

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
April 11, 2018

The regular meeting of the Public Service Board was held Wednesday, April 11, 2018, 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
Bradley Roe, Member
Dr. Kristina Mena, Member
Mayor Dee Margo, Ex-Officio Member
Terri Garcia, Secretary-Treasurer

PSB MEMBERS ABSENT

Dr. Ivonne Santiago, Member

PSB EMPLOYEES PRESENT

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

EPWU EMPLOYEES PRESENT

Juan S. Gonzalez, Assistant General Counsel
Alan Shubert, Vice President
Marcela Navarrete, Vice President
Art Duran, Chief Financial Officer
Jeff Tepsick, Fiscal Operations Manager
Gilbert Trejo, Chief Technical Officer
Fernie Rico, Chief Operations Officer
Lisa Rosendorf, Chief Government Affairs and Communications Officer
Gretchen Byram, Computer Media Specialist
Jillian Shipp, Executive Assistant
Rosemary Guevara, Senior Purchasing Agent
Levi Chacon, Purchasing Agent
Robert Davidson, Temp
Christina Montoya, Marketing and Communications Manager
Joshua Moniz, Lead Public Information Coordinator
Israel Chavez, Senior Network Administrator
Cynthia Osborn, Real Estate Manager/Counsel
Gisela Dagnino, Engineering Division Manager
Gonzalo Cedillos, Senior Technical Advisor
Enrique Ochoa, Engineering Division Manager
Paul Rivas, Environmental Compliance Manager
Armando Renteria, Chief Information Officer
Alfredo Solano, Utility Information Systems Manager
Rene Leon, Intergovernmental Affairs Coordinator
Ruben Rodriguez, Water Supply Manager
Mike Parker, Water Plant Superintendent
Martin Noriega, Storm Water and Fleet Maintenance Division Manager
Jaime Arriola, Utility Engineer Associate

Robert Riley, Utility Construction Engineering Division Manager

GUESTS

Richard Dayoub, Thunder Bird Management
Pam Farrone, Citizen
Maria Urbina, Hilltop Associates
Mike Alleiman, CVNA
Walter Har, Citizen
Anthony Chacon, Hazen & Sawyer
Xochitl Aranda, USIBWC
Bob Ayoub, Mimco
Martha Ortiz, FXSA

MEDIA

The Public Service Board meeting was called to order by Mr. Gallardo at 8:07 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Mr. Shubert, in reciting the Pledge of Allegiance.

REGULAR AGENDA

ELECTION OF PUBLIC SERVICE BOARD OFFICERS.

Mr. Gallardo explained that in 2017, the Board decided to make a change on the way Board members serve on the Board and the duration of an officer. With the change of the bylaws, it includes a scheduled rotation of leadership.

On a nomination and motion by Mr. Gallardo, seconded by Mayor Margo and unanimously carried, the Board elected Mr. Antcliff as the Public Service Board Chair.

On a nomination and motion by Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board elected Ms. Garcia as the Public Service Board Vice-Chair. On a nomination and motion by Mr. Gallardo seconded by Mr. Antcliff and Ms. Garcia and unanimously carried, the Board elected Dr. Mena as the Public Service Board Secretary-Treasurer.

CONSENT AGENDA

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

CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETINGS HELD ON FEBRUARY 14, 2018 AND MARCH 21, 2018.

The Board approved the minutes of the regularly scheduled meetings held on February 14, 2018 and March 21, 2018.

CONSIDERED AND APPROVED THE SOLE SOURCE PURCHASE OF ADDITIONAL RELAY IVR LICENSES AND MODULES FROM SELECTRON TECHNOLOGIES, INC. THROUGH BUY BOARD GSA CONTRACT NO. GS-35F-0315X IN THE AMOUNT OF \$64,408.27.

The Board approved the sole source purchase of additional Relay IVR licenses and modules from Selectron Technologies, Inc. through buy board GSA Contract No. GS-35F-0315X in the amount of \$64,408.27.

CONSIDERED AND APPROVED THE RENEWAL OF IBM AND LENOVO HARDWARE AND

SOFTWARE SUPPORT SERVICES FROM MAINLINE INFORMATION SYSTEMS THROUGH BUY BOARD TEXAS DIR CONTRACT NO. DIR- TSO-3808 AND GSA CONTRACT NO. GS-35F-0216L IN THE AMOUNT OF \$76,099.92.

The Board approved the renewal of IBM and Lenovo hardware and software support services from Mainline Information Systems through buy board Texas DIR Contract No. DIR- TSO-3808 and GSA Contract No. GS-35F-0216L in the amount of \$76,099.92.

CONSIDERED AND APPROVED THE PURCHASE OF FIVE CATERPILLAR NATURAL GAS IRRIGATION ENGINES FROM FEDERAL CONTRACTS CORP THROUGH BUY BOARD GSA CONTRACT NO. GS-07F-202CA IN THE AMOUNT OF \$264,455.

The Board approved the purchase of five Caterpillar natural gas irrigation engines from Federal Contracts Corp through buy board GSA Contract No. GS-07F-202CA in the amount of \$264,455.

CONSIDERED AND APPROVED A THREE-YEAR SUPPORT AGREEMENT FOR AVAYA SYSTEM MAINTENANCE SERVICES WITH CONVERGEONE THROUGH BUY BOARD TEXAS DIR CONTRACT NO. DIR-TSO-2687 IN THE ESTIMATED AMOUNT OF \$218,890.08.

The Board approved a three-year support agreement for Avaya system maintenance services with ConvergeOne through buy board Texas DIR Contract No. DIR-TSO-2687 in the estimated amount of \$218,890.08. Consider and award Request for Proposal 34-18, Waste Removal and Disposal and Emergency Spill Response Services to Blue Life Environmental Inc., in the estimated annual amount of \$57,552 with the option for two, one-year extensions.

CONSIDERED AND AWARDED REQUEST FOR PROPSAL 34-18, WASTER REMOVAL AND DISPOAL AND EMERGENCEY SPILL RESPONSE SERVICES TO BLUE LIFE ENVIRONMENTAL INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$57,552 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

The Board awarded Request for Proposal 34-18, Waste Removal and Disposal and Emergency Spill Response Services to Blue Life Environmental Inc., in the estimated annual amount of \$57,552 with the option for two, one-year extensions.

REGULAR AGENDA

PRESENTATION TO FERNIE RICO, EL PASO WATER UTILITY CHIEF OPERATIONS OFFICER, NAMED ENGINEER OF THE YEAR BY THE TEXAS SOCIETY OF PROFESSIONAL ENGINEERS – EL PASO CHAPTER.

Mr. John Balliew congratulated Mr. Fernie Rico on being selected as Engineer of the Year for 2018.

RECOGNITION OF THE STORMWATER FOCUS GROUP.

Ms. Christina Montoya, Marketing & Communications Manager presented the The Stormwater Focus Group was created in 2017 at the direction of the Public Service Board. El Paso Water wanted to bring together a diverse group to provide a community perspective to the Stormwater Master Plan. 10 members from the business community, members of our local chambers of commerce, leaders of El Paso neighborhood associations, and representatives from engineering and water agencies, including two members of our Public Service Board. Between October 2017 and March 2018, the Stormwater Focus Group took part in four engagements: a tour of major components of our stormwater system; the history of the Stormwater Master Plan, and the master plan's proposed improvements; a session focused on scoring criteria and the Capital Improvement Plan program; a final reprioritization of stormwater projects based on the group's recommendations. We are grateful for their commitment to their community and their time to help us improve

our stormwater utility. The group members included Mike Adjemian, President of the Cielo Vista Neighborhood Association and Chair of the El Paso Neighborhood Coalition, Bob Ayoub, Chief Public Relations Officer of MIMCO Inc., Walter Miller, Executive Committee member for the Greater El Paso Chamber of Commerce, Jose Nunez, Principal Engineer with the International Boundary and Water Commission, Accepting for Padinare Unnikrishna, Supervisory Civil Engineer with the International Boundary and Water Commission – is Dr. Apruba Borah, Jesus “Chuy” Reyes, General Manager of El Paso County Water Improvement District #1, Debbie Torres, President of the Pueblo Viejo Neighborhood Association, Von Washington, President of IDA Technology and Chairman of the El Paso Hispanic Chamber of Commerce, Bradley Roe, Member of the Public Service Board, Dr. Ivonne Santiago, Member of the Public Service Board.

10. CONSIDERED AND ACCEPTED THE STORMWATER FOCUS GROUP RECOMMENDATIONS REGARDING THE STORMWATER CAPITAL IMPROVEMENT PROGRAM (CIP) AND PROJECT REPRIORITIZATION.

Ms. Gisela Dagnino, Engineering Division Manager made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files.) The Stormwater master plan is 10 years old and per the Public Service Board’s (PSB) directive, a Stormwater focus group was convened to evaluate the progress and viability of continuing with the existing Stormwater master plan or the need to review and reevaluate priorities. The Stormwater focus group participated in four engagements: 1. City of El Paso Stormwater System Tour, 2. Focus Group Purpose and Stormwater Utility Overview and History, 3. Funding Sources and Project Prioritization, and 4. Presentation of the Final reprioritization. During these engagements, the Focus Group learned about EPWater’s Stormwater System, progress made, and some of the challenges. They learned about the projects in the Stormwater Master Plan, provided input on the prioritization criteria that was used, and identified additional criteria to consider. Their input shifted priorities to focus on facilities that reduce maintenance and projects that reduce nuisance flooding.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board considered and accepted the Stormwater Focus Group recommendations regarding the Stormwater Capital Improvement Program (CIP) and project reprioritization.

11. CONSIDERED AND AWARDED A PROFESSIONAL SERVICES CONTRACT TO ALAN PLUMMER ASSOCIATES, INC., FOR COMMERCIAL CONSERVATION SERVICES IN THE ESTIMATED ANNUAL AMOUNT OF \$57,000 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Lisa Rosendorf, Chief Government Affairs and Communications Officer made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Texas Water Development Board (TWDB) has established a series of best management practices in conservation for municipal water utilities and requires reporting on these practices in the Utility’s five-year Conservation Plan submitted to TWDB. EPWater’s next plan is due in May 2019. Staff is seeking outside expertise to help perform an assessment of commercial water accounts (benchmarking) and help shape strategies for a commercial conservation program. Staff is also seeking expertise to lead commercial conservation workshops this year in response to interest expressed by Pretreatment partners and also restaurants participating in the Utility’s Certified Water Partner program. Staff issued a Request for Services and received four proposals. All proposals met requirements. Staff evaluated and scored proposals and then conducted interviews with two finalists. Alan Plummer Associates was selected as the best and most qualified firm.

On a motion made by Mayor Margo, seconded by Ms. Garcia and unanimously carried, the Board considered and awarded Professional Services Contracts for to Alan Plummer Associates, Inc., for Commercial Conservation Services in the estimated annual amount of \$57,000 with the option for two, one-year extensions.

12. CONSIDERED AND AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL SURVEYING SERVICES TO COBB, FENDLEY AND ASSOCIATES, INC.; CONDE, INC.;

FRANK X. SPENCER AND ASSOCIATES, INC.; AND H2O TERRA LLC, EACH IN A MAXIMUM AMOUNT OF \$200,000 AND WITH A TERM OF TWO YEARS, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo, Chief Technical Officer made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). EPWater uses surveying firms for preparation of metes and bounds and boundary surveys as well as checking quality control of contractors' surveyors. This contract will allow staff to respond quickly when surveys or other documentation is needed to acquire property or easements. The Architectural/Engineering Selection Advisory Committee met on March 21, 2018, to review and recommend selection of the surveying firms for the above-referenced services. The committee consisted of Bradley Roe, Ivonne Santiago, Kristina D. 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. Cobb Fendley, Conde, Frank X. Spencer, and H2O Terra were selected as the firms that best meet the needs of the Utility for these important services and demonstrated excellent abilities in all the evaluated categories. The selected firms are the most qualified. Each consultant will be issued a professional services contract for a maximum amount of \$200,000 over the two-year contract term.

On a motion made by Mr. Gallardo, seconded by Ms. Garcia and unanimously carried, the Board awarded a Professional Services Contracts for On-Call Surveying Services to Cobb, Fendley and Associates, Inc.; Conde, Inc.; Frank X. Spencer and Associates, Inc.; and H2O Terra each in a maximum amount of \$200,000, each contract will be for a term of two-years, and authorized the use of commercial paper.

13. CONSIDERED AND AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL GEOTECHNICAL SERVICES TO AMEC FOSTER WHEELER ENVIRONMENT AND INFRASTRUCTURE, INC.; CQC TESTING AND ENGINEERING, LLC; LOI ENGINEERS; AND TERRACON CONSULTANTS, INC., EACH IN THE MAXIMUM AMOUNT OF \$100,000 AND WITH A TERM OF TWO YEARS, 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). EPWater uses geotechnical engineering firms for materials and density testing on all EPWater construction projects. Testing includes density testing for backfilling pipeline trenches and compressive strength testing on concrete structures. This contract will allow staff to respond quickly to required density testing on construction projects whether it pertains to water, wastewater, and/or stormwater projects. The Architectural/Engineering Selection Advisory Committee met on March 21, 2018, to review and recommend selection of the engineering firms for the above-referenced project. The committee consisted of Bradley Roe, Ivonne Santiago, Kristina D. 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. Amec Foster Wheeler Environment and Infrastructure, CQC Testing and Engineering, LOI Engineers, and Terracon Consultants were selected as the firms that best meet the needs of the Utility in these important projects and demonstrated excellent abilities in all the evaluated categories. The selected firms are the most qualified. Each consultant will be issued a professional services contract for a maximum amount of \$100,000 over the two-year contract term.

On a motion made by Mayor Margo, seconded by Mr. Roe and unanimously carried, the Board awarded a professional engineering services contract for On-Call Geotechnical Services to Amec Foster Wheeler Environment and Infrastructure, Inc.; CQC Testing and Engineering, LLC; LOI Engineers; and Terracon Consultants, Inc., each in the maximum amount of \$100,000 and with a term of two years, and authorized the use of commercial paper.

14. CONSIDERED AND AWARDED PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE PELLICANO DRIVE WATER AND WASTEWATER IMPROVEMENTS (LOOP 375 TO DARRINGTON) DESIGN AND CONSTRUCTION PHASE SERVICES TO CEA

ENGINEERING GROUP INC., IN THE AMOUNT OF \$210,149 FOR DESIGN AND BID PHASE SERVICES; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$200,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDER 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 County of El Paso, in conjunction with the Camino Real Regional Mobility Authority (CRRMA), will be reconstructing Pellicano Drive from Joe Battle Highway (Loop 375) to Berryville Street (Darrington). The County is proposing to widen the right-of-way to 120-feet and construct a six-lane roadway. Existing water and wastewater infrastructure needs to be extended under the proposed roadway improvements to provide service to existing and near future customers. CEA Group has been contracted by the County of El Paso and CRRMA to design the proposed street improvements to Pellicano Drive from Loop 375 to Darrington Road. CEA Group was selected to design the water and wastewater improvements due to their on-going involvement with the street improvements project. Staff worked with CEA Group to develop the scope of services required for this project. A fee proposal from the consultant associated with the scope of services was received, reviewed, and negotiated with the consultant for the defined scope of work. The scope of work includes design and bid phase services. The negotiated fee is in line with the level of effort required to complete the task and is similar to work recently completed.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board awarded Professional Engineering Services Contract for the Pellicano Drive Water and Wastewater Improvements (Loop 375 to Darrington) Design and Construction Phase Services to CEA Engineering Group Inc., in the amount of \$210,149 for design and bid phase services; authorized future task orders or amendments to be issued under this contract for additional design and construction phase services in the estimated amount of \$200,000, provided that funding is available in the approved budget for the task order or amendments; and authorized the use of commercial paper.

CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR TASK ORDER NUMBER 5 - CANUTILLO WASTEWATER VACUUM COLLECTION SYSTEM REPLACEMENT PHASE III TO H2O TERRA, LLC IN THE AMOUNT OF \$348,349 FOR DESIGN AND BID PHASE SERVICES; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES IN AN ESTIMATED AMOUNT OF \$300,000 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 existing wastewater vacuum collection system installed in a section of the Canutillo service area has not been working efficiently. The system was commissioned in 2001 and since its commissioning 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. Phases I and II have been designed and are currently being constructed; Phase III will complete the replacement of the remainder of the vacuum system with a conventional gravity system, supplemented by a lift station and force main. H2O Terra LLC was approved by the Public Service Board on July 13, 2016 to perform preliminary engineering and design for replacement of the collection system. Based on their technical knowledge and previous work experience on this project, H2O Terra LLC is the most qualified firm to perform this design. Staff worked with H2O Terra LLC 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.

On a motion made by Mayor Margo, seconded by Ms. Garcia and unanimously carried, the Board considered and awarded a Professional Engineering Services Contract for Task Order Number 5 - Canutillo Wastewater Vacuum Collection System Replacement Phase III to H2O Terra, LLC in the amount of \$348,349 for design and bid phase services; authorized future task orders or amendments to be issued under this contract for additional design and construction phase services in an estimated amount of \$300,000 provided that funding is available in the approved budget for the task orders or amendments; and authorized the use of commercial paper.

CONSIDERED AND REJECTED ALL BIDS FOR BID NUMBER 01-18, KBH DESALINATION PLANT SURFACE INJECTION FACILITIES (SIF) CONCENTRATE GROUND STORAGE TANK (GST) FACILITIES IMPROVEMENTS (RE-BID).

Mr. Alan Shubert, Vice President made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files.) The concentrated brine from the Kay Bailey Hutchison Desalination Plant has caused corrosion, and the tanks are in need of repair. The project was originally bid in November 2017, and no bids were received. Staff worked with the contracting community to understand the concerns associated with the bid. Modifications to the bid documents were completed and the project was re-bid. El Paso Water received two bids for this project on March 7, 2018. One of the bids was 30% below the engineer's estimate and was missing the Bid Bond. The other bid was 30% over the engineer's estimate and included a list of exceptions to the contract. Neither vendor provided a responsive bid.

On a motion made by Ms. Garcia seconded by Mr. Roe and unanimously carried, the Board rejected all bids received for Bid Number 01-18, KBH Desalination Plant Surface Injection Facilities Concentrate Ground Storage Tank Facilities Improvement (RE-BID).

CONSIDERED AND AWARDED BID NUMBER SW09-18, COPIA STREET POND AND DISCHARGE CONDUIT TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, ZTEX CONSTRUCTION, INC., IN THE AMOUNT OF \$2,448,237.38.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files.) The project area is located in central El Paso and will help reduce flooding on IH-10. The Copia Pond will have the capacity of storing up to 25 acre feet (approx. 8 million gallons) of storm runoff. The pond will be constructed on property east of Memorial Park Senior Center, north of the railroad tracks and south of the Altura Park Subdivision. This pond will store stormwater before discharging into the Gateway Ponds. EPWater received seven bids for this project on March 9, 2018. The bidders were Ztex Construction, Bain Construction, Black Stallion Contractors, Danny Sander Construction, El Paso A.R.C. Electric, S.J. Louis Construction of Texas, and Horizone Construction 1. The bids ranged from \$2,448,237.38 to \$21,852,086.40 or 20.27% to 973.49% above the engineer's estimate of \$2,035,602.41. Horizone Construction 1 incorrectly calculated their total bid amount and the corrected bid total was \$21,852,086.40 not \$2,581,935.40 as originally submitted. The project consulting firm evaluated the qualifications of the apparent low bidder and has determined that Ztex Construction meets the minimum requirements as well as the minimum project specific criteria as specified on the bid documents. EPWater staff has evaluated the engineer's evaluation matrix and recommends award of Bid Number SW09-18, Copia Street Pond and Discharge Conduit to Ztex Construction as the lowest responsive, responsible bidder in the amount of \$2,448,237.38.

On a motion made by Mayor Margo seconded by Mr. Roe and unanimously carried, the Board awarded Bid Number SW09-18, Copia Street Pond and Discharge Conduit to the lowest responsive, responsible bidder, Ztex Construction, Inc., in the amount of \$2,448,237.38.

CONSIDERED AND AWARDED BID NUMBER SW18-18, EPW MAINTENANCE FOR DRAINAGE CHANNELS AND PONDS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, G.R.A.C.E. CONSTRUCTION, IN THE ESTIMATED ANNUAL AMOUNT OF \$297,075.70 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Rose Guevara, Senior Purchasing Agent presented information to the Board regarding this item. This contract will supplement the Utility's stormwater maintenance crews who perform regular maintenance, cleaning and restoration of slopes on drainage channels and ponds. The previous bid was awarded in January 2015; line items as well as quantities changed in the new bid. Two bids were received. Staff evaluated the bids and determined that G.R.A.C.E. Construction met all the criteria per the bid specification and recommends award to G.R.A.C.E. Construction. Ms. Guevara and Mr. Balliew addressed questions from the Board.

On a motion made by Mayor Margo, seconded by Mr. Roe and unanimously carried, the Board awarded Bid Number SW18-18, EPW Maintenance for Drainage Channels and Ponds, to the lowest responsive, responsible bidder, G.R.A.C.E. Construction, in the estimated annual amount of \$297,075.70 with the option for two, one-year extensions.

CONSIDERED AND AWARDED BID NUMBER 24-18, WET AND DRY SAND AND SILT REMOVAL, WITH OPTIONAL ITEM #3A TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, FALC ENTERPRISES LLC, IN THE ESTIMATED ANNUAL AMOUNT OF \$425,500 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Guevara presented the Board with information regarding this item. The Jonathan Rogers Water Treatment Plant uses pre-sedimentation basins or settling ponds for removal of sediment, sand and silt from river water as part of its pretreatment process. During the maintenance season this wet sand and silt must be removed from these ponds as well as from the raw water intake channel and stockpiled at a transfer point behind the plant before final disposal. Stockpiled sand and silt that has accumulated throughout the years is now in need of disposal. The previous bid was awarded in November 2014. Additional line items expanding the scope of work were added to the new bid. Six bids were received. Bidders were asked to bid on removal of wet sand and silt (Items #1 and #2) and optional items for the disposal of dry sand and silt to an EPWater designated site (Item #3a) or to provide an alternate site (Item #3b). Staff evaluated the bids and determined the low bidder FALC Enterprises met all the requirements as outlined within the bid proposal. Therefore; staff recommends award to FALC Enterprises. Staff has chosen optional item #3a for disposal to an EPWater designated disposal site bringing the grand total bid to \$425,500.

On a motion made by Mayor Margo, seconded by Mr. Roe and unanimously carried, the Board awarded Bid Number 24-18, Wet and Dry Sand and Silt Removal, with optional item #3A to the lowest responsive, responsible bidder, FALC Enterprises LLC, in the estimated annual amount of \$425,500 with the option for two, one-year extensions.

CONSIDERED AND AWARDED BID NUMBER 31-18, ON-CALL CONSTRUCTION - LARGE VALVE INSTALLATION AND REPLACEMENT SERVICES, TO THE SOLE RESPONSIVE, RESPONSIBLE BIDDER, DANNY SANDER CONSTRUCTION, INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$748,200 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Guevara presented the Board with information regarding this item. The scope of work for this contract consists of furnishing and installing, on an on-call basis, new water main butterfly valves 16 inches or larger in diameter. One bid was received. Staff evaluated the bid and determined that the sole bidder Danny Sander Construction met the minimum qualifications as outlined within the bid proposal and recommends award to Danny Sander Construction. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 31-18, On-Call Construction - Large Valve Installation and Replacement Services, to the sole responsive, responsible bidder, Danny Sander Construction, Inc., in the estimated annual amount of \$748,200 with the option for two, one-year extensions.

CONSIDERED AND AWARDED BID NUMBER 46-18 PIPE, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDERS CORE & MAIN FOR LINE ITEMS 3-7, 22, 31-36 IN THE ESTIMATED ANNUAL AMOUNT OF \$328,966.62, AND CLOWE & COWAN OF EL PASO, LLC., FOR LINE ITEMS 1, 2, 8-21, 23-30 IN THE ESTIMATED ANNUAL AMOUNT OF \$594,601.20, BOTH WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Guevara presented the Board with information regarding this item. EPWater purchases pipe for in-house pipeline replacement projects and emergency repairs. The pipe is stored at the Utility's Warehouse. Two bids were received and one no bid. Staff evaluated the bids and determined that the low bidder for each respective line item met all the requirements in the bid proposal. Staff recommends awarding to the lowest responsive, responsible bidders for each individual line item. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 46-18 Pipe, to the lowest responsive, responsible bidders Core & Main for Line Items 3-7, 22, 31-36 in the estimated annual amount of \$328,966.62, and Clowe & Cowan of El Paso, LLC., for Line Items 1, 2, 8-21, 23-30 in the estimated annual amount of \$594,601.20, both with the option for two, one-year extensions.

CONSIDERED AND APPROVE THE PRE-PURCHASE OF HDPE PIPE AND OTHER MATERIALS FOR THE GEORGE DIETER-MONTWOOD & REX BAXTER 24-INCH TRANSMISSION MAIN REPLACEMENT PROJECT, THROUGH THE ESC REGION 19 ALLIED STATES COOPERATIVE CONTRACT NUMBER 15-7172 FROM EL PASO PIPE AND PUMP SUPPLY IN THE ESTIMATED AMOUNT OF \$367,850.37, AND APPROVE THE USE OF COMMERCIAL PAPER.

Ms. Guevara presented the Board with information regarding this item. This project is located along George Dieter at two intersections: Rex Baxter and Montwood. This project is to replace the pipe with a corrosion resistant pipe. This pre-purchase will allow the construction to start this year. Two quotes were received from El Paso Pipe and Pump Supply, and Lark Industries, both utilizing the Education Service Center (ESC) Region 19 Allied States Cooperative contract Number 15-7172. Staff evaluated the quotes and recommends purchasing these materials from El Paso Pipe and Pump Supply.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board approved the pre-purchase of HDPE pipe and other materials for the George Dieter-Montwood & Rex Baxter 24-inch Transmission main replacement project, through the ESC Region 19 Allied States Cooperative contract number 15-7172 from El Paso Pipe and Pump Supply in the estimated amount of \$367,850.37, and approved the use of commercial paper.

CONSIDERED APPROVED RENEWAL OF THE SOLE SOURCE ENQUESTA MAINTENANCE CONTRACT TO SYSTEMS & SOFTWARE, INC. IN THE AMOUNT OF \$396,628.66.

Mr. Alfredo Solano, Utility Information Systems Manager, presented the Board with information regarding this item. Systems & Software, Inc., a wholly owned subsidiary of Harris Computer Systems is the sole source supplier of the enQuesta Customer Information System (CIS) Utility Billing solution, provides maintenance through an agreement signed April 4, 1997. The enQuesta system is used 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 contract is for the period of April 1, 2018 to March 31, 2019. Upon evaluation, staff recommends the renewal of the maintenance contract.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board approved renewal of the sole source enQuesta maintenance contract to Systems & Software, Inc. in the amount of \$396,628.66

REVIEWED AND ACCEPTED THE EL PASO WATER'S 4TH QUARTER PRELIMINARY FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING FEBRUARY 28, 2018.

Mr. Jeff Tepsick, Fiscal Operations Manager, made a PowerPoint presentation to the Board regarding the 4th Quarter Financial and Performance Measures Report for period ending February 28, 2018 (copy on file in Central Files). Mr. Tepsick informed the Board the reason why the report is preliminary is due to the Utility has just finished our annual audit; they are working on year-end adjustments and will be presented in the Comprehensive Annual Report in late July. Mr. Tepsick began his presentation with a slide showing a comparison of water billed FY 2017-18 & 2016-17, this shows the amount of water billed in billion gallons. Next slide that is shown is Water and Wastewater Operating Revenues in \$1,000's. In FY16-17 total amount was \$214,027 and in FY17-18 was \$235,945, actual budget amount was \$237,377. There were several things that cause the revenue to increase, which included a new line item which farming operations in Dell City that generated \$7million. Mr. Tepsick also discussed Water and Wastewater Utility Operating expenses, for FY16-17 expenses were \$89,608 and in FY17-18 was \$101,526; actual budgeted amount was \$107,430. Several items played a role in the increase in expenses; payroll, chemical purchase, and increase in overall utilities. The next slide showed the M&O Expenses for FY17-18 which came out to \$92,052 million. Mr. Tepsick then discussed Water and Wastewater Capital Projects Expenditures, for FY17-18 was \$121,106, which is less than what we had in FY16-17 of \$190,673. Actual budgeted amount was \$271,639. Our Water and Wastewater Debt Service Coverage in FY 16-17 was \$2.20 and in FY17-18 was \$2.17 with a budget of \$2.03, bond ordinance was \$1.50. The financial credit ratings look at this benchmark. The Utility is AA rated and that allows us to secure the lowest financing when we refund bonds to fund capital projects. Mr. Tepsick also spoke about Stormwater Utility Operating Revenue, in FY17-18 we came in at \$22,419 and the budget amount was \$22,353, while in FY16-17 was \$18,963. He also included a slide that showered Stormwater Utility Revenues by Class for FY2017-18, Stormwater Nonresidential 58% and Stormwater residential is 42%. The Stormwater Operating Expenses came in at \$6,364 for FY17-18, with the budget amount being \$6,364 and in FY16-17 the budget was \$6,521. The Stormwater Capital Expenditures for FY17-18 was \$28,106 with the budgeted amount of \$37,996. In FY16-17 the expenditures were \$12,538. Mr. Tepsick went over the Stormwater Debt Service Coverage, in FY17-18 was \$2.07 and in FY16-17 was \$1.72, with the bond ordinance coming in at \$1.25. In addition, Mr. Tepsick informed the Board that the Utility met all of its operating capital and debt service requirements; this was because of the guidance from the Board and upper management.

On a motion made by Mr. Gallardo, seconded by Mr. Roe and unanimously carried, the Board accepted the El Paso Water's 4th Quarter Preliminary Financial and Performance Measures Report for Period Ending February 28, 2018.

CONSIDERED AND APPROVED THE 4TH QUARTER AND FISCAL YEAR-END INVESTMENT REPORT FOR PERIOD ENDING FEBRUARY 28, 2018, AND APPROVE REVISIONS TO THE PSB RULES AND REGULATIONS NUMBER 10, ESTABLISHING THE INVESTMENT POLICY.

Ms. Lidia Carranco, Treasury and Property Control Manager made a PowerPoint presentation to the Board regarding the 4th Quarter and Fiscal Year-end Investment Report for period ending February 28, 2018 and Revisions to the PSB Rules and Regulation Number 10, Establishing the Investment Policy (copy on file in Central Files). Ms. Carranco began her presentation by information the Board at the end of the quarter, the portfolio value came in at \$297,236,928 million, with a chart showing of what El Paso Water invested in. Next, she went over the Security Purchases by Brokers for Quarter December 1, 2017 thru February 28, 2018. 22 securities were purchased in the amount of \$71,726 million. Looking at comparisons, in FY 2017 the portfolio value was \$242,650,251 and the estimated amount for FY2018 it is \$297,236. A slide was shown with a yield comparison rate from February 2016 through February 2018. Ms. Carranco went over the 4th Quarter Yield Comparison, the chart included Texpool Prime, Texpool, TexStar, IDP, Advantage Fd, Fidelity Fund, Federal Agency and Municipal Bonds. Ms. Carranco informed the board that our interest revenue increased by \$1.5million in the last quarter. Ms. Carranco also informed the board that the policy changes that are being

requested for Rules and Regulations number 10 were included in their packet. Ms. Garcia made additional comments regarding this item.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board approved the 4th Quarter and Fiscal Year-end Investment Report for Period Ending February 28, 2018, and approve Revisions to the PSB Rules and Regulations Number 10, Establishing the Investment Policy.

CONSIDERED AND APPROVED A RESOLUTION SELECTING BANK OF AMERICA, N.A. AS THE PROVIDER FOR DIRECT FUNDED REVOLVING LOAN OR PURCHASE NOTE AGREEMENT FOR THE MUNICIPAL DRAINAGE UTILITY SYSTEM AND REQUESTING THE CITY OF EL PASO TO APPROVE THE AGREEMENT WITH BANK OF AMERICA N.A. IN THE AMOUNT NOT TO EXCEED \$25,000,000 WITH A TERM OF FIVE YEARS, AND AUTHORIZE THE PRESIDENT & CEO OR PSB CHAIR TO SIGN AND APPROVE ANY REQUIRED DOCUMENTATION IN CONNECTION WITH THE SELECTION.

Mr. Art Duran, Chief Financial Officer informed the Board on a new finance tool that will be implemented with El Paso Water in order to fund the need for new or replacement of Stormwater Infrastructure. Currently the CIP for the Stormwater side is funded by cash portion, which revenues from CIP, and the rest is from prior bonds that were issued in the past. Mr. Duran touched on El Paso Water receiving bonds, but a portion of the bonds will go unused for years. Because of this, we are looking at better ways to look at how better manage our debt. Mr. Duran went on to explain that El Paso Water issued a Request for Proposal (RFP) for a revolving line of credit. This is something similar for Commercial Paper that we use for interim financing for the Water and Wastewater fund. El Paso Water's financial advisor; Maria Urbina presented the Board with information regarding the findings from the RFP. Ms. Urbina did inform the Board that doing a Commercial Paper type of program isn't financial feasible, which is why the RFP was done. Five short-term financing programs were received from Bank of America, Well Fargo, BBVA Compass Bank, Regions Bank, and RBC Capital. Ms. Urbina explained that staff reviewed the selection criteria and ranked the proved based on pricing and proseed fees, terms and conditions, financial strength of the proposer and other relevant factors deemed appropriate by the City. Ms. Urbina showed a slide with all of the above information for each financial institute. The term of the proposals was looked at two, three or five years, it was agreed that five years made the most sense, and because of that, it narrowed the proposers to Wells Fargo and Bank of America. Ms. Urbina showed a slide of Current Market Comparison between the two banks, showing the total Annual Draw and Unused Fees amounts. Ms. Urbina showed several slides with different scenarios of things that could affect the Utility and how that would affect the program with both banks. She also went over timeline; The Finance Committee met on April 5, 2018, the item was presented to the Board on April 11, 2018, will be presented to City Council May 15, 2018, be approved by the Attorney General on May 29, 2018 and be effective by July 2018. Ms. Urbina addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Ms. Garcia and unanimously carried, the Board approved a Resolution selecting Bank of America, N.A. as the provider for Direct Funded Revolving Loan or Purchase Note Agreement for the Municipal Drainage Utility System and requesting the City of El Paso to approve the agreement with Bank of America N.A. in the amount not to exceed \$25,000,000 with a term of five years, and authorized the President & CEO or PSB Chair to sign and approved any required documentation in connection with the selection.

MANAGEMENT REPORT:

- Haskell Plant Odor Control Improvements-Mr. Shubert made a PowerPoint presentation to the Board regarding this report regarding the Haskell R. Street plant, also known as the Delta plant. The plant has been going through some issues regarding odor control for the past few years. The 95 year old plant is going through many upgrades and improvements, the projects will improve efficiency, reliability and odor control. The plant provide essential services to nearly 150,000 customers in Central El Paso and Fort Bliss, we have 20 dedicated employees that work at the plant. Mr. Shubert showed a

slide with a map showing as many as 21,000 customers in neighboring homes, businesses, and churches have experienced odors. There are three priority odor control projects mostly complete, with the third to be completed by end of 2018. Extensive work was done on four clarifiers to help with the reduction of the odor. With this, 75% of homes that were impacted went from 21,000 to 5,000. Once the final project is completed, the remaining amount of homes impacted should go from 5,000 to zero. Mayor Margo stepped out at 9:42am and did not return.

- Video-Haskell Improvements-Mr. Shubert showed a video of the Haskell Plant and the work that was done. Mr. Shubert addressed questions from the Board on this item.

28. 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 Mr. Roe, seconded by Ms. Garcia, and unanimously carried, the Board retired into Executive Session at 9:41 a.m., April 11, 2018, 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 551.0712 Deliberation Regarding Real Property

The Board will deliberate regarding whether approximately 44.620 acres of property described as a portion of the Southeast One Quarter (SE ¼) of Section 28, Township 15 South of Range 5 West, N.M.P.M., Sierra County, New Mexico, and generally located near Caballo, NM, can be declared inexpedient to the water system.

b. Section 551.072 Deliberation regarding Real Property

The Board will deliberate regarding land in its inventory which may be impacted by the proposed NE Parkway/Borderland Expressway Project.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board reconvened in open session at 10:04 a.m., April 11, 2018.

DELIBERATED REGARDING WHETHER APPROXIMATELY 44.620 ACRES OF PROPERTY DESCRIBED AS A PORTION OF THE SOUTHEAST ONE QUARTER (SE ¼) OF SECTION 28, TOWNSHIP 15 SOUTH OF RANGE 5 WEST, N.M.P.M., SIERRA COUNTY, NEW MEXICO, AND GENERALLY LOCATED NEAR CABALLO, NM, CAN BE DECLARED INEXPEDIENT TO THE WATER SYSTEM.

On a motion made by Dr. Mena, seconded by Ms. Garcia and unanimously carried that the land be declared inexpedient to the water system and the President/CEO be authorized to forward to city Council a recommendation to sell the property through the sealed bidding process and to obtain one appraisal for the property and set the minimum bid process at the appraised value and to sign any and all documents necessary to complete the sale of the property.

**DELIBERATED REGARDING LAND IN ITS INVENTORY WHICH MAY BE IMPACTED BY
THE PROPOSED NE PARKWAY/BORDERLAND EXPRESSWAY PROJECT.**

No action taken.

ADJOURNMENT

On a motion made by Mr. Gallardo, seconded by Ms. Garcia and unanimously carried, the meeting adjourned at 10:05 a.m., April 11, 2018.

ATTEST:

Kristin D. Mena
Secretary-Treasurer

Christopher Amcliff
Christopher Amcliff, Chair