

**MINUTES  
PUBLIC SERVICE BOARD  
CITY OF EL PASO  
February 8, 2017**

The regular meeting of the Public Service Board was held Wednesday, February 8, 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 Oscar Leeser, Ex-Officio Member  
Dr. Ivonne Santiago, Member  
Bradley Roe, Member  
Dr. Kristina Mena, Member

**PSB MEMBERS ABSENT**

None

**PSB EMPLOYEES PRESENT**

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

**EPWU EMPLOYEES PRESENT**

Matthew Behrens, Assistant General Counsel  
Alan Shubert, Vice President  
Art Duran, Chief Financial Officer  
Gilbert Trejo, Chief Technical Officer  
Fernie Rico, Chief Operations Officer  
Lisa Rosendorf, Chief Government Affairs and Communications Officer  
Gretchen Byram, Computer Media Specialist  
Georgette Webber, Executive Assistant  
Rosemary Guevara, Senior Purchasing Agent  
Levi Chacon, Purchasing Agent  
Christina Montoya, Marketing and Communications Manager  
Anai Padilla, Water Conservation/TecH<sub>2</sub>O Manager  
Art Quijano, Construction Superintendent  
Joshua Moniz, Lead Public Information Coordinator  
Martin Noriega, Stormwater Operations Manager  
Cynthia Osborn, Real Estate Manager/Counsel  
Yesenia Castro, Engineer Associate  
Robert Davidson, Temporary Employee  
Aide Zamarron, Water Production Manager  
Joey Paz, Operations Supervisor  
Rene Mendoza, Stores Clerk  
Robert Hernandez, Wastewater Plant Superintendent  
Adriana Castillo, Engineering Division Manager  
Ana Sanchez, Human Resources Manager  
Armando Renteria, Chief Information Officer  
Felipe Lopez, Engineer Division Manager  
Ed Fierro, Water Distribution Systems Manage

## **GUESTS**

Taylor Moreno, City of El Paso  
Phil Rothstein, Bath Engineering  
Sam Irrinki, Weston Solutions  
Alicia Franco, Border Interfaith  
Jose Moreno, Citizen  
John Martin, The Opportunity Center for the Homeless  
Aracely Lazcano, The Opportunity Center for the Homeless  
Fred Rodriguez, The Diversified Group  
L. Scott White, The Diversified Group  
Kevin Freeley, Parkhill Smith and Cooper  
Ms. Pevy, Border Intefaitth  
Willy Donnelly, Border Interfaith  
Robert F. Corneum, Border Interfaith

## **MEDIA**

None

The Public Service Board meeting was called to order by Mr. Gallardo at 8:05 a.m. A quorum of its members was 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 Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board took action on the following agenda items:

### **APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON JANUARY 11, 2017.**

The Board approved the minutes of the regularly scheduled meeting held on January 11, 2017.

### **APPROVED THE PURCHASE OF A GAS CHROMATOGRAPH MASS SPECTROMETER SYSTEM THROUGH THE TXMAS COOPERATIVE CONTRACT NUMBER 11-66020, FROM ALL BUSINESS MACHINES INC., DBA ATTAINIT, IN THE AMOUNT OF \$72,255.91.**

The Board approved the purchase of a Gas Chromatograph Mass Spectrometer system through the TXMAS Cooperative contract number 11-66020, from All Business Machines Inc., dba AttainIt, in the amount of \$72,255.91.

## **REGULAR AGENDA**

### **PRESENTATION OF THE SAFEST SECTION OF THE QUARTER AWARDS (4TH QUARTER 2016).**

Ms. Christina Montoya, Marketing and Communications Manager, introduced the winners of the Safest Section of the Quarter Awards for the fourth quarter of 2016. The awards are for the sections with the lowest accident rate for the months of October, November, and December. The sections were "Accident Free" during the fourth quarter. All members of the sections performed their jobs safely as a group and as individuals. The winners of the Safest Section of the Quarter Awards were as follows: Plant Facilities – Fred Hervey Water Reclamation Plant; Field/Construction – Stormwater; Support Services – Water Production; and Compliance Materials – Warehouse. Mr. John Balliew, President/CEO and Mayor Leeser presented the awards to the

following persons: Robert Hernandez, Wastewater Plant Superintendent; Rene Mendoza, Stores Clerk; Joey Paz, Operations Supervisor; and Aide Zamarron, Water Production Manager.

**APPROVED THE RECOMMENDATION OF THE 2017 ANNUAL NON-PROFIT STRATEGIC PARTNERSHIP WITH THE OPPORTUNITY CENTER FOR THE HOMELESS-LA CASA DE LAS ABUELITAS.**

Ms. Yesenia Castro, Engineer Associate, presented the Board with information regarding this item. El Paso Water – Public Service Board (EPWater-PSB) has been a long-term community partner in supporting charitable organizations since its inception in 1952. The PSB approved the Strategic Partnerships and Alliances with Non-Profit Organizations Administrative Policy in 2009. The policy allows the PSB to select one charitable organization a year for a fundraising project. EPWater receives requests throughout the year to support local and charitable causes. An Employee Committee comprised of individuals from various EPWater departments made site visits and evaluated seven candidates for this year's strategic partner. After careful thought and consideration, the Employee Committee recommended the Opportunity Center for the Homeless-La Casa de las Abuelitas.

The Opportunity Center for the Homeless was created in 1994 and serves approximately 350 people daily. It is open 24 hours a day, 365 days of the year to everyone. The Opportunity Center exists for all homeless without distinction of race, ethnic origin, language spoken, or, religious beliefs, and regardless of mental, drug and alcohol problems. Through direct contact with the homeless, the Center supports them to move beyond their condition if they are capable; or protects them if they cannot improve their condition in society because of emotional or psychological disorders. The Opportunity Center for the Homeless created a program called La Casa de las Abuelitas in July 2016, which houses 16 women age 55 and older. The funds raised by EPWater employees will be used for this program. Mayor Leeser made comments and stated he would donate \$2,500. Comments were made by Mr. John Martin and Ms. Aracely Lazcano from the Opportunity Center for the Homeless.

On a motion made by Mayor Leeser, seconded by Mr. Roe and unanimously carried, the Board approved the recommendation of the 2017 Annual Non-Profit Strategic Partnership with the Opportunity Center for the Homeless-La Casa de las Abuelitas.

**APPROVED AN EXCEPTION TO RULES AND REGULATIONS NO. 11 SECTION II.B.3(A), DEALING WITH OUTSIDE CITY SERVICES, FOR THE CANUTILLO AREA BOUNDED BY LA MESA STREET TO THE SOUTH AND VINTON AVENUE TO THE NORTH, AND, IF NO GRANT FUNDING IS SECURED FOR THE WATER AND WASTEWATER IMPROVEMENTS, ALLOW THE UTILITY TO FUND THIS PROJECT IN THE CAPITAL IMPROVEMENT PROGRAM.**

Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). An estimated 196 residents lack potable water within a Canutillo area known as "Five-Streets". The Texas Department of Health Services conducted a public health nuisance survey of the Canutillo Five Streets area in 2011 and found that on-site private wells pose a public health nuisance. Six of the wells were found to have arsenic levels exceeding the Environmental Protection Agency standard. Coliform bacteria was also found in at least one well. The estimated project cost to provide water and wastewater service to these residents is \$1.8 million.

El Paso Water had previously applied for funding for this project through the Texas Water Development Board (TWDB) Economically Distressed Areas Program (EDAP). TWDB EDAP funding was received for the planning and design but unfortunately the applications for construction didn't score high enough to receive any of the limited EDAP funding left. In addition, EPWater is currently applying for construction grant funding through the United States Department of Agriculture Rural Development program. El Paso Water's Rules and Regulations (R&R) Number 11 covers the furnishing of water and sewer services outside the City limits. Section

II.B.3(a) covers the availability of funds for capital projects and states, "in no case will funds from the Utility be used so as to cause an expense to the other customers which would amount to a subsidy without benefits and be inconsistent with the conditions under which the "Policies" were adopted." Staff recommended that the PSB allow an exception to R&R Number 11 due to fact that the residents are the only ones without water and wastewater service in this area. Outside city customers pay 115% of inside city customers' rates. Mr. Balliew addressed questions from the Board regarding this item. The Board also heard comments from Ms. Alicia Franco and Mr. Jose Moreno from Border Interfaith.

On a motion made by Mayor Leaser, seconded by Mr. Antcliff and unanimously carried, the Board approved an exception to Rules and Regulations No. 11 Section II.B.3(a), dealing with outside city services, for the Canutillo area bounded by La Mesa Street to the south and Vinton Avenue to the north, and, if no grant funding is secured for the water and wastewater improvements, authorized the Utility to fund this project in the Capital Improvement Program.

**APPROVED A FOUR-YEAR RENEWAL OF A SOLE SOURCE CONTRACT, WITH DERCETO, INCORPORATED, FOR DERCETO AQUADAPT SUPPORT AND MAINTENANCE, IN THE ANNUAL AMOUNT OF \$107,300.**

Mr. Balliew presented information to the Board regarding this item. Derceto Aquadapt is the water management software implemented in 2014. The software operates pump stations based on projected water demand, historical demands and levels in tanks throughout the distribution system. Aquadapt is the only company that can provide support and maintenance on the software. The Derceto Aquadapt software support is supplied sole source through Derceto, Inc. Derceto will provide modifications to the set operations restrictions based on changes in the distribution as well as software updates and trouble shooting of any problems. Mr. Balliew addressed questions from the Board regarding the item.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board approved a four-year renewal of a sole source contract, with Derceto, Incorporated, for Derceto Aquadapt Support and Maintenance, in the annual amount of \$107,300.

**RATIFIED AN EMERGENCY PURCHASE ORDER FOR THE AMERICAS BOOSTER STATION, AUTOMATIC TRANSFER SWITCH TO WAGNER POWER SYSTEMS THROUGH THE NATIONAL JOINT POWERS ALLIANCE COOPERATIVE CONTRACT NUMBER 080613-CAT IN THE AMOUNT OF \$128,734.22 [AND AUTHORIZE THE USE OF COMMERCIAL PAPER.]**

Ms. Georgette Webber, Executive Assistant, informed the Board that staff will no request authorization for us of commercial paper. Mr. Balliew presented information to the Board regarding this item. The generator at Americas Booster Station provides backup power to the station in the event of a power outage. During the 2016 surface water production season, the switchgear became unreliable. The Americas Booster Station is critical in meeting water demands in the summer months. The equipment has extended lead times (six to eight weeks), therefore the purchase of the equipment was expedited. The project also includes demolition work and new construction, configuration, startup and testing (turn-key approach by Wagner Power Systems). Staff evaluated the quote received from Wagner Power Systems through the National Joint Powers Alliance (NJPA) Cooperative Contract # 080613-CAT, and recommended the purchase be made through Wagner Power Systems.

On a motion made by Ms. Garcia, seconded by Mr. Ancliff and unanimously carried, the Board ratified an emergency purchase order for the Americas Booster Station, Automatic Transfer Switch to Wagner Power Systems through the National Joint Powers Alliance Cooperative contract number 080613-CAT in the amount of \$128,734.22.

**CONSIDERED BID NUMBER 68-16, HASKELL R. STREET WASTEWATER TREATMENT PLANT PRIMARY CLARIFIERS NUMBER 1 AND NUMBER 4 REHABILITATION PROJECT, DECLARED CUBIC WATER NOT RESPONSIBLE, AND AWARDED TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, RMCI OF TEXAS, IN THE AMOUNT OF \$2,251,411.**

Mr. Gilbert Trejo, Chief Technical Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Haskell R. Street Wastewater Treatment Plant (WWTP) utilizes four primary clarifiers to remove solids as part of the wastewater treatment process. The existing clarifiers were installed in 1986 and are covered to reduce odors. The corrosive environment inside the clarifiers has corroded the concrete, steel walkway, clarifier mechanism, and duct work. Replacement and rehabilitation of clarifier number 3 has been completed and this bid is for the replacement and rehabilitation of clarifier 1 and 4.

El Paso Water (EPWater) received four bids for this project on December 13, 2016. The bidders were Cubic Water, RMCI of Texas, RM Wright Construction, and SPIESS Construction Company. The bids ranged from \$1,988,041 to \$2,794,711. The Engineer's estimate was \$3,211,967.37. The apparent low bidder was Cubic Water. The second apparent low bidder was RMCI of Texas. Staff's evaluation of the safety requirements for the project determined that Cubic Water does not meet the minimum safety requirements as outlined by the EP Water Purchasing Policy for Determination of Safety Record. Evaluation of the technical criteria and safety requirements for RMCI of Texas determined that they meet all contract requirements. Staff recommended for Cubic Water to be found non-responsible and award the contract for Bid Number 68-16, Haskell R. Street WWTP Primary Clarifiers Number 1 and 4 Rehabilitation, to RMCI of Texas, as the lowest, responsive, responsible bidder, in the amount of \$2,251,411. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried with Mayor Leaser absent from the vote, the Board declared Cubic Water not responsible and awarded Bid Number 68-16, Haskell R. Street Wastewater Treatment Plant Primary Clarifiers Number 1 and Number 4 Rehabilitation Project to the lowest responsive, responsible bidder, RMCI of Texas, in the amount of \$2,251,411.

**APPROVED TASK ORDER NUMBER 3 – CONSTRUCTION ADMINISTRATION SERVICES FOR HASKELL R. STREET WASTEWATER TREATMENT PLANT PRIMARY CLARIFIERS NUMBER 1 AND 4 REHABILITATION TO PARKHILL, SMITH & COOPER, INC. IN THE AMOUNT OF \$290,408.**

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Haskell R. Street Wastewater Treatment Plant (WWTP) utilizes four primary clarifiers to remove solids as part of the wastewater treatment process. The existing clarifiers were installed in 1986 and are covered to reduce odors. The corrosive environment inside the clarifiers has corroded the concrete, steel walkway, clarifier, mechanism, and duct work. Replacement and rehabilitation of clarifier number 3 has been completed and this bid is for the replacement and rehabilitation of clarifiers 1 and 4. Professional engineering services are required during the construction to perform construction oversight.

Parkhill, Smith, and Cooper is the most qualified firm to perform the construction phase services due to their involvement in the study and design phases of this project since 2013. Staff worked with Parkhill, Smith & Cooper to develop a scope of construction phase services for the rehabilitation work of primary clarifier 1 and 4. The scope includes the replacement of the clarifier mechanisms, rehabilitation of concrete, improvements to enhance clarifier settling and odor control collection system. The fee proposal associated with this scope of services was submitted, reviewed, and negotiated with the Consultant to reach an agreement on the costs to complete the work. The negotiated fees are in line with the level of effort and hours required to complete the construction project. Task order number 3 includes both office engineering and resident project representative services. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried with Mayor Leeser absent from the vote, the Board approved Task Order Number 3 – Construction Administration Services for Haskell R. Street Wastewater Treatment Plant Primary Clarifiers Number 1 and 4 Rehabilitation to Parkhill, Smith & Cooper, Inc. in the amount of \$290,408.

**RATIFIED A CONTRACT WITH R.M. WRIGHT CONSTRUCTION CO. IN THE AMOUNT OF \$313,780, FOR THE BLOWER UNIT INSTALLATION AT THE FRED HERVEY WATER RECLAMATION PLANT IN ORDER TO PRESERVE THE PUBLIC HEALTH AND SAFETY, GRANT THE PRESIDENT/CEO THE AUTHORITY TO APPROVE CHANGE ORDERS UP TO 25% OF THE CONTRACT PRICE, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Trejo made a PowerPoint presentation to the Board regarding the item (copy on file in Central Files). Blowers at a wastewater treatment plant (WWTP) are used to supply air to the biological treatment process. The Fred Hervey Water Reclamation Plant (WRP) was designed to operate with three blowers - two duty and one standby. Currently, only two blowers are operational and recently, one of the blowers began to malfunction. This leaves this treatment process with no redundancy. The biological process is the most important treatment step at a wastewater treatment plant and if the blowers fail to operate, the plant will not be able to meet its permitted treatment limits and has the potential to threaten public health and safety.

El Paso Water selected R.M. Wright Construction for the installation of a blower unit at the Fred Hervey WRP due to its vast experience with over 20 blower installations and having the manpower and equipment available to begin this project as soon as possible. The scope includes the installation of new blower along with the installation of required piping, electrical, and instrumentation equipment. The fees are in line with the level of effort and hours required to complete the construction project. Mr. Trejo and Mr. Alan Shubert, Vice President, addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board ratified a contract with R.M. Wright Construction Co. in the amount of \$313,780, for the Blower Unit Installation at the Fred Hervey Water Reclamation Plant in order to preserve the public health and safety, grant the President/CEO the authority to approve change orders up to 25% of the contract price, and authorized the use of commercial paper.

**AWARDED BID NUMBER 07-17, SMALL PRECAST METER BOXES-INCLUDING HARDWARE, RINGS AND COVERS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, EL PASO RIO ELECTRIC INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$101,020, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

Ms. Rose Guevara, Senior Purchasing Agent, presented information to the Board regarding this item. Small Precast Concrete Meter Boxes are purchased and kept in stock by the warehouse. These boxes are used for protecting ¾-inch and 1-inch water meters. El Paso Water received two bids from: El Paso Rio Electric and Western Precast Concrete. Staff reviewed each bid and recommended award to the lowest, responsive, responsible bidder, El Paso Rio Electric, in the estimated annual amount of \$101,020. Ms. Guevara and Mr. Art Duran, Chief Financial Officer, 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 07-17, Small Precast Meter Boxes-Including Hardware, Rings and Covers, to the lowest responsive, responsible bidder, El Paso Rio Electric Inc., in the estimated annual amount of \$101,020, with the option for two one-year extensions.

**AWARDED THREE CONTRACTS FOR NATIONAL JOB ORDER CONTRACTING SERVICES THROUGH ESC REGION 19 ALLIED STATES COOPERATIVE CONTRACT NUMBER 14-7072 TO A.O. GENERAL CONTRACTORS INC., JORDAN FOSTER CONSTRUCTION LLC., AND**

**NOBLE GENERAL CONTRACTORS LLC., IN THE ESTIMATED CUMULATIVE ANNUAL AMOUNT OF \$500,000 WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

Mr. Alan Shubert, Vice President, presented information to the Board regarding this item. Some EPWater buildings and facilities are in need of aesthetic and functional improvements. Most of these repairs or improvements are too small to be handled through a traditional design/bid/build procurement process and are too large to be handled in house by our maintenance staff. Job order contracting will help staff complete most of the needed repairs and improvements quickly and effectively. Staff evaluated the ESC Region 19 Allied States Cooperative contract number 14-7072, which includes the following vendors: A.O. General Contractors, Jordan Foster Construction, and Noble General Contractors. Staff concluded that all three vendors were qualified to perform the tasks required of them to repair EPWater buildings and facilities. Staff recommended awarding each vendor a job order contract. 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 awarded three contracts for National Job Order Contracting Services through ESC Region 19 Allied States Cooperative contract number 14-7072 to A.O. General Contractors Inc., Jordan Foster Construction LLC., and Noble General Contractors LLC., in the estimated cumulative annual amount of \$500,000 with the option for two one-year extensions.

**APPROVED RENEWAL OF A CONTRACT WITH CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS FOR CELL PHONE AND MOBILE BROADBAND SERVICES WITH BUY BOARD PRICING THROUGH THE STATE OF TEXAS DIR CONTRACT NUMBER DIR-TSO-3415 FOR A CONTRACT PERIOD OF MARCH 1, 2017, THROUGH FEBRUARY 28, 2018, IN AN ESTIMATED ANNUAL AMOUNT OF \$200,000 WITH THE OPTION TO RENEW FOR TWO ADDITIONAL YEARS.**

Mr. Armando Renteria, Chief Information Officer, presented information to the Board regarding this item. Several departments use cell phone and mobile broadband services in performance of their jobs and duties. Mobile broadband is used for mobile computers and devices used in the field and installed in Utility vehicles. Staff recommended a contract renewal with Verizon Wireless for cell phone service, mobile broadband service and related products through the State of Texas (Department of Information Resources) DIR contract number DIR-TSO-3415. The prices offered through the DIR contract were reviewed and determined to be reasonable. Mr. Renteria addressed several questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board approved renewal of a contract with Cellco Partnership d/b/a Verizon Wireless for cell phone and mobile broadband services with buy board pricing through the State of Texas DIR Contract Number DIR-TSO-3415 for a contract period of March 1, 2017, through February 28, 2018, in an estimated annual amount of \$200,000 with the option to renew for two additional years.

**APPROVED RENEWAL OF A SOLE SOURCE ENQUESTA MAINTENANCE CONTRACT WITH SYSTEMS & SOFTWARE FROM APRIL 1, 2017, TO MARCH 31, 2018, IN THE AMOUNT OF \$396,628.66.**

Mr. Renteria presented information to the Board regarding this item. Systems & Software, a wholly owned subsidiary of Harris Computer Systems, operates as an independent corporate entity of Harris and is the sole source supplier of the enQuesta Customer Information System (CIS) Utility Billing solution and maintenance provided through an agreement between the El Paso Water Utilities Public Service Board and Systems & Software signed April 4, 1997. The enQuesta system is used by the Customer Service Department to generate water, wastewater, stormwater and refuse customer billing and for tasks such as customer account management, service activations, service disconnects, meter reading, collections and inspections. The renewal of the enQuesta maintenance is for the period of April 1, 2017 to March 31, 2018. Upon evaluation, renewal of the

maintenance contract was recommended. Mr. Renteria addressed questions from the Board and Mr. Balliew made comments regarding this item.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board approved renewal of a sole source enQuesta maintenance contract with Systems & Software from April 1, 2017, to March 31, 2018, in the amount of \$396,628.66.

**APPROVE THE RENEWAL OF IBM AND LENOVO HARDWARE AND SOFTWARE SUPPORT SERVICES QUOTED BY MAINLINE INFORMATION SYSTEMS WITH BUY BOARD PRICING THROUGH TEXAS DIR CONTRACT NO. DIR-SDD-2240 IN THE AMOUNT OF \$124,310.80**

Mr. Renteria presented information to the Board regarding this item. EPWater has 66 computer hardware components and 14 software applications that are used in the operation and support of its information systems. To maintain a single-point of contact for service and minimize system downtime, the Information Services Department requests Board approval to renew IBM & Lenovo hardware and software support services for an additional year from March 1, 2017 through February 28, 2018. A hardware and software support services renewal quotation was received from Mainline Information Systems with buy board pricing through Texas DIR (Department of Information Resources) Contract No. DIR-SDD-2240. Upon evaluation, renewal was recommended. Mr. Renteria 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 the renewal of IBM and Lenovo hardware and software support services quoted by Mainline Information Systems with buy board pricing through Texas DIR Contract No. DIR-SDD-2240 in the amount of \$124,310.80.

**APPROVED A PROFESSIONAL SERVICES CONTRACT WITH DALE CARNEGIE TRAINING FROM APRIL 1, 2017, TO MARCH 31, 2018, IN THE ESTIMATED ANNUAL AMOUNT OF \$110,000 WITH AN OPTION FOR ONE ADDITIONAL YEAR.**

Ms. Ana Sanchez, Human Resources Manager, presented information to the Board regarding this item. Dale Carnegie is a world-renowned training organization founded in 1912 that provides training in all 50 states and 80 countries. Since 2016, Dr. Bill Mitchell and Charlie Black of Dale Carnegie Training have provided leadership training to El Paso Water employees to include materials for supervisors and managers. This proposal is for the continuation of the training that has already been provided within the past year. The Skills for Success training will assist supervisors in effectively managing employees by strengthening people skills, enhancing communication skills, developing leadership skills, building self-confidence and teaching them how to manage stress. The training will be conducted at the TecH<sub>2</sub>O training facility. Dr. Bill Mitchell has over 30 years in corporate leadership training and personnel development. He has served as President and CEO of several large multi-million dollar corporations and has coached several Fortune 500 CEOs, Civic and Government leaders. Charlie Black is a certified Licensed Trainer in several Dale Carnegie courses including Leadership/Management Effectiveness. He has over 25 years in training and development and over 20 years in the Performance Improvement field. Both Dr. Mitchell and Mr. Black reside in El Paso, Texas. Ms. Sanchez 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 a professional services contract with Dale Carnegie Training from April 1, 2017, to March 31, 2018, in the estimated annual amount of \$110,000 with an option for one additional year.

**APPROVED A REVISION TO THE EL PASO WATER'S PURCHASING MANUAL TO DEFINE AND SET CRITERIA FOR ACCURATELY DETERMINING THE SAFETY RECORD OF A BIDDER FOR PURPOSES OF DETERMINING RESPONSIBILITY IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE SECTION 252.0435.**



Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). In October 2016, staff presented a purchasing policy determination of safety record to the Public Service Board. With this new policy in place, the results of the first bid disqualified most of the bidders. The item that disqualified the bidders involved reporting injuries and illness rate to OSHA for the previous year; it cannot be more than 25% higher than the average for our industry based on the average rates published by the United States Department of Labor (<http://stats.bls.gov/news.release/osh.t01.htm>). After further investigation EPWater staff concluded that a higher incident rate may be based on a contractor being proactive in their reporting to OSHA. Staff determined that it would be counter-productive to penalize contractors for proactively reporting incidents to OSHA. Staff recommended to strike this requirement from the purchasing policy determination of safety record. In addition, after further review of the policy, staff also recommended to revise the policy to allow zero willful violations in a bidders OSHA record. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Mr. Antcliff and unanimously carried, the Board approved a revision to the El Paso Water's Purchasing Manual to define and set criteria for accurately determining the safety record of a bidder for purposes of determining responsibility in accordance with Texas Local Government Code Section 252.0435.

**APPROVED THE THIRD AMENDMENT TO THE WHOLESALE WATER SUPPLY CONTRACT WITH THE COUNTY OF EL PASO FOR THE COLONIA REVOLUCION SUBDIVISION IN ORDER TO INCREASE THE NUMBER OF CONNECTIONS SERVICED BY THE CONTRACT FROM 81 TO 166.**

Mr. Balliew presented information to the Board regarding this item. El Paso Water (EPWater) and the County of El Paso (County) entered into a Wholesale Water Supply Contract (Contract) on September 14, 2011, whereby EPWater agreed to provide potable water for municipal and domestic supply to customers living within the Colonia Revolucion Subdivision. The parties to the Contract first amended the Contract on March 18, 2013, to increase the number of connections to be served from 80 to 81. The second amendment dated December 2, 2013, extended the term of the Contract to December 10, 2053. The proposed third amendment will increase the number of connections to be served to 166. After technical evaluation by staff, it was determined that EPWater is able to serve the additional connections. Mr. Balliew and Mr. Duran 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 the third amendment to the Wholesale Water Supply Contract with the County of El Paso for the Colonia Revolucion Subdivision in order to increase the number of connections serviced by the Contract from 81 to 166.

**APPROVED AN AMENDMENT TO THE JOINT RESOLUTION BETWEEN THE EL PASO CITY COUNCIL AND THE EL PASO WATER UTILITIES – PUBLIC SERVICE BOARD SETTING FORTH THE POLICIES, PROCEDURES AND REIMBURSEMENTS RELATING TO TRANSFERS OF REAL ESTATE, LAND USE POLICIES, RELOCATION OF EPWU-PSB FACILITIES, JOINT USE AND WATER RIGHTS TO DELETE THE REQUIREMENT THAT THE PSB SUBMIT A LAND STUDY BEFORE ANY PARCELS OF 25 ACRES OR LARGER MAY BE SOLD, AUTHORIZED THE PRESIDENT/CEO TO PRESENT TO CITY COUNCIL FOR APPROVAL, AND, UPON APPROVAL BY THE CITY COUNCIL, AUTHORIZED AN AMENDMENT TO PSB RULES AND REGULATIONS NO. 14 ESTABLISHING THE LAND MANAGEMENT POLICY FOR THE PSB, DELETING THE REQUIREMENT FOR A LAND STUDY.**

Ms. Cynthia Osborn, Real Estate Manager/Counsel, made a PowerPoint presentation to the Board regarding this item. The current joint resolution between the City of Paso and the PSB regarding land use policies, requires the PSB to submit and have a land study approved by the city Plan Commission before any PSB managed

property of 25 acres or more may be sold. The PSB has commissioned and paid for a number of land studies in recent years but has yet to sell any of the property included in the land studies. Deletion of the requirement will shift the responsibility for conducting any required land study, from the PSB to the owner/developer who will be developing the property, which is the standard procedure for all development within the City. Staff will present the amendment to the City Council for approval.

In recognizing that time consuming and costly land studies have not resulted in the sale of any PSB property included in the land studies, staff discussed the issue with a sampling of local developers and learned that developers would rather master plan themselves. Staff also researched current City development rules and regulations and learned that the requirement that the PSB submit a land study prior to sale is a more onerous requirement than that of private developers who are not required to submit a land study or rezone property prior to the sale of property; EPWater staff also discussed current City development rules and regulations with City Planning staff and learned that if the requirement that the PSB conduct a land study prior to sale was deleted, the current rules and regulations regarding development, including land study requirements, adequately protect City's priorities related to growth. Afterwards, EPWU Management discussed the issue with most of the City Council Representatives during their bond briefings last fall. After evaluation of all factors, staff determined that time is ripe to amend the Joint Resolution.

On a motion made by Mr. Roe, seconded by Mr. Antcliff and unanimously carried, the Board approved the Amendment to the Joint Resolution deleting the requirement that the PSB submit a land study before any parcels of 25 acres or larger may be sold and directed the President/CEO to work with City staff to present to City Council for approval an amendment which effectuates the intent of deleting the requirement that the PSB submit a land study prior to the sale of parcels 25 acres or larger.

**ADOPTED REVISED BYLAWS FOR THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD TO INCLUDE PROVISIONS THAT A BOARD MEMBER MAY BE ELECTED AS CHAIR OR VICE-CHAIR A MAXIMUM NUMBER OF [THREE TWO] TIMES, THAT A BOARD MEMBER WHO HAS SERVED AS VICE-CHAIR SHALL FIRST BE NOMINATED FOR CHAIR, TO DELETE LANGUAGE CONCERNING THE 2009 EXPANSION OF THE BOARD AND STAGGERED TERMS, AND TO CLARIFY THAT THE BOARD MEETINGS OCCUR ONLY ONCE MONTHLY.**

Ms. Lee Ann Koehler, General Counsel, presented information to the Board regarding this item. The revised Bylaws of the Board will include the following provisions, 1) that a Board member may serve a maximum of three times in the position of Chair or Vice-Chair, after which time a new Board member must be selected, and 2) that a Board member who has served as Vice-Chair will first be nominated for Chair, if that member declines the nomination, another Board member may be considered. These revisions are proposed to encourage change in Board leadership and promote succession opportunity. Two additional housekeeping revisions to the bylaws included deleting language concerning the 2009 expansion of the Board and staggered terms, which is no longer necessary, and clarifying that Board meetings occur once monthly, rather than twice monthly. Ms. Koehler addressed questions and comments from the Board regarding this item. Mayor Leeser made the suggestion that a Board member may serve a maximum of two times in the position of Chair or Vice-Chair rather than three times. The Chair opened the floor for discussion.

On a motion made by Mayor Leeser, seconded by Mr. Roe and unanimously carried, the Board adopted revised Bylaws for the El Paso Water Utilities Public Service Board to include provisions that a Board member may be elected as Chair or Vice-Chair a maximum number of two times, that a Board member who has served as Vice-Chair shall first be nominated for Chair, to delete language concerning the 2009 expansion of the Board and staggered terms, and to clarify that the Board meetings occur only once monthly.

**APPROVED THE CREATION OF THE AD HOC PLANNING AND DEVELOPMENT COMMITTEE AND APPOINTMENT OF BOARD MEMBERS TO THE COMMITTEE.**

Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This Committee will serve to review and evaluate the long range planning and development needs, goals and objectives of El Paso Water. The Committee will review items such as impact fees, annexation policy and fees, and other development issues. This Ad Hoc Committee will meet as necessary to accomplish its purpose. Mr. Balliew addressed questions and comments from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried with Mayor Leeser absent from the vote, the Board approved the creation of the Ad Hoc Planning and Development Committee and appointment of Dr. Santiago and Mr. Roe to the Committee.

**MANAGEMENT REPORT:**

• **TECH2O SIGNATURE EVENTS AND PROGRAMS FOR 2017**

Ms. Anai Padilla, Water Conservation/TecH<sub>2</sub>O Manager, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This year, the TecH<sub>2</sub>O is hosting three Signature Family Events: DISCOVERe Family Day (February 25); Water Festival (May 13) and 4<sup>th</sup> Annual Science Fair Blast Off (September 23). Saturday event at the TecH<sub>2</sub>O have attracted 200-400 attendees. The events are free and open to the public from 10 a.m. to 2 p.m. The events include water-focused activities and demonstrations. Ms. Padilla also reviewed the 2017 TecH<sub>2</sub>O WaterSmart Public Workshop Series schedule and other programs and initiatives scheduled for the year. Ms. Padilla and Ms. Lisa Rosendorf, Chief Communications and Government Affairs Officer, addressed questions from the Board regarding this presentation.

**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.**

There were no additional comments from the public.

**EXECUTIVE SESSION**

On a motion made by Ms. Garcia, seconded by Mr. Antcliff, and unanimously carried, the Board retired into Executive Session at 10:05 a.m., February 8, 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 the possible purchase of 0.4839 acres of land located at 601 North Cotton Street, generally described as a portion of Lots 25 to 32, Block 54, Franklin Heights, within the city of El Paso and County of El Paso, Texas.

b. **Section 551.071 Consultation with Attorney**

The Board will consult with its attorneys regarding the claim of Saab Site Contractors, L.P.

c. **Section 551.071 Consultation with Attorney**

Proposed legislation concerning authority of the Board.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board reconvened in open session at 10:30 a.m., February 8, 2017.

**DELIBERATED REGARDING THE POSSIBLE PURCHASE OF 0.4839 ACRES OF LAND LOCATED AT 601 NORTH COTTON STREET, GENERALLY DESCRIBED AS A PORTION OF LOTS 25 TO 32, BLOCK 54, FRANKLIN HEIGHTS, WITHIN THE CITY OF EL PASO AND COUNTY OF EL PASO, TEXAS.**

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board authorized the President/CEO to purchase and sign any and all documents necessary to complete the purchase of 0.4839 acres of land located at 601 North Cotton Street, generally described as a portion of Lots 25 to 32, Block 54, Franklin Heights, within the City of El Paso and County of El Paso, Texas, for the purchase price of \$970,000.

**CONSULTATION WITH ATTORNEYS REGARDING THE CLAIM OF SAAB SITE CONTRACTORS, L.P.**

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board authorized the General Counsel's Office to respond and take appropriate action concerning the claim of Saab Site Contractors, L.P., and related request for mediation under the Pico Norte Pond Phase 1 Improvements construction contract, in accordance with the Board's direction.

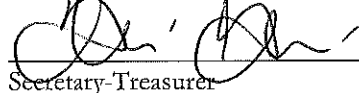
**PROPOSED LEGISLATION CONCERNING AUTHORITY OF THE BOARD.**

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board deleted this item from the agenda.

**ADJOURNMENT**

The meeting adjourned at 10:36 a.m., February 8, 2017.

ATTEST:

  
Secretary-Treasurer

Chair



# **BYLAWS OF THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD OF EL PASO, TEXAS**

## **Article I. Name and Location**

Section 1. **NAME:** The name of the organization shall be the El Paso Water Utilities Public Service Board or the Public Service Board of El Paso, Texas.

Section 2. **LOCATION:** The principal business office of the Public Service Board of El Paso, Texas is 1154 Hawkins Blvd., El Paso, El Paso County, Texas 79925.

## **Article II. Public Service Board**

Section 1. **AUTHORITY VESTED IN BOARD OF TRUSTEES:** In accordance with Texas Government Code, Section 1502.070(a)(2)(B) Management and Control of Utility System, the management and control of the El Paso Water Utilities Public Service Board ("Board") system during such time as any of the bonds related to the system remain authorized and outstanding is vested in a Board of Trustees consisting of not more than seven members, one of whom must be the Mayor and all of whom are citizens of the United States of America residing in El Paso County, Texas. The Mayor of the City of El Paso shall be ex-officio as one voting member of the Board, each of the other members of the Board shall serve a term of four years and not more than two consecutive terms. Each Board member shall serve until his or her successor qualifies or for a maximum of sixty days after the expiration date of the term of office, whichever is earlier.

Section 2. **POWERS AND DUTIES OF THE BOARD OF TRUSTEES:** The Board shall have complete authority and control of the management and operation of the System and the expenditure and application of its revenues and shall operate and manage the System to the maximum extent allowed by law with the same freedom and manner as a board of directors of a private corporation operating properties of a similar nature.

The Board shall act only as a board, and an individual Board member shall have no power as such. The Board shall elect or appoint all officers and employees which it may consider desirable, including a President/CEO of the System. The President/CEO shall be responsible to appoint officers and employees that directly report to the President/CEO, including, an attorney or attorneys, Vice-president(s) and such other personnel that directly report to the President/CEO. The Vice-president(s) shall be responsible to appoint officers and employees that directly report to the Vice-president(s). All officers and employees, except members of the Board and its Treasurer or Secretary-Treasurer, President/CEO, Vice-President, General Counsel and attorneys, shall be under such Civil Service provisions as are or may be established by the City of El Paso Charter, City of El Paso or applicable laws of the State of Texas.

The Board may, by contract or other recognized written instrument, give general or limited power and authority to the President/CEO of the utility system to transact the general business or any special business of the utility system.

The Board may, in its discretion, authorize the President/CEO, Vice-President or Chief Financial Officer or other person or persons to execute any corporate instrument or document or to sign the El Paso Water Utilities Public Service Board name without limitation,

except where otherwise provided by law, and such execution or signature shall be binding on the utility system.

The Board members shall faithfully perform the duties of their office and the Board and its members promise to fulfill and be bound by the covenants of any and all bond issuances approved by the El Paso City Council as requested by the utility unless and until such bond issuances have been fully paid.

The Board shall obtain and keep continually in force an employers' fidelity and indemnity bond of the so-called blanket type, written by a solvent and recognized indemnity company, and covering losses to the amount not to exceed \$50,000.00.

Section 3. ORGANIZATION OF BOARD: Annually, the Board shall elect one of its members as Chair and one as Vice-Chair. The Board shall also elect a Secretary and a Treasurer or Secretary-Treasurer who may be, but not need be, a member of the Board. Board members may be elected to the same position as Chair or Vice-Chair a maximum of two times. After that time, another board member will be elected to the position. Board members who have served in the position as Vice-Chair shall be first nominated as Chair; if the Board member declines the nomination, any other Board member may be considered for the position of Chair.

The Board under the leadership of the Chair may make such regulations and by-laws for the orderly handling of its affairs and meetings as it may see fit.

Section 4. QUORUM: A quorum for the transaction of business at any regular or special meeting of the Board of Trustees shall consist of a simple majority of the members of the Board; however, a majority of those present at any regular or special meeting shall have the power to adjourn the meeting until a future date certain.

Section 5. CONDUCT OF MEETINGS: The Chair shall preside at all Board meetings and have general supervision over the affairs of the Board and shall perform all such other duties as are instant to the office. In the case of the absence or disability for any reason of the Chair, his duties shall be performed by the Vice Chair. Meetings shall be conducted under the leadership of the Chair and subject to rules of order as adopted by the Board.

Section 6. EXPERTISE: To the extent practical, the Board shall be comprised of members who come from six areas of expertise: (1) financial management; (2) general business management; (3) engineering; (4) environmental or health; (5) consumer or citizen advocacy; and (6) communications, public administration or education. The Mayor is the representative of municipal government.

Section 7. VACANCIES: Vacancies on the Board whether occasioned by expiration of office or otherwise shall be filled by appointment of the majority vote of the El Paso City Council. Board members shall be selected from a slate of three persons eligible to serve as Board members, nominated by the Selection Committee and presented to the El Paso City Council by the Mayor. The El Paso Water Utilities Public Service Board Selection Committee ("Selection Committee") shall be established in accordance with that certain City Council Resolution adopted August 11, 2009 and titled A Resolution Establishing The El Paso Water Utilities Public Service Board Selection Committee and The Process for Selection of El Paso Water Utilities Public Service Board Members In Accordance with Texas Government Code Section 1502.070 which may be

amended or replaced from time to time by the El Paso City Council. A copy of said Resolution shall be included in these By-laws and incorporated herein by this reference for all purposes.

Section 8. COMPENSATION OF BOARD: The members of the Board, other than the Mayor, at each regular meeting attended, shall receive the sum of \$20.00, except that the amount to be paid to any member of the Board in any fiscal year shall not exceed the sum of \$5,000.00. The members of the Board shall not be personally liable for any act or omission not willfully fraudulent or committed in bad faith.

Section 9. ABSENCES: Any member of the Board, other than the Mayor of the City of El Paso, which shall be continuously absent from all meetings of the Board for a period of three consecutive months, shall, unless he or she shall have been granted a leave of absence by the unanimous vote of the remaining members of the Board, be considered to have vacated his or her office.

Section 10. REMOVAL FOR CAUSE: Any member of the Board, other than the Mayor, may by unanimous vote of the remaining members of the Board, be removed from his or her office, but only for adequate cause.

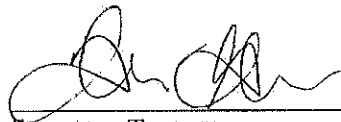
Section 11. MEETINGS: The regular meetings of the El Paso Water Utilities Public Service Board will be held at the call of the Chair in the principal business office of the organization on the second Wednesday of each month at the hour of 8:00 a.m. as may be further agreed upon by a majority vote of the Board. Special meetings shall be at the call of the Chair or Vice-Chair to be held at the principal business office of the organization. All meetings shall be held and conducted in accordance with the Texas Open Meetings Act as amended.

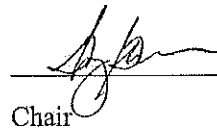
Section 12. BYLAWS AMENDMENTS: Bylaws may be amended or repealed and new bylaws may be adopted by the Board at its discretion.

ADOPTED AND PASSED by action of the El Paso Water Utilities Public Service Board this 8<sup>th</sup> day of February, 2017.

EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD

ATTEST:

  
Secretary-Treasurer

  
Chair