

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

The regular meeting of the Public Service Board was held Wednesday, December 13, 2017, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

PSB MEMBERS PRESENT

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

PSB MEMBERS ABSENT

PSB EMPLOYEES PRESENT

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

EPWU EMPLOYEES PRESENT

Juan S. Gonzalez, Assistant General Counsel
Marcela Navarrete, Vice President
Art Duran, Chief Financial Officer
Alan Shubert, Vice President
Gretchen Byram, Computer Media Specialist
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
Rose Guevara, Senior Purchasing Agent
Gilbert Trejo, Utility Chief Technical Officer
Gisela Dagnino, Engineering Division Manager
Federico Hernandez, Utility Engineer Associate
Armando Renteria, Chief Information Officer
Angel Bustamante, Water Systems Division Manager
Leticia Augsberger, Utility Security and Emergency Response Coordinator
Fernie Rico, Utility Chief Operations Officer
Robert Riley, Utility Construction Engineering Division Manager
Israel Chavez, Senior Network Administrator
Sergio Castro, Wastewater Plant Superintendent
David Belmontes, Wastewater Service Worker Supervisor

Vic Guzman, Water Production Superintendent
Jesus Lujan, Senior Chemist
Felipe Lopez, Utility Engineer Division Manager
Thomas Cieslik, Utility Engineer Associate
Enrique Ochoa, Engineering Division Manager
Francisco Martinez, Utility Engineer
Lidia Carranco, Utility Treasury & Property Control Manager
Martha Koester, Utility Public Information Coordinator
Rene Leon, Intergovernmental Affairs Coordinator

GUESTS

Pam Farone, Citizen
Sanaan Villalobos, Carollo Engineers
S. Morgan, H2O Terra
R. Alba, H2O Terra
C. Alvarez, Hazen
Vanessa Leon, United Way
Alex Acosta, United Way

MEDIA

NONE

The Public Service Board meeting was called to order by Mr. Gallardo at 8:03 a.m. A quorum of its members were present. After a moment of silence, those in attendance joined Dr. Santiago, 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:

CONSIDER AND APPROVE THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON NOVEMBER 8, 2017, AND THE SPECIAL BUDGET REVIEW MEETINGS HELD ON NOVEMBER 6 AND 13, 2017.

The Board approved the minutes of the regularly scheduled meeting held on November 8, 2017, and the special budget review meetings held on November 6 and 13, 2017.

CONSIDERED AND AWARED BID NUMBER 98-17 PATCHING OF CONCRETE SIDEWALK, CURB AND GUTTER DRIVEWAYS TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, EL PASO RIO ELECTRIC, INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$61,325 WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.

The Board awarded Bid Number 98-17 Patching of Concrete Sidewalk, Curb and Gutter Driveways to the lowest responsive, responsible bidder, El Paso Rio Electric, Inc., in the estimated annual amount of \$61,325 with the option for two one-year extensions.

CONSIDERED AND APPROVED A FOR CCTV SYSTEM REPLACEMENT AND UPGRADE AT THE HASKELL STREET WASTEWATER TREATMENT FACILITY THROUGH THE ESC REGION 19 ALLIED STATES COOPERATIVE, CONTRACT NUMBER 17-7221 IN THE AMOUNT OF \$65,751 TO PYROCOM SYSTEMS, INC.

The Board approved for CCTV system replacement and upgrade at the Haskell Street Wastewater Treatment

Facility through the ESC Region 19 Allied States Cooperative, contract number 17-7221 in the amount of \$65,751 to PyroCom Systems, Inc.

CONSIDERED AND APPROVED THE SOLE SOURCE PURCHASE OF ADDITIONAL LICENSING FOR THE LABORATORY INFORMATION MANAGEMENT SYSTEM FROM CHEMWARE IN THE AMOUNT OF \$73,649.

The Board approved the sole source purchase of additional licensing for the Laboratory Information Management System from Chemware in the amount of \$73,649.

CONSIDERED AND APPROVED A PURCHASE ORDER, FOR THE LINDBERGH BOOSTER PUMP STATION WET WELL IMPROVEMENTS TO THE FORET COMPANIES IN THE AMOUNT OF \$74,451.52.

The Board approved a purchase order, for the Lindbergh Booster Pump Station Wet Well Improvements to The Foret Companies in the amount of \$74,451.52.

CONSIDERED AND APPROVED A CONTRACT FOR CABLING INFRASTRUCTURE REPLACEMENT AND UPGRADE AT THE HASKELL STREET WASTEWATER TREATMENT FACILITY AND CANAL WATER TREATMENT PLANT THROUGH THE ESC REGION 19-ALLIED STATES COOPERATIVE, CONTRACT NUMBER 14-6994 IN THE AMOUNT OF \$93,796.93 TO COMCO, INC

The Board approved a contract for cabling infrastructure replacement and upgrade at the Haskell Street Wastewater Treatment Facility and Canal Water Treatment Plant through the ESC Region 19-Allied States Cooperative, contract number 14-6994 in the amount of \$93,796.93 to Comco, Inc.

REGULAR AGENDA

PRESENTATION OF THE SAFEST SECTION QUARTER AWARDS (3RD QUARTER 2017).

Ms. Christina Montoya, Marketing and Communications Manager, presented the Board with information regarding the Safest Section of the Quarter Awards for the Third Quarter of 2017. The awards recognize the sections with the lowest accident rate for the months of July, August and September. The sections were "Accident Free" during the third quarter. The members of each section performed their jobs safely as a group and as individuals. Mayor Margo and Mr. Balliew presented awards to Sergio Castro for the Haskell R. Street Treatment Plant, David Belmontes for Wastewater Systems Maintenance, Vic Guzman for Water Production and last Jesus Lujan for Laboratory Services.

PRESENTATION OF RECOGNITION AWARD TO MR. BARRY BOGLE AND MS. GLORIA C. MAURER AND EL PASO COMMUNITY COLLEGE RISK MANAGEMENT INSTITUTE.

Fernie Rico, Utility Chief Operations Officer presented this award to Mr. Bogle, Ms. Maurer and El Paso Community College Risk Management Institute for their works on setting up classes for Osha 10 classes for operation and engineering employees and Osha 30 classes for supervisors. Mr Rico went on to thank Mr. Balliew and the Board for their efforts on endorsing safety throughout the Utility.

UPDATE ON EL PASO WATER'S HEADQUARTERS

Cynthia Osborn, Real Estate Manager/Counsel presented an update on the El Paso Water's Headquarters. In September 2017 in conjunction with their consultants, Shields, Oblatz and Johnsen issued a RFI (request for information) for potential properties in the downtown area for a possible relocation of the EPWater's headquarters. Request was to occupy and existing building or renovate a historic building, but we would consider new construction. The parameter included that we were looking 50,000-60,000 square feet, 300 parking spaces. RFI would be a 2 phase process with a possible RFP (request for proposals). RFI went out September 5, 2017, was due September 29, 2017, we received responses from six entities with 10 possible locations. Responses included four existing buildings, six site that would require new construction or adding new construction to an

existing building or demolishing a building and start a new construction. There was a selection committee meeting on October 18, 2017, that included two of the consultants, EPWater staff and Board members. The meeting was to review and become familiar with the responses to provide the Board with information. Mr. Balliew made additional comments to the Board.

CONSIDERED AND AWARDED A PROFESSIONAL SERVICES CONTRACT FOR THE UNIVERSITY OF TEXAS AT EL PASO CENTENNIAL PARK RECLAIMED WATER TREATMENT SYSTEM TO MOLZEN CORBIN AND ASSOCIATES, PA. FOR DESIGN SERVICES IN THE AMOUNT OF \$220,000.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Dr. Santiago abstained from this item. In 2013, El Paso Water (EPWater) contracted CH2M Hill to complete a Design Definition Report, which explored different concepts and locations for 100,000 gallons per day (gpd) wastewater treatment plant. In 2015, the University of Texas at El Paso (UTEP) addressed the Public Service Board (PSB) with a presentation describing UTEP's Campus Transformation Project that included \$1.5 million of improvements and relocations to EPWater's water and wastewater mains located within the UTEP campus. The presentation also included a request for the PSB to consider and approve proceeding with design services and construction of the joint EPWater/UTEP reclaimed water project and consider and approve the plant to be located within the UTEP campus. This item is to select an engineering consultant to prepare 30% design to include plans and technical specifications for the wastewater treatment plant. The Architectural/Engineering Selection Advisory Committee met on October 11, 2017 to review and recommend selection of the engineering firm for these services. The committee consisted of Bradley Roe, Kristina Mena, R. Alan Shubert, Marcela Navarrete, Fernando Rico, and Gilbert Trejo. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. Molzen Corbin was selected as the firm that best meets the needs of the Utility for these services and demonstrated excellent abilities in all evaluated categories. Staff worked with Molzen Corbin to develop the scope of services required for this project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant for the defined scope of work. The negotiated fees are in line with the level of effort required to complete the task and consistent with similar work completed recently. Mr. Trejo 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 a professional services contract for the University of Texas at El Paso Centennial Park Reclaimed Water Treatment System to Molzen Corbin and Associates, PA. for design services in the amount of \$220,000.

CONSIDERED AND AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL PROFESSIONAL ENGINEERING SERVICES FOR STORMWATER SYSTEMS TO AECOM, CEA ENGINEERING INC., CONDE, INC., MORENO CARDENAS, INC., AND QUANTUM ENGINEERING CONSULTANTS, INC. EACH IN AN AMOUNT NOT TO EXCEED \$500,000 FOR A PERIOD OF TWO YEARS.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The City of El Paso's drainage system is comprised of dams, ponds, pump stations and conveyance systems that function as a large network to address our City's drainage needs. Throughout the year, projects are identified that require engineering services for study, design, or construction administration. The Stormwater Utility will utilize the contracted firms to provide these services throughout the year on an on-call basis. The work completed under these contracts will be in addition to the Request for Submittal process used for selection of qualified engineering firms for capital improvement projects. The Architectural/Engineering Selection Advisory Committee met on November 8, 2017, to review and recommend selection of engineering firms for these services. The committee consisted of Bradley Roe, Ivonne Santiago, Kristina Mena, Marcela Navarrete, Fernie Rico, and Gilbert Trejo. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. AECOM, CEA Engineering Inc., Conde Inc., Moreno Cardenas Inc., and Quantum Engineering Consultants Inc. were selected as the firms that

best meet the needs of the Utility for these services and demonstrated excellent abilities in all the evaluated categories. Each consultant will be issued a professional services contract for a maximum amount of \$500,000 and each contract will be limited to two years. Mr. Trejo addressed questions from the Board on this item.

On a motion made by Mr. Antcliff, seconded by Mayor Margo, and unanimously carried, the Board awarded professional services contracts for On-Call Professional Engineering Services for Stormwater Systems each in an amount not to exceed \$500,000 with a term of two years to AECOM, CEA Engineering Group, Inc., Conde, Inc., Moreno Cardenas, Inc. and Quantum Engineering Consultants, Inc.

CONSIDERED AND APPROVED TASK ORDER NUMBER 1 AMENDMENT 1 TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO HAZEN AND SAWYER, P.C. FOR THE HASKELL R. STREET WASTEWATER TREATMENT PLANT ODOR CONTROL HEADWORKS, DEWATERING BUILDING, AND AERATION CHANNEL COVER FOR ADDITIONAL STUDY AND DESIGN PHASE SERVICES IN THE AMOUNT OF \$90,675 AND AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL CONSTRUCTION PHASE AND DESIGN SERVICES IN AN ESTIMATED AMOUNT OF \$450,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This task order is for the study and design of upgrades to the odor control system at the Haskell R. Street Wastewater Treatment Plant Headworks, Dewatering Building, and Return Activated Sludge Aeration Channel. While performing Task Order Number 1, study phase services, review of the odor control system within the Haskell plant revealed additional problems with the current odor control system that could affect the effectiveness of the new system under design. This amendment is for additional engineering related to issues that need to be addressed in order to make sure that the odors being generated within the plant are minimized, captured, and eventually conveyed to the new odor treatment units that are being designed under current and subsequent design task orders. Hazen and Sawyer, the consulting engineer, was awarded a contract by the Public Service Board on September 14, 2016, for study and design phase services for the above-mentioned project. The fee proposal associated with Amendment Number One's scope of work was reviewed and negotiated with the consultant. The additional fees are in line with the level of effort required to complete the proposed scope of work. Future phases for this project include construction phase services, which are planned to begin upon completion of the design phase. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Ms. Garcia and unanimously carried, the Board approved Task Order Number 1 Amendment 1 to the professional services contract awarded to Hazen and Sawyer, P.C. for the Haskell R. Street Wastewater Treatment Plant Odor Control Headworks, Dewatering Building, and Aeration Channel Cover for additional study and design phase services in the amount of \$90,675 and authorized future task orders or amendments to be issued under this contract for additional construction phase and design services in an estimated amount of \$450,000, provided that funding is available in the approved budget for the task orders or amendments and authorized the use of commercial paper.

CONSIDERED AND APPROVED TASK ORDER NUMBER 2 TO THE PROFESSIONAL ENGINEERING SERVICES CONTRACT AWARDED TO PARKHILL, SMITH AND COOPER, INC. FOR THE CONSTRUCTION PHASE SERVICES FOR THE NORTH 2, FRANKLIN EAST 1A AND FRANKLIN 1B 3 MG ELEVATED RESERVOIRS – FRANKLIN EAST 1A 3 MG RESERVOIR IN THE AMOUNT OF \$338,396, AND AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL CONSTRUCTION PHASE AND DESIGN SERVICES IN AN ESTIMATED AMOUNT OF \$50,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Franklin East 1A reservoir is needed to serve the easternmost area of the Franklin development in northeast El Paso and will be situated near the intersection of U.S. 54 and Stan Roberts Sr. Drive. In November 2017, the Public Service Board awarded Bid 59 17 for the installation of the Franklin East 1A elevated storage tank, and this task order is for the construction phase services associated with this project. Parkhill, Smith and Cooper (PSC), through Task Order Number 1, was tasked to complete the design of the Franklin East 1A elevated reservoir. Because of the upcoming construction activities for this project, staff worked with PSC to develop the scope of services for Task Order Number 2 of this project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant. The negotiated fees are in line with the level of effort required to complete the tasks and consistent with similar work completed recently.

On a motion made by Mr. Antcliff seconded by Dr. Santiago and unanimously carried, the Board approved Task Order Number 2 to the professional engineering services contract awarded to Parkhill, Smith and Cooper, Inc. for the construction phase services for the North 2, Franklin East 1A and Franklin 1B 3 MG Elevated Reservoirs – Franklin East 1A 3 MG Reservoir in the amount of \$338,396, and authorized future task orders or amendments to be issued under this contract for additional construction phase and design services in an estimated amount of \$50,000, provided that funding is available in the approved budget for the task orders or amendments and authorized the use of commercial paper.

CONSIDERED AND APPROVED TASK ORDER NUMBER 2 TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO BLACK AND VEATCH CORPORATION FOR CONSTRUCTION PHASE SERVICES FOR THE EMERGENCY BACKUP POWER PACKAGES 3 AND 4 INSTALLATION IN THE AMOUNT OF \$635,000 AND AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL CONSTRUCTION PHASE AND DESIGN SERVICES IN AN ESTIMATED AMOUNT OF \$100,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS AND AUTHORIZED THE USE OF COMMERCIAL PAPER..

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This project is for the installation of emergency backup generators to various water supply facilities including production wells, pumping stations, and treatment plants. In September 2016, the PSB awarded Bid 11-17 for the installation of the final two generator packages, and this task order is for the construction phase services associated with this project. EPWater staff worked with Black and Veatch Corporation to develop the scope of services for construction phase services. A fee proposal was submitted, reviewed, and negotiated with the consultant. The negotiated fees are in line with the level of effort required to complete the tasks and consistent with similar work completed recently. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Mr. Roe seconded by Ms. Garcia and unanimously carried, the Board approved Task Order Number 2 to the professional services contract awarded to Black and Veatch Corporation for construction phase services for the Emergency Backup Power Packages 3 and 4 Installation in the amount of \$635,000 and authorized future task orders or amendments to be issued under this contract for additional construction phase and design services in an estimated amount of \$100,000, provided that funding is available in the approved budget for the task orders or amendments and authorized the use of commercial paper.

APPROVED TASK ORDER NUMBER 2 TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO MORENO CARDENAS, INC. FOR ADDITIONAL CONSTRUCTION PHASE SERVICES FOR THE THREE ELEVATED STORAGE TANKS IN THE AMOUNT OF \$154,000 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). On March 15, 2015, the Public Service Board (PSB) awarded an engineering services contract to Moreno Cardenas (MCI) to consolidate three tank designs, each designed by MCI, Arcadis, and Parkhill Smith & Cooper, into a

single bid, and coordinate the construction of the three tanks with the design firms. This amendment is for additional engineering analysis that was required during construction of the tank and for additional time for the resident project representative (RPR) to oversee the completion of the tank construction. Arcadis is a subconsultant to MCI, so the contract with MCI must be amended. EPWater staff worked with MCI and Arcadis to develop the scope of services for the additional construction phase services. A fee proposal was submitted, reviewed, and negotiated with the consultant. The negotiated fees are in line with the level of effort required to complete the tasks and consistent with similar work completed recently. Mr. Trejo 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 to the professional services contract awarded to Moreno Cardenas, Inc. for additional construction phase services for the Three Elevated Storage Tanks in the amount of \$154,000 and authorized the use of commercial paper.

CONSIDERED AND APPROVED CHANGE ORDER NUMBER 8 FOR BID NUMBER SW21-16, GATEWAY EAST POND EXPANSION-PHASE II (SOUTH POND), TO JORDAN FOSTER CONSTRUCTION, LLC, IN THE AMOUNT OF \$333,142.45.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This bid was awarded to Jordan Foster Construction, LLC on August 10, 2016. The project consists of the expansion of the existing Gateway East Pond, including completion of the structures connecting the Gateway West and Gateway East ponds. The ponds capture stormwater runoff flowing down from Cebada and Magnolia watersheds to mitigate flooding that occurs at I-10 and residential areas. After bidding, the project staff identified the need to pave the alley and a section of the road for the Gateway West pond for improved operation and maintenance of the pond. The proposal provided by the contractor was reviewed by Conde, the engineer of record, and ECM International, the construction manager, for accuracy of scope, material quantities, and cost. An additional 18,000 square feet of concrete lining or 12.77% of the bid quantity is needed to complete this work. Staff recommends this change order for approval. Mr. Trejo addressed questions from the Board on this item.

On a motion made by Dr. Santiago seconded by Ms. Garcia and unanimously carried, the Board approved Change Order 8 Bid Number SW21-16, Gateway East Pond Expansion-Phase II (South Pond), to Jordan Foster Construction, LLC, in the amount of \$333,142.45.

CONSIDERED BID NUMBER 71-17, CANUTILLO WASTEWATER VACUUM SYSTEM REPLACEMENT PHASE I AND PHASE II, DECLARE SPARTAN CONSTRUCTION OF TEXAS, INC. AS NOT RESPONSIBLE AND AWARDED TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SMITHCO CONSTRUCTION, INC., IN THE AMOUNT OF \$1,956,830 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Canutillo service area is served by a vacuum collection system. Staff has encountered several operational and maintenance issues, including pipe leaks and excessive maintenance and corrosion of the vacuum components at the vacuum lift station. Staff recommended replacement of the entire vacuum system with a traditional gravity system, and due to the size of vacuum system, the project will be completed in phases. EPWater received four bids for this project on October 4, 2017. The bidders were Spartan Construction of Texas, Spiess Construction, Smithco Construction Inc., and Danny Sander Construction. The bids ranged from \$1,866,712.08 to \$2,348,000.00 over the Engineer's Estimate of \$1,998,310.00. The apparent low bidder was Spartan Construction of Texas, and the second apparent low bidder was Smithco Construction Inc. Staff evaluated the qualifications of the apparent low bidder and determined that Spartan Construction of Texas does not meet the minimum general requirements or the minimum project specific criteria as specified in the bid documents. Spartan Construction of Texas failed to provide documentation demonstrating the successful completion of projects as specified in the bid documents. Evaluation of the qualifications of the second low

bidder determined that Smithco Construction, Inc. does meet all contract requirements. Staff recommends that Spartan Construction of Texas be deemed not responsible and award Bid Number 71-17, Canutillo Wastewater Vacuum System Replacement Phase I and Phase II, to Smithco, Construction, Inc. as the lowest responsive, responsible bidder in the amount of \$1,956,830. Mr. Balliew made additional comments. Mr. Trejo addressed questions from the Board on this item.

On a motion made by Mr. Antcliff seconded by Mr. Roe and unanimously carried, the Board considered Bid Number 71-17, Canutillo Wastewater Vacuum System Replacement Phase I and Phase II, declare Spartan Construction of Texas, Inc. as not responsible and awarded to the lowest responsive, responsible bidder Smithco Construction, Inc., in the amount of \$1,956,830, and authorized the use of commercial paper.

CONSIDERED AND AWARDED BID NUMBER 37-17, KBH SERVICE BLENDING PIPELINES, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SMITHCO CONSTRUCTION, INC., IN THE AMOUNT OF \$884,050 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This item is for the furnishing, construction, and installation of a pipeline blending facility to provide flexibility in treating the water quality of the permeate coming from the Enviro Water Minerals (EWM) Facility. El Paso Water (EPWater) received four bids for this project on November 16, 2017. The bidders were Smithco Construction, Inc., Danny Sander Construction, Cubic Water, and Spiess Construction. The bids ranged from \$884,050 to \$1,227,350 above the engineer's estimate of \$938,595. Staff evaluated the qualifications of the apparent low bidder and determined that Smithco Construction, Inc. does meet the minimum general and safety requirements and the minimum project specific criteria. Staff recommends award of Bid Number 37-17, KBH Service Blending Pipelines to the lowest responsive, responsible bidder, Smithco Construction, Inc. in the amount of \$884,050. Mr. Trejo answered questions from the Board regarding this item.

On a motion made by Dr. Mena, seconded by Mr. Roe and unanimously carried, the Board considered and awarded Bid Number 37-17, KBH Service Blending Pipelines to the lowest responsive, responsible bidder, Smithco Construction, Inc. in the amount of \$884,050.

CONSIDERED BID NUMBER 50-17, FRED HERVEY WATER RECLAMATION PLANT SLUDGE BED LINER REPLACEMENT, DECLARED HIGH RIDGE CONSTRUCTION, INC. AS NOT RESPONSIBLE AND DECLARED BLACK STALLION CONTRACTOR, INC. AS NOT RESPONSIBLE, AND AWARDED TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER RMCI INC. OF TEXAS, IN THE AMOUNT OF \$3,057,736 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Shubert, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Fred Hervey Water Reclamation Plant has eight biological sludge drying beds, four rectangular-shaped and four triangular-shaped. Over the years of operation, the wear and tear of the sludge loading operations have damaged the bed liners. Accessing the triangular-shaped beds has also proven problematic due to their configuration. Four rectangular sludge beds need to be repaired and re-lined, two triangular beds need to be reconfigured, and two triangular beds will be decommissioned. El Paso Water (EPWater) received four bids for this project on October 3, 2017. The bidders were High Ridge Construction, Black Stallion Contractors, RMCI, Inc. of Texas, and Smithco Construction, Inc. The bids ranged from \$2,630,014.57 to \$3,495,562.00 above the engineer's estimate of \$3,115,215.47. The apparent low bidder was High Ridge Construction. The second apparent low bidder was Black Stallion Contractors and the third apparent low bidder was RMCI, Inc. of Texas. Staff evaluated the qualifications of the apparent low bidder and determined that High Ridge Construction does not meet the minimum general requirements or the minimum project specific criteria as specified in the bid documents. High Ridge Construction failed to provide documentation demonstrating the successful completion of projects as specified in the bid documents. Evaluation of the second low bidder determined that Black Stallion Contractors does not meet the minimum

project specific criteria as specified in the bid documents. Black Stallion Contractors failed to provide documentation demonstrating completion of projects specified in the bid documents. Evaluation of the third low bidder determined that RMCI, Inc. of Texas does meet all contract requirements. Staff recommends that both High Ridge Construction and Black Stallion Contractors be deemed not responsible and award the contract for Bid Number 50-17, Fred Hervey Reclamation Plant Sludge Bed Liner Replacement, to RMCI, Inc. of Texas as the lowest responsive, responsible bidder in the amount of \$3,057,736. Mr. Trejo answered questions from the Board regarding this item.

On a motion made by Mr. Antcliff seconded by Dr. Santiago and unanimously carried, the Board considered Bid Number 50-17, Fred Hervey Water Reclamation Plant Sludge Bed Liner Replacement, declared High Ridge Construction, Inc. as not responsible and declared Black Stallion Contractors, Inc. as not responsible, and awarded to the lowest responsive, responsible bidder, RMCI, Inc. of Texas, in the amount of \$3,057,736, and authorized the use of commercial paper.

CONSIDERED AND APPROVED TASK ORDER NUMBER 2 TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO PARKHILL, SMITH AND COOPER, INC. FOR CONSTRUCTION PHASE SERVICES FOR THE FRED HERVEY WATER RECLAMATION PLANT SLUDGE BED LINER REPLACEMENT IN THE AMOUNT OF \$210,238, AND AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL CONSTRUCTION PHASE AND DESIGN SERVICES IN AN ESTIMATED AMOUNT OF \$50,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS 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 Fred Hervey Water Reclamation Plant contains eight biological sludge drying beds, four rectangular-shaped and four triangular-shaped. Over the years of operation, the wear and tear of the sludge loading operations have damaged the bed liners. Accessing the triangular-shaped beds has also proven problematic due to their configuration. Four rectangular sludge beds need to be repaired and re-lined, two triangular beds need to be reconfigured, and two triangular beds will be decommissioned. In July 2016, Parkhill, Smith, and Cooper was selected by the Architectural/Engineering Selection Committee to evaluate the condition of the existing sludge beds and design the necessary improvements. Staff worked with Parkhill, Smith, and Cooper to develop the scope of services for construction phase services. A fee proposal was submitted, reviewed, and negotiated with the consultant. The negotiated fees are in line with the level of effort required to complete the tasks and consistent with similar work completed 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 2 to the professional services contract awarded to Parkhill, Smith and Cooper, Inc. for construction phase services for the Fred Hervey Water Reclamation Plant Sludge Bed Liner Replacement in the amount of \$210,238, and authorized future task orders or amendments to be issued under this contract for additional construction phase and design services in an estimated amount of \$50,000, provided that funding is available in the approved budget for the task orders or amendments and authorized the use of commercial paper.

CONSIDERED AND AWARDED BID NUMBER 87-17 UTILITY METAL FITTINGS & SERVICE PARTS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDERS FOR THE FOLLOWING CATEGORIES: A, B, C, H, M, N, O, P, Q, R, AND S TO CLOWE & COWAN IN THE ESTIMATED ANNUAL AMOUNT OF \$326,868.13; CATEGORIES D, E, I, AND J TO CORE & MAIN IN THE ESTIMATED ANNUAL AMOUNT OF \$146,533.50 AND CATEGORIES F, G, AND L TO FERGUSON WATER WORKS IN THE ESTIMATED ANNUAL AMOUNT OF \$188,967.25 ALL WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.

Ms. Rose Guevara, Senior Purchasing Agent presented information to the Board regarding this item. This bid is for warehouse materials such as brass saddles, couplings, nipples, valves, bushings, connectors, tees, plugs and elbows that are used for water service installations and in-house construction projects. The bid was organized into 19 different categories (A-S) covering a large range of brass materials. Three bids were received from Ferguson Waterworks, Core & Main LP, and Clowe & Cowan. Staff evaluated each category and determined that each low bidder that submitted pricing for the all items in the prospective category met all the specifications. Therefore, staff recommends award to the lowest responsive, responsible bidders for each category. Group K (Faucet Valves) was identified as a “no bid” from all three vendors, and will be procured through spot purchases as necessary.

On a motion made by Mr. Roe, seconded by Mayor Margo and unanimously carried, the Board awarded Bid Number 87-17 Utility Metal Fittings & Service Parts, to the lowest responsive, responsible bidders for the following categories: A, B, C, H, M, N, O, P, Q, R, and S to Clowe & Cowan in the estimated annual amount of \$326,868.13; categories D, E, I, and J, to Core & Main in the estimated annual amount of \$146,533.50, and categories F, G, and L to Ferguson Water Works in the estimated annual amount of \$188,967.25, all with the option for two one-year extensions.

CONSIDERED AND AWARDED BID NUMBER 100-17, TRENCH SAFETY EQUIPMENT, TO THE SOLE RESPONSIVE, RESPONSIBLE BIDDER, EL PASO TRENCH SAFETY INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$169,678.31 WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.

Ms. Guevara presented information to the Board regarding this item. This service is utilized for renting trench safety equipment for use on all EPWater wastewater, water and stormwater line excavations, as required to enhance safety practices. The previous bid was awarded on 1/21/2015. Changes in line item quantities, as well as the inclusion of additional line items have been incorporated into the new bid. With the quantity changes and new line items, the new bid increased by 1.19%. One bid was received for bid 100-17, Trench Safety Equipment. Staff evaluated the bid and determined that the sole bidder met all the specifications as outlined within the bid proposal. Therefore, staff recommends award of bid 100-17 to El Paso Trench Safety in the estimated annual amount of \$169,678.31. 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 considered and awarded Bid Number 100-17, Trench Safety Equipment, to the sole responsive, responsible bidder, El Paso Trench Safety Inc., in the estimated annual amount of \$169,678.31 with the option for two one-year extensions.

CONSIDERED AND APPROVED THE PSB MEETING SCHEDULE FOR 2018

Mr. Balliew presented information to the Board regarding this item. The schedule for 2018 will remain the same as the current format of the second Wednesday of the month. 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 considered and approved the PSB Meeting Schedule for 2018.

CONSIDERATION OF NOVEMBER 13, 2017 BUDGET WORKSHOP ON THE FY2018-19 WATER AND WASTEWATER BUDGET, WHICH INCLUDED OPERATING AND CAPITAL BUDGET DETAIL, PROPOSED RULES AND REGULATIONS CHANGES, AND FEE ADJUSTMENTS, AND DIRECTION TO STAFF ON THE FY2018-19 WATER AND WASTEWATER BUDGET.

Mr. Balliew presented information to the Board regarding this item. The third scheduled budget meeting On November 20, 2017 was to address things of concerns or things that were not addressed in the November 13, 2017 meeting. Mr. Balliew asked if there were questions or concerns that could be addressed prior to the approval in the January 8, 2018 meeting. Mr. Balliew addressed questions from the Board on this item.

On a motion made by Mr. Roe seconded by Dr. Santiago and unanimously carried, the Board considered November 13, 2017 Budget Workshop on the FY2018-19 Water and Wastewater Budget, which included Operating and Capital Budget detail, proposed rules and regulations changes, and fee adjustments, and direction to staff on the FY2018-19 Water and Wastewater Budget.

MANAGEMENT REPORT:

Investments in Resilience since the 2011 Freeze

Mr. Alan Shubert presented a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). 2011 was the worst winter weather in 45 years; we went from 60 degrees to minus 10 degrees in less than one day. Prolonged cold weather caused widespread failures of infrastructure, not only for EPWater, but for El Paso Electric as well. Controls and pumps froze and failed, causing depletion of reservoirs and resulting water shortages, burst pipes on mostly private property resulting in 43,000 calls in over six days, water shortage impacted hospitals and fire suppression. Wastewater was relatively unaffected due to onsite backup power. EPWater hired Black & Veatch to analyze risk of system-wide power failure and mitigation plan with prioritization of solutions, this cause EPWater to invest \$35million in backup power. Three "packages" were created to secure reliability. Package one in 2013 focused on Well and Booster Station improvement, package two in 2015-16 focused on Well backup system Lab and HQ, and package three and four in 2017-18 focused on Wells, Boosters at the KBH plant. There has been improvements done to the instruments, systems and water supply to improve reliability. Mr. Shubert showed pictures of instrumentation, exposed piping vulnerability that have been improved. New reservoirs are being utilized to improve storage for water emergencies, this includes the airport tank. We have a close collaboration with Office of Emergency Management (OEM), this includes fire, flooding, water outage and monsoon. EPWater posts the "Protect Your Pipes" campaign, annually before the first freeze of the season. Mr. Shubert addressed question from the Board on this presentation.

Tanks Provide Reliability Video

Ms. Lisa Rosendorf, Chief Communications and Government Affairs Officer presented a video, Tanks Provide Reliability. It's the second most watched video of the year so far. The videos highlights the three new water storage tanks in several neighborhoods; The Ventanas holds 2 million gallons of water for the far East, The Airport Tanks hold 4.4 million gallons of water for the Lower Valley and The Memphis tanks will hold 2.5 million gallons to service Central El Paso. The new tanks are part of EPWater's efforts to ensure we are better prepared in emergencies. The tanks provide a backup water supply to neighborhoods and improve system reliability, they also address anticipated population growth in these areas. Ms. Rosendorf addressed questions from the Board on this presentation.

Results of the 2017 United Way Campaign

Mr. Angel Bustamante, Water Systems Division Manager presented a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Mr. Bustamante served as the United Way campaign coordinator for the Utility for FY17-18. The 2018 committee consisted of Severo Borrego, Judith McGill, Grace Zamora, Paul Rivas, Belinda Villa, Gabriel Romero and Art Duran. Mr. Bustamante went on to acknowledge the "Leadership Givers", those who give \$500 or more in annual donations. Total amount donated to the United Way was \$76,426. There was a breakfast for those employees who gave a minimum amount (minimum amount is \$4.00 per payday or \$104.00 lump sum. Cash prizes were given at random, 1 \$1000 prize, 1 \$500 prize, 2 \$300 prize and 31 \$100 prize. All cash prizes were possible by donations from EPWater employees. Vanessa Leon, the development director with United Way gave her thanks and appreciation to El Paso Water.

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

No additional comments were made.

EXECUTIVE SESSION

On a motion made by Ms. Garcia seconded by Mr. Roe, and unanimously carried, the Board retired into Executive Session at 9:47 a.m., December 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 551.071-Consultation with Attorney

The Board will consult with its attorneys regarding Dorys A. Reyes, et. al. and Priscilla Meraz, et. al. v. The City of El Paso, Texas, The El Paso Water Utilities Public Service Board, and Cubic Water, LLC., Cause No. 2015DCV3874

b. Section 551.072-Deliberation regarding Real Property

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

c. Section 551.072-Deliberation regarding Real Property

The Board will receive an update and will deliberate regarding potential land purchases in Hudspeth County, Texas.

d. Section 551.072-Deliberation regarding Real Property

The Board will deliberate regarding whether the following property can be declared inexpedient to the water system:

1. Nellie D. Mundy Survey 246 (approximately 73.6664 acres);
2. S. J. Larkin Survey 267 (approximately 632.735 acres);
3. S. J. Larkin Survey 269, Abstract 10070, Tract 1-A (approximately 8.175 acres);
4. S. J. Larkin Survey 268, Abstract 10069, Tract 1-C (approximately 15.8712 acres)
5. S. J. Larkin Survey 268, Abstract 10069, Tract 1 (approximately 45.664 acres)

e. Section 551.072-Deliberation regarding Real Property

The Board will deliberate regarding whether the following property can be declared inexpedient to the water system:

1. Laura E. Mundy Survey 234, Abstract 1007, Tract 2 (approximately 225.39 acres)
2. Laura E. Mundy Survey 234, Abstract 1007, Tract 2 (approximately 105.43 acres)

f. Section 551.072-Deliberation regarding Real Property

The Board will deliberate regarding El Paso Water's Headquarters.

g. Section 551.071-Consultation with Attorney

The Board will consult with its attorney regarding Francis Njoroge v. The City of El Paso,

Texas and Water Conservation Services, Cause No. 2017DCV0408.

The Board reconvened in open session at 11:12 a.m., December 13, 2017.

CONSULTED WITH ITS ATTORNEYS REGARDING DORYS A. REYES, ET. AL. AND PRISCILLA MERAZ, ET. AL. V. THE CITY OF EL PASO, TEXAS, THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD, AND CUBIC WATER, LLC., CAUSE NO. 2015DCV3874

No action taken on this item.

DELIBERATE 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 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 purchase.

RECEIVED AN UPDATE AND DELIBERATED REGARDING POTENTIAL LAND PURCHASES IN HUDSPETH COUNTY, TEXAS.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried the 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 purchase, including the application for transfer of ownership of validation permits; and that the President/CEO be further authorized to enter into a First Amendments extending the current Farm Management Agreement for one year and that President/CEO enter into a long term Lease of the acquired properties and be authorized to sign any and all documents necessary to effectuate the purchase of this Motion.

DELIBERATED REGARDING WHETHER THE FOLLOWING PROPERTY CAN BE DECLARED INEXPEDIENT TO THE WATER SYSTEM.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried that the properties generally described as:

1. Nellie D. Mundy Survey 246 (approximately 73.6664 acres);
2. S. J. Larkin Survey 267 (approximately 632.735 acres);
3. S. J. Larkin Survey 269, Abstract 10070, Tract 1-A (approximately 8.175 acres);
4. S. J. Larkin Survey 268, Abstract 10069, Tract 1-C (approximately 15.8712 acres)
5. S. J. Larkin Survey 268, Abstract 10069, Tract 1 (approximately 45.664 acres)

are hereby declared to be inexpedient to the water system and the President/CEO is authorized to negotiate with the City of El Paso for the transfer of one or more of the parcels to the City of El Paso for the economic development purposes and sign any and all documents necessary to complete the transfer of the land.

DELIBERATED REGARDING WHETHER THE FOLLOWING PROPERTY CAN BE DECLARED INEXPEDIENT TO THE WATER SYSTEM.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried that the properties generally described as:

1. Laura E. Mundy Survey 234, Abstract 1007, Tract 2 (approximately 225.39 acres)
2. Laura E. Mundy Survey 234, Abstract 1007, Tract 2 (approximately 105.43 acres)

are hereby declared to be inexpedient to the water system and the President/CEO is authorized to proceed in

the manner approved by the Board and in accordance with the terms and conditions specified by the Board and thereafter to forward to City Council a recommendation to sell the property through the sealed bidding process and to obtain one appeal for the property and set the minimum bid price at the appraised value and to sign any and all documents necessary to complete the sale of the property.

DELIBERATED REGARDING EL PASO WATER'S HEADQUARTERS.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried that the El Paso Water Utilities President and CEO be authorized to proceed in the manner approved by the Board and in accordance with the terms and conditions specified by the Board.


CONSULTED WITH ITS ATTORNEY REGARDING FRANCIS NJORGE V. THE CITY OF EL PASO, TEXAS AND WATER CONSERVATION SERVICES, CAUSE NO. 2017DCV0408.

No action taken on this item.

ADJOURNMENT

On a motion made by Mayor Margo, seconded by Mr. Antcliff, and unanimously carried, the meeting adjourned at 11:16 a.m., December 13, 2017.

ATTEST



Secretary-Treasurer



Chair