomez, Engineering Program Administrator  
Ana Puchella, Budget & Management Analyst  
Becky Lopez, Paralegal  
Lilly Macias, Office Assistant  
Geraldo Vela, Programmer Analyst  
Charles Lino, Utility Treasury & Property Control Manager

## **GUESTS**

Monica Noyles, Goodwill Industries  
Chris Castellga, Goodwill Industries  
Marilee Adrian, City of El Paso  
Nicole Rodriguez, Goodwill Industries  
Russell Brush, Citizen  
Arwen Lyle Painted Dunes  
Michael Singleton, Painted Dunes  
Vanessa Acosta, Law N' Paws  
Lydia Peado, Law N' Paws  
Donovan Lasyone, Bain Construction  
Billy Copeland, Bain Construction  
Marco Ramirez, Garver  
Vilma Luna, Hillco  
Pam Faraone, Citizen

## **MEDIA**

None

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

## **CONSENT AGENDA**

Mr. Morris requested to have items 2, and 3 moved from consent agenda to regular agenda. On a motion made by Mr. Morris, seconded by Dr. Mena and unanimously carried, the Board moved items 2 and 3 to regular agenda.

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

### **1. CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD SEPTEMBER 11, 2019.**

The Board approved the minutes of the regularly scheduled meeting held September 11, 2019.

## **REGULAR AGENDA**

### **2. CONSIDERED AND APPROVED THE PURCHASE OF PAD MOUNT TRANSFORMERS FOR ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT AND HASKELL R. STREET WASTEWATER TREATMENT PLANT, FROM TRIANGLE ELECTRIC SUPPLY COMPANY, THROUGH ESC REGION 19 ALLIED STATES COOPERATIVE CONTRACT NUMBER 17-7243 IN THE AMOUNT OF \$175,022.**

Aide Zamarron, Wastewater Treatment Manager, 610 Wastewater Division provided information to the Board

regarding this item. Purchase two transformers for the Robert R. Bustamante WWTP and three transformers for Haskell R. Street WWTP Plant. These need to be replaced due to corrosion. The purchase of these items is available through the ESC Region 19 Allied States Cooperative. Staff solicited and obtained quotes from Triangle Electric Supply Company utilizing Region 19 Contract Number 17-7243. Staff evaluated the quotes and determined that they met all the requirements for this procurement. Staff recommends purchase of these items from Triangle Electric Supply Company in the total amount of \$175,022. Ms. Zamarron addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Mr. Morris and unanimously carried, the Board approved the purchase of Pad Mount Transformers for Roberto R. Bustamante Wastewater Treatment Plant and Haskell R. Street Wastewater Treatment Plant, from Triangle Electric Supply Company, through ESC Region 19 Allied States Cooperative Contract Number 17-7243 in the amount of \$175,022.

**3. CONSIDERED AND APPROVED A CONTRACT FOR HVAC MAINTENANCE SERVICES FROM PC AUTOMATED CONTROLS INC. THROUGH THE REGION 19 CONTRACT NO: 18-7285 IN THE ESTIMATED ANNUAL AMOUNT OF \$55,122.58, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

Mr. Levi Chacon, Purchasing Agent provided information to the Board regarding this item. The HVAC maintenance contracts are vital components that keep the systems operating efficiently. The existing HVAC equipment requires year-round maintenance. These are all-inclusive contracts that cover major component failure. Staff solicited quotes from PC Automated, utilizing The Region 19 Contract No: 18-7285, for the three locations in the estimated annual amount of \$55,122.58. PC Automated Controls Inc. has a familiarity with the locations as they held the previous maintenance contracts for the three locations. Staff reviewed the quotes and determined that PC automated met all the criteria for this procurement. Mr. Chacon addressed questions from the Board regarding this item.

**4. PRESENTATION OF THE AWWA PARTNERSHIP FOR SAFE WATER AWARD FOR 2018 TO CANAL WATER TREATMENT PLANT AND THE JONATHAN ROGERS WATER TREATMENT PLANT.**

Ms. Christina Montoya, Marketing and Communications Manager, presented the Board with information regarding this item. The AWWA Partnership for Safe Water Award for 2018 to was presented to the Canal Water Treatment Plant and the Jonathan Rogers Water Treatment Plant. The Partnership for Safe Water is an alliance of six prestigious drinking water organizations including the American Water Works Association and the Association of Metropolitan Water Agencies. The mission is to improve the quality of water delivered to customers by optimizing water system operations. EPWater voluntarily takes part in the program with utilities across the country, with the goal of providing the utmost public health protection. El Paso Water has two treatment facilities that are consistently honored with the Director's award through this program. These facilities demonstrate an outstanding commitment to delivering superior quality drinking water to customers. We know these plants provide high-quality water to customers, but this award means they are dedicated to going beyond already strict regulatory requirements for surface water facilities. Superintendent Mike Parker of the Jonathan Roger's plant and Ruben Montes of the Robertson/Umbenhauer plant received the awards for their plants.

**5. PRESENTATION ON FUNDRAISING ACTIVITIES AND A CHECK TO THE CHARITY OF CHOICE FROM MONIES RAISED BY EL PASO WATER'S EMPLOYEES.**

Mr. Israel Chavez, Senior Network Administrator provided the Board with information regarding this item. A Public Service Board (PSB) policy allows the PSB to select one charitable organization a year for a fundraising project. This year, the PSB selected Law N' Paws. The main focus of Law N' Paws is the rescue and adoption of at risk shelter and abused or neglected animals, educate the community on humane and loving treatment of all animals, encourage the public to recognize and report animal abuse. EPWater had two initiatives to raise funds for Law N' Paws: 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. The Board and Mr. Balliew thanked EPWater employees for their hard work and dedication. In addition, Mr. Chavez thanked the staff at Painted Dunes for their hard work to make the event possible.

**6. CONSIDERED AND APPROVED A RESOLUTION AUTHORIZING THE PRESIDENT/CEO TO SIGN AN ADVANCED FUNDING AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE SH20 RECONSTRUCTION PROJECT IN AN ESTIMATED AMOUNT OF \$464,808.75.**

Mr. John Balliew, President/CEO provided a presentation to the Board regarding this item (copy on file in Central Files). TXDOT will rehabilitate Mesa Street and EPWater staff has been working on the design of a stormwater system at the intersection of Mesa Street and Brentwood Avenue to capture and convey runoff. TXDOT and EPWater agreed to include the drainage improvements as part of the Mesa St. Reconstruction (from Brentwood Ave. to Sunland Park) Project in order to minimize the effect of street closures in the area. The estimated cost to the Utility for the Mesa Street and Brentwood Avenue Drainage Improvements Project is \$464,808.75. The agreement will be executed based on this estimated cost. EPWater is responsible for the actual cost of the installation of the stormwater system, to be determined after project is completed by TXDOT. Mr. Trejo made additional comments, while 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 Resolution authorizing the President/CEO to sign an Advanced Funding Agreement with the Texas Department of Transportation in connection with the SH20 Reconstruction Project in an estimated amount of \$464,808.75.

**7. CONSIDERED AND AWARDED BID NUMBER 47-19, MONTANA VISTA WASTEWATER COLLECTION SYSTEM – PHASE I, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, BAIN ENTERPRISES DBA BAIN CONSTRUCTION INC., IN THE AMOUNT OF \$11,787,610, PENDING CONCURRENCE FROM THE TEXAS WATER DEVELOPMENT BOARD AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Ms. Irazema Rojas Capital Improvement Program Manager, provided a presentation to the Board regarding this item (copy on file in Central Files). Homes in the Montana Vista area located east of El Paso are currently using septic systems to handle their wastewater needs. In December 2018, the Texas Water Development Board (TWDB) awarded EPWater financial assistance under the Economically Distressed Areas Program (EDAP) to finance construction of a first-time wastewater service project. The Montana Vista Wastewater Collection System – Phase I project includes the installation of 18-inch, 15-inch, 12-inch, and 8-inch PVC sanitary sewer mains a needed to provide service for 816 new sanitary sewer service connections. Phase I will also include decommissioning and abandoning 816 existing septic systems and providing sanitary sewer service yard lines for qualifying properties within the project area. The project will also include backfilling and patching the existing roadway. EPWater received five bids for this project on August 28, 2019. The bidders were Bain Enterprises dba Bain Construction, Danny Sander Construction, Inc., Smithco Construction, Inc., SJ Louis Construction of Texas, Ltd., and Spiess Construction Co., Inc. The bids ranged from \$11,787,610 to \$14,491,181 above the engineer's estimate of \$11,616,040. The project consulting engineer evaluated the qualifications of the apparent low bidder and determined that Bain Enterprises dba Bain Construction meets the minimum general requirements as well as the minimum project specific criteria as specified in the bid documents. Staff reviewed the engineer's evaluation and recommends award of Bid Number 47-19, Montana Vista Wastewater Collection System – Phase I, to Bain Enterprises dba Bain Construction as the lowest responsive, responsible bidder in the

amount of \$11,787,610. Mr. Balliew made additional comments, while Ms. Rojas addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Ms. Garcia and unanimously carried, the Board awarded Bid Number 47-19, Montana Vista Wastewater Collection System – Phase I, to the lowest responsive, responsible bidder, Bain Enterprises dba Bain Construction Inc., in the amount of \$11,787,610, pending concurrence from the Texas Water Development Board and authorize the use of commercial paper.

**8. CONSIDERED AND APPROVED TASK ORDER NUMBER 1 – CONSTRUCTION PHASE SERVICES FOR THE MONTANA VISTA WASTEWATER COLLECTION SYSTEM – PHASE I TO BROCK AND BUSTILLOS, INC. IN THE AMOUNT OF \$580,869, PENDING CONCURRENCE FROM THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT TO PROVIDE ADDITIONAL CONSTRUCTION AND DESIGN PHASE SERVICES IN AN ESTIMATED AMOUNT OF \$400,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Ms. Rojas provided a presentation to the Board regarding this item (copy on file in Central Files). In December 2018, the Texas Water Development Board (TWDB) awarded EPWater financial assistance under the Economically Distressed Areas Program (EDAP) to finance construction of a first-time wastewater service project. Brock and Bustillos was selected to provide construction phase services for the installation of sanitary sewer mains and associated appurtenances needed to provide service for 816 new sanitary sewer service connections; decommissioning and abandoning 816 existing septic systems; and providing sanitary sewer service yard lines for qualifying properties within the project area. A fee proposal submitted by Brock and Bustillos for construction phase services was reviewed and negotiated with the consultant. The negotiated fees are in line with the level of effort required to complete the tasks. Ms. Rojas addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo seconded by Ms. Garcia and unanimously carried, the Board approved Task Order Number 1 – Construction Phase Services for the Montana Vista Wastewater Collection System – Phase I to Brock and Bustillos, Inc. in the amount of \$580,869, pending concurrence from the Texas Water Development Board; authorized future task orders or amendments to be issued under this contract to provide additional construction and design phase services in an estimated amount of \$400,000, provided that funding is available in the approved budget for the task orders or amendments, and authorized the use of commercial paper.

**9. CONSIDERED AND AWARDED BID NUMBER 23-19, AIRPORT WELL FIELD IMPROVEMENTS CORRIDOR D (WELL GROUP 90A-93A) AND CORRIDOR A (WELL GROUP 509A-515A), TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, LONGHORN ELECTRICAL SERVICE, INC., IN THE AMOUNT OF \$1,065,750.**

Mr. Geoffrey Espineli, Engineering Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files). The Airport well field electrical system requires improvements to its infrastructure. There have been problems with moisture penetrating the conduits, broken junction boxes, and a need for safety connectivity improvements. Additionally, the El Paso International Airport (EPIA) has regraded some areas, which have caused ponding in transformers and electrical boxes to be exposed or buried; requiring bollards for rapid location. The proposed improvements will be a coordinated with the EPIA. EPWater received two bids for this project on September 12, 2019. The bidders were Longhorn Electrical Service, Inc. and El Paso A.R.C.

Electric. The bids ranged from \$1,065,750 to \$1,134,415 below the engineer's estimate of \$1,326,700. The project consulting engineer evaluated the qualifications of the apparent low bidder and determined that Longhorn Electrical Service, Inc. meets 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 recommends award of Bid Number 23-19, Airport Well Field Improvements Corridor D (Well Group 90A-93A) and Corridor A (Well Group 509A 515A), to Longhorn Electrical Service, Inc. as the lowest responsive, responsible bidder in the amount of \$1,065,750. Mr. Espineli 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 23-19, Airport Well Field Improvements Corridor D (Well Group 90A-93A) and Corridor A (Well Group 509A 515A), to the lowest responsive, responsible bidder, Longhorn Electrical Service, Inc., in the amount of \$1,065,750.

**10. CONSIDERED AND AWARDED BID 92-19, WATER, WASTEWATER AND RECLAIMED WATER SYSTEM DIRECTED MAINTENANCE AND LEAK DETECTION SERVICES, TO THE SOLE RESPONSIVE, RESPONSIBLE BIDDER, WATER CONSERVATION SERVICES COMPANY, LLC., IN THE ESTIMATED ANNUAL AMOUNT OF \$2,746,400, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

Mr. Felipe Lopez, Distribution & Collection Systems Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files). This contract is for water, wastewater and reclaimed water system directed maintenance, which provides routine valve exercising services, inspection, and maintenance or replacement of air, vacuum or combination release valves located on potable water, reclaimed water and sanitary sewer mains. It is also for leak detection services, which includes furnishing and installing non-functional or missing leak detection loggers, and refurbishing loggers to their original condition or better. This bid is the combination of two previous bids with substantial increases in line item quantities. One bid was received. Staff evaluated the bid and determined that the bidder met all the requirements as outlined within the bid proposal. Staff recommends award of the contract to Water Conservation Services Company, LLC, in the estimated annual amount of \$2,746,400. Mr. Lopez addressed questions from the Board regarding this item.

On a motion made by Dr. Mena, seconded by Dr. Santiago and unanimously carried, the Board awarded Bid Number 92-19 Water, Wastewater and Reclaimed Water System Directed Maintenance and Leak Detection Services, to the sole responsive, responsible bidder, Water Conservation Services Company, LLC., in the estimated annual amount of \$2,746,400, with the option for two, one-year extensions.

**11. CONSIDERED AND AWARDED BID NUMBER 89-19, ODOR CONTROL MEDIA RE-BID, TO THE SOLE RESPONSIVE, RESPONSIBLE BIDDER, CABOT NORIT AMERICAS INC. IN THE ESTIMATED ANNUAL AMOUNT OF \$119,700, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

Mr. Levi Chacon, Purchasing Agent, provided information to the Board regarding this item. Odor Control Media is used at three of the wastewater treatment plants and one wastewater lift station. It is used in odor control scrubbers to reduce odors in the wastewater collection system and at wastewater treatment plants. The previous bid was awarded on 3/9/16. An increase in quantities occurred in the new bid. The new bid is a 13% increase from the previous bid. Mr. Balliew addressed questions from the Board regarding this item. One bid and a no bid were received. Staff evaluated the bid and determined that the bidder met all the requirements as outlined within the bid proposal. Staff recommends award to Cabot Norit Americas, Inc. in the estimated annual amount of \$119,700. Mr. Chacon addressed questions from the Board regarding this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board awarded Bid Number 89-19, Odor Control Media - Rebid, to the sole responsive, responsible bidder, Cabot Norit Americas, Inc., in the estimated annual amount of \$119,700, with the option for two, one-year extensions.

**12. CONSIDERED AND AWARDED BID NUMBER 103-19, TRENCH SAFETY EQUIPMENT TO THE SOLE RESPONSIVE, RESPONSIBLE BIDDER, TRENCH SHORE RENTALS, IN THE ESTIMATED ANNUAL AMOUNT OF \$311,382.60, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

Mr. Chacon provided information to the Board regarding this item. This contract is utilized for renting trench safety equipment for use on water, wastewater and stormwater line excavations. The previous bid was awarded on 11/14/2018. Changes to line item quantities occurred in the new bid. The new bid is a 4% decrease from the previous bid. One bid was received. Staff evaluated the bid and determined the bidder met all the qualifications as specified in the bid proposal. Staff recommends award to Trench Shore Rentals in the estimated annual amount of \$311,382.60. Mr. Chacon addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Ms. Garcia and unanimously carried, the Board awarded Bid Number 103-19, Trench Safety Equipment to the sole responsive, responsible bidder, Trench Shore Rentals, in the estimated annual amount of \$311,382.60, with the option for two, one-year extensions.

**13. CONSIDERED AND APPROVED THE RENEWAL OF A JANITORIAL SERVICES CONTRACT TO WORKQUEST TEXAS VIA GOODWILL INDUSTRIES OF EL PASO INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$427,703.76 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

Mr. Chacon provided information to the Board regarding this item. The janitorial services are currently utilized at nineteen EPWater facilities. The previous contract was awarded on 10/12/16. Due to increases in the scope of work, the new contract is 29% more than the previous contract. WorkQuest Texas (formerly Texas Industry for the Blind and Handicapped, TIBH), in partnership with Goodwill Industries of El Paso Inc., is a private non-profit corporation responsible for coordinating programs and employment opportunities for individuals with disabilities. All WorkQuest Texas services are exempt from competitive bidding requirements in accordance with Texas Local Government Code Section 252.022. Staff evaluated the renewal pricing and recommend renewing the contract for an additional year with the option for two, one-year extensions.

On a motion made by Mr. Gallardo, seconded by Dr. Santiago and unanimously carried, the Board approved the renewal of the Janitorial Services contract to WorkQuest Texas via Goodwill Industries of El Paso Inc., in the estimated annual amount of \$427,703.76, with the option for two, one-year extensions.

**14. CONSIDERED AND APPROVED AN AMENDMENT TO THE CONTRACT WITH HILLCO PARTNERS TO PROVIDE GOVERNMENT RELATIONS SERVICES IN AUSTIN, TEXAS, IN THE ESTIMATED AMOUNT OF \$126,000 OVER A PERIOD OF ONE YEAR BEGINNING JANUARY 1, 2020 THROUGH DECEMBER 31, 2020, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

Mr. Balliew provided information to the Board regarding this item. HILLCO has been providing government relations services on behalf of EPWater for a number of years. They have been particularly effective in facilitating important introductions and meetings with the Governor's office, the Texas Water Development Board, Texas Commission on Environmental Quality and the Texas Department of Transportation. They are currently working with EPWater on several items before these agencies, which makes it important to extend the contract. HILLCO represents EPWater's interests before the state legislature, and 2019 was a particularly good year for EPWater in which priority legislation was advanced and legislation that was not in the Utility's best interests was halted. HILLCO's fee for the services since 2016 has been \$126,000 annually, payable in monthly payments of \$10,500. The extension would hold these costs at the previously agreed upon amount. Mr. Balliew also made mention that Ms. Vilma Luna of HILLCO was in attendance and thanked her for her work with EPWater.

On a motion made by Mr. Gallardo, seconded by Ms. Garcia and unanimously carried, the Board approved an amendment to the contract with HILLCO Partners to provide government relations services in Austin, Texas,

in the estimated amount of \$126,000 over a period of one year beginning January 1, 2020 through December 31, 2020, with the option for two, one-year extensions.

**15. CONSIDERED AND APPROVED A PROFESSIONAL CONSULTING SERVICES CONTRACT WITH NOCTUAM, LLC TO PROVIDE INFRASTRUCTURE AND ENVIRONMENTAL PLANNING SERVICES IN AN AMOUNT NOT TO EXCEED \$100,000 PER YEAR FOR A MAXIMUM, AGGREGATED AMOUNT OF \$300,000 OVER A PERIOD OF THREE YEARS BEGINNING NOVEMBER 1, 2019 THROUGH NOVEMBER 1, 2022.**

Mr. Balliew provided information to the Board regarding this item. Noctuum, LLC (Noctuum) provides infrastructure and environmental planning advisory services to EPWater. The firm has provided valuable analysis, research, reporting and review of documents. For example, the firm provided an independent review of EPWater's Conservation Plan to validate numbers and projections. Going forward, the firm has been asked to assist with matters related to El Paso County Water Improvement District contracts and planning, assess best practices across Texas in terms of metering and master metering related to new commercial construction, and assist with water supply availability models. Noctuum provides specialized services that executive leadership depends on for select, time-sensitive matters. Staff has reviewed Noctuum's demonstrated competence, knowledge, and qualifications and recommends a new contract to serve these needs. The proposed fees are reasonable for the services to be provided. 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 professional consulting services contract with Noctuum, LLC to provide infrastructure and environmental planning services in an amount not to exceed \$100,000 per year for a maximum, aggregated amount of \$300,000 over a period of three years beginning November 1, 2019 through November 1, 2022.

**16. CONSIDERED AND ACCEPTED EL PASO WATER'S SECOND QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING AUGUST 31, 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 the comparison of water billed from FY 2018-19 to 2019-2020. Over the past five years, there has been a reduction in demand in water. Next, Mr. Tepsick discussed Water and Wastewater Operating Revenues. The budgeted amount was \$266,074 million and the actual spent for FY2019-20 was \$138,600 million compared to the \$133,972 million at the same time for FY2018-19. Mr. Tepsick went on to discuss Water and Wastewater Utility Operating Expenses, the budgeted amount was \$107,041 million, the actual coming in at \$50,231 million for FY2019-20 compared to the \$48,091 at same time last fiscal year. Water and Wastewater Capital Projects Expenditures were discussed next, the budgeted amount was \$185,517 million, and the actual was \$58,268 million. This is a decrease compared to the \$96,148 million for last fiscal year. Mr. Tepsick next discussed Water and Wastewater Debt Service Coverage, the bond ordinance being a minimum at 1.50, with a projected of 2.26, and the actual coming in at 2.58. Next, was the Stormwater Utility Operating Revenues. The budgeted amount for FY2019-20 was \$24,098 million with the actual coming in at \$12,199 million, where as in FY2018-19 the actual was \$11,885 million. Stormwater Operating Expenses were budgeted at \$6.923 million with the actual coming in at \$3,143 million, compared to last fiscal year at 3,036 million. Mr. Tepsick also discussed Stormwater Capital Expenditures, which were budgeted at \$31,009 million for FY2019-20 and the actual being \$11,000 million for FY2019-20 compared to the \$10,585 million in FY2018-19. The Stormwater Debt Service Coverage had a minimum bond ordinance of 1.25 with the budgeted of 1.90 and the actual coming in at 2.02 for FY2019-20. Mr. Tepsick ended his presentation by informing the Board that the Utility is working operating very efficiently and expected to meet all targets set for the Utility. Mr. Tepsick also informed the Board moving forward Ms. Lidia Carranco, Fiscal Operations Manager will be making the presentations, and Mr. Charles Lino Utility Treasury & Property Control Manager will be taking over the presentation for the Quarterly Investment Reports.

On a motion made by Mr. Gallardo, seconded by Ms. Garcia and unanimously carried, the Board accepted El Paso Water's Second Quarter Financial and Performance Measures Report for period ending August 31, 2019.



**17. CONSIDERED AND ACCEPTED EPWATER'S SECOND QUARTER INVESTMENT REPORT FOR THE PERIOD ENDING AUGUST 31, 2019.**

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 by discussing the US Fed Funds Rate. The percentage has been on a steady increase since March 2016, there was a drop in June 2019 and has been dropping down to 1.75% end of the second quarter, there is another decrease projected by end of this year. Ms. Carranco went on to discuss the Portfolio Composition as of August 31, 2019, where the value was \$260,285,942. The chart broke down the amounts by the following: securities \$99 million or 38%, the Money Market Funds was \$17 million or 6%, the TexStar was \$52 million or 20%, the Texpool was \$4 million or 2% and lastly the Texpool Prime was \$89 million or 34%. Ms. Carranco then went over 2<sup>nd</sup> Quarter Portfolio Comparison. The portfolio for FY2020 was \$260,285,942 compared to FY2019 \$264,289,277. Purchases for FY2020 was \$87.7 million, and the FY2019 was \$121.7 million, the weighted average maturity was 70 days for FY2020 and 93 days for FY2019. Lastly was the weighted yield which was 2.19% for FY2020 compared to the 2.12% for FY2019. Ms. Carranco then discussed 2<sup>nd</sup> Quarter Yield Comparison, FY2019-2020 surpassed FY2018-2019 in all categories of; Texpool Prime, Texpool, TexStar, Advantage Fund, Fidelity Fund, Certificate of Deposit, Federal Agency Disc, and Municipal Bonds. The only category that was reduced was in Federal Agency Coupon. Next, Ms. Carranco discussed Benchmark Analysis, the 3 Month T-bill was 1.99%, 6 month T-bill was 1.89%, 1 years T-bill at 1.76%, 2 year T-bill at 150%, and lastly EPWater came in at 2.19%. Ms. Carranco went on to discuss 2<sup>nd</sup> Quarter Interest Earned Comparison; FY2017 was \$500,000, FY2018 was \$1,000,000, FY2019 was \$2,200,000 and FY2020 was \$2,900,000. Ms. Carranco ended her presentation with the Comparison of Interest Earned vs. Bond Interest Expense for the W&S Utility. The Interest Income compared to the Interest Expense for 2018/2019 was \$5,000,000 to \$27,000,000, and for 2019/2020 (projected) was \$4,500,000 to \$28,000,000. Ms. Carranco addressed questions from this Board regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Morris and unanimously carried, the Board accepted EPWater's Second Quarter Investment Report for the period ending August 31, 2019.

**18. PRESENTATION AND UPDATE ON EL PASO WATER CONSTRUCTION COST ESTIMATING PROCESS AND PROCEDURES.**

Mr. Ivan Hernandez, Engineering Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files). Mr. Hernandez began his presentation by explaining the existing cost estimating process, the Engineers Opinion of Probably Construction Costs (EOPCC) or Cost Estimate, is developed during the design phase by the Design Engineer. The requirements for the estimate are found in Chapter 7 of EPWater's Design Standards Manuel, Second Edition. Guidelines provided by the Association for the Advancement of Cost Engineering (AACE) International Recommended Practices. Mr. Hernandez then went on to discuss the Elements of a Cost Estimate; Materials, Labor Man Hours, Equipment, Contract Overhead & Profit, Bonding & Insurance, Commodities Escalation Risk and lastly Site Location & Conditions. Next, Pricing Resources was looked at; Reference Cost Manuals, RS Means, Engineering News Record (construction price indexes), BNi Building News, and Blue Book Equipment Rental. Pricing Resources was looked, was is included in quotes from suppliers/subcontractors; Materials, Equipment, Specialty Work and Subcontractor Work. Now, what factors affect costs; Complexity of the project, Mark Conditions, Bidder Qualifications, Owner's schedule and the Inflation/Tariffs/Lead Time. The Market Conditions Adjustments effect the economy, general contract management experience, labor availability and subcontract availability. Mr. Hernandez discussed the AACE Cost Estimate Classification System; it provides guidelines and procedures for cost engineering and cost management. Maps the states of project cost estimating with a generic project scope of definition and anticipated level of accuracy. Reflects generally-accepted cost engineering practices, and is stipulated in EPWater's Design Standards Manual. Mr. Hernandez shared a slide with the Life Cycle Phase of the AACE Cost Estimate Classifications. He then shared a slide showing a chart for Recent Bid Estimating Costs based off a study that San Antonio Water Systems did. Mr. Hernandez also discussed the Number of Construction Bids per Project Value Range from 2015-present. In total 128 construction bids were done, 45% of the bids were less than \$1 million, 36% \$1m-

\$3m, 14% were \$3m-\$6m, and 5% were over \$6 million. Mr. Hernandez pointed out that the low bid on average, was lower than the engineer's estimate. The combined projects valued based on estimate was \$257,055,836.25, combined projects value based on low bids was \$247,611,938.13. Mr. Hernandez shared AACE cost estimate Classification Variability in accuracy slide and where 8% of projects should fall in range. Projects less than \$1 million were 71% are quality bids. Projects between \$1 million-\$3 million, 78% were quality bids. Projects between \$3 million and \$6 million, 75% were quality bids. Projects over \$6 million, 58% are quality bids. Moving forward the improvement strategy will include; mandatory cost estimate review meeting for all projects, cost estimating training EPWater staff, and third party constructability and cost review at 95% phase. Mr. Hernandez, Mr. Balliew and Mr. Trejo addressed questions from the Board regarding this item.

#### **18. MANAGEMENT REPORT:**

- Media Coverage Update and Video – Ms. Lisa Rosendorf, Chief Communication and Government Affairs Officer, provided a presentation to the Board regarding this item (copy on file in Central Files). Ms. Rosendorf began her presentation by informing the Board of a service called Trend kite which captures all the coverage on any given day be it in print, media, news broadcast. We can use Trend kite to pull data and it allows us to see if the coverage was positive, neutral or negative. The number of positive stories from 2015-present rose from 168 in 2015 to 377 in 2019 with another 125 projected. Some of the stories that helped raise this number were 25 Years of Conservation in 2016, the Kay Bailey Hutchison anniversary in 2017, the Two Nations One Water leading to a CNN story in 2018, and being proactive in pitching of ideas to news outlets in 2019. The Communications team hired a new Media Coordinator, Carlos Briano who has been pitching the new ideas stories to out media outlets. Ms. Rosendorf finished her presentation with a video of highlighted news coverage.

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

No comments were made.

#### **EXECUTIVE SESSION**

On a motion made by Mr. Gallardo, seconded by Mr. Morris, and unanimously carried, the Board retired into Executive Session at 9:57 a.m., October 9, 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 deliberate regarding a potential land purchase in Hudspeth County, TX.

On a motion made by Mr. Gallardo, seconded by Ms. Garcia and unanimously carried, the Board reconvened in open session at 10:12 a.m., October 9, 2019.


**DELIBERATED REGARDING A POTENTIAL LAND PURCHASE IN HUDSPETH COUNTY, TX.**

On a motion made by Dr. Santiago, seconded by Dr. Mena, that the El Paso Water Utilities President and CEO be authorized 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, including the applications for transfer of ownership of the validation permits.

**ADJOURNMENT**

On a motion made by Ms. Garcia seconded by Mr. Morris and unanimously carried, the meeting adjourned at 10:13 a.m., October 9, 2019.

ATTEST:

  
\_\_\_\_\_  
Secretary-Treasurer

  
\_\_\_\_\_  
Christopher Antcliff-Chair

**SPECIAL MEETING MINUTES OF THE  
PUBLIC SERVICE BOARD  
AND THE  
PUBLIC SERVICE BOARD SELECTION COMMITTEE  
CITY OF EL PASO**

**October 23, 2019**

A special meeting of the Public Service Board and the Public Service Board Selection Committee was held Wednesday, October 23, 2019, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

**PSB SELECTION COMMITTEE MEMBERS PRESENT**

Mayor Dee Margo, Committee Chair  
Dr. Ivonne Santiago, PSB Secretary-Treasurer  
Bradley Roe, PSB Member  
Christopher A. Antcliff, PSB Chair  
Terri Garcia, PSB Member  
Dr. Richard Teschner, Representing District 1  
Joe Cardenas, Representing District 2  
Richard Castro, Representing District 3  
Nicolas Costanzo, Representing District 4  
Deborah Torres, Representing District 6  
Richard Martinez, Representing District 7

**PSB SELECTION COMMITTEE MEMBERS ABSENT**

Dr. Kristina D. Mena, Vice-Chair  
Henry Gallardo, PSB Member  
Vacant, Representing District 5  
Vacant, Representing District 8

**PSB EMPLOYEES PRESENT**

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

**EPWU EMPLOYEES PRESENT**

Alan Shubert, Vice President  
Jillian Shipp, Executive Assistant  
Lisa Rosendorf, Chief Communication & Government Affairs Officer  
Juan Gonzalez, Assistant General Counsel

**MEDIA**

None

**GUESTS**

None

The special meeting was called to order by Mayor Margo at 5:32 p.m. A quorum of the Public Service Board and the Public Service Board Selection Committee, (here therefore known as the “Committee”) was present.

**1. CONSIDERED AND TOOK ACTION REGARDING PUBLIC SERVICE BOARD APPLICATIONS RECEIVED AFTER THE POSTED DEADLINE.**

Ms. Jillian Shipp, Executive Secretary, said EPWater did not receive any additional applications after the established deadline. Therefore, no additional action was taken.

**2. TOOK ACTION, TO INCLUDE SELECTION OF THE TOP THREE CANDIDATES, RANKING OF THE TOP CANDIDATES AND RECOMMENDATION TO CITY COUNCIL, AND OTHER RELATED MATTERS, IN REGARD TO THE APPLICATIONS THAT MEET THE SELECTION CRITERIA OF HAVING EXPERTISE IN THE AREA OF ENGINEERING**

Ms. Shipp said there were two applications received for the Communication, Public Administration or Education position. Mayor Margo opened the floor for comments from the Committee regarding each candidate. No comments were made, the Committee determined that both candidates should be ranked and presented to Council for consideration. Ms. Shipp asked each Committee member to rank the top two candidates with the highest scores in order of personal preference using the following method:

1st preference = 3 points                      2nd preference = 2 points                      3rd preference = 1 point

Once each Committee member ranked the top two candidates by personal preference, the points were tallied for each of the three candidates with the following results:

Kristina Mena	33 points
Stefanie Block	0 points

The candidates were ordered and ranked 1<sup>st</sup> and 2nd based on the total preference points received.

1st	Kristina Mena	33 points
2nd	Stefanie Block	0 points

Mayor Margo requested a motion to approve and submit the candidates to City Council for consideration and selection.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Committee approved the following candidates to be submitted to City Council for review and consideration, in the ranking preference noted below, for the Communication, Public Administration or Education position on the Public Service Board (**Resolution attached**):

1st	Kristina Mena
2nd	Stefanie Block

**3. CONSIDERED AND APPROVED THE COMMITTEE TIMELINE FOR PUBLIC SERVICE BOARD APPOINTMENT.**

The proposed timeline was distributed to the Committee. The list of candidates for the vacant positions would be provided to City Council on November 26, 2019. Mayor Margo asked that we submit to for consideration for the November 12, 2019 City Council meeting. Ms. Koehler informed Mayor Margo she would send the information to the City Manager and City Clerk. On November 12, 2019, City Council will

consider and decide whether to select a candidate for the position or reject all candidates and request the Committee to begin the selection process again. If a candidate is selected for the Communication, Public Administration or Education position, the new member will be sworn in at the PSB Meeting on January 8, 2020.

On a motion made by Mr. Morris, seconded by Ms. Garcia and unanimously carried, the Committee approved the timeline for Public Service Board appointment.

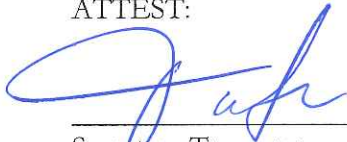
**4. PUBLIC COMMENT: THE PUBLIC SERVICE BOARD SELECTION COMMITTEE CHAIR WILL PERMIT PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA. THE CHAIR MAY IMPOSE REASONABLE TIME LIMITS FOR EACH SPEAKER.**

There were no additional comments from the public.

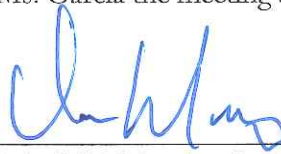
**ADJOURNMENT**

On a motion made by Mr. Costanzo, seconded by Ms. Garcia the meeting adjourned at 5:38p.m., October 23, 2019.

ATTEST:



Secretary-Treasurer



Chair, PSB Selection Committee



Chair, PSB