

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
February 14, 2018

The regular meeting of the Public Service Board was held Wednesday, February 14, 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
Terri Garcia, Secretary-Treasurer
Christopher Antcliff, Vice Chair
Mayor Dee Margo, Ex-Officio Member
Bradley Roe, Member
Dr. Kristina Mena, Member
Dr. Ivonne Santiago, Member

PSB MEMBERS ABSENT

PSB EMPLOYEES PRESENT

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

EPWU EMPLOYEES PRESENT

Juan S. Gonzalez, Assistant General Counsel
Alan Shubert, Vice President
Marcela Navarrete, 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
Jillian Shipp, Executive Assistant
Rosemary Guevara, Senior Purchasing Agent
Levi Chacon, Purchasing Agent
Christina Montoya, Marketing and Communications Manager
Melissa Bell, Lead Public Affairs Coordinator
Joshua Moniz, Lead Public Information Coordinator
Martin Noriega, Stormwater Operations Manager
Armando Renteria, Chief Information Officer
Richard Wilcox, Utility Laboratory Service Manager
Joey Perez, Utility Plant Lead Technician
Juan Rodriguez, Instrumentation Control Assistant Superintendent

GUESTS

Pam Farrone, Citizen
Matt Huges, RPI
Brian Sanderoff, RPI
Arminda Hernandez, Assistance League of El Paso
Dorothy Truax, Reynolds Home
Starlynn Lucero, Reynolds Home
Anthony Chacon, Hazen

Daniel Gutierrez, Prudential Overall Supply
Frank Rich, Prudential Overall Supply
Sasha Talamontez, Citizen
Jon Barrela, The Borderplex Alliance

MEDIA
ABC-7

The Public Service Board meeting was called to order by Mr. Gallardo at 8:04 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Ms. Navarrete, in reciting the Pledge of Allegiance.

CONSENT AGENDA

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

CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON JANUARY 10, 2018.

The Board approved the minutes of the regularly scheduled meeting held on January 10, 2018.

CONSIDERED AND APPROVED THE SOLE SOURCE PURCHASE FROM ANDRITZ SEPARATION INC. FOR THE REHABILITATION OF THE SOLIDS CENTRIFUGE #3 AT FRED HERVEY WATER RECLAMATION FACILITY IN THE AMOUNT OF \$84,129.

The Board approved a sole source purchase from Andritz Separation Inc. for the rehabilitation of the solids centrifuge #3 at Fred Hervey Water Reclamation Facility in the amount of \$84,129.

CONSIDERED AND APPROVED A CONTRACT WITH ORACLE AMERICA INC. FOR TECHNICAL SUPPORT SERVICES WITH BUY BOARD PRICING THROUGH TEXAS DIR CONTRACT NUMBER DIR-TSO-2539 FOR AN AGREEMENT TERM OF 36 MONTHS THROUGH APRIL 2021 AT \$12,051 PER MONTH FOR AN ESTIMATED ANNUAL AMOUNT OF \$144,609.

The Board approved a contract with Oracle America Inc. for technical support services with buy board pricing through Texas DIR Contract Number DIR-TSO-2539 for an agreement term of 36 months through April 2021 at \$12,051 per month for an estimated annual amount of \$144,609.

CONSIDERED AND APPROVED THE PURCHASE OF THE TWO BLOWER ELECTRICAL SWITCHGEARS FOR THE ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT THROUGH THE ESC REGION 19 ALLIED STATES COOPERATIVE, CONTRACT NUMBER 15-7147 IN THE AMOUNT OF \$216,600, FROM TRIANGLE ELECTRIC SUPPLY CO.

The Board approved the purchase of the two blower electrical switchgears for the Roberto R. Bustamante Wastewater Treatment Plant through the ESC Region 19 Allied States Cooperative, Contract Number 15-7147 in the amount of \$216,600, from Triangle Electric Supply Co.

CONSIDERED AND AWARDED A SAFETY FOOTWEAR CONTRACT THROUGH ESC REGION 19 ALLIED STATES COOPERATIVE CONTRACT NUMBER 17-7272 TO NORTHERN IMPORTS INC. (DBA WORK WEAR SAFETY SHOES) AND BAZAAR UNIFORMS & MEN'S STORE LLC; AND GSA CONTRACT NUMBER GS-07F-0027N TO RED WING BRANDS OF AMERICA INC. FOR A TOTAL ESTIMATED ANNUAL AMOUNT OF \$102,000, WITH AN OPTION OF TWO, ONE-YEAR EXTENSIONS.

The Board awarded a safety footwear contract through ESC Region 19 Allied States Cooperative Contract Number 17-7272 to Northern Imports Inc. (dba Work Wear Safety Shoes) and Bazaar Uniforms & Men's Store LLC; and GSA Contract Number GS-07F-0027N to Red Wing Brands of America Inc. for a total estimated

annual amount of \$102,000, with an option of two, one-year extensions.

CONSIDERED AND AWARDED A UNIFORM LEASING CONTRACT THROUGH THE NATIONAL JOINT POWERS ALLIANCE COOPERATIVE, CONTRACT NUMBER 062415 TO UNIFIRST CORPORATION, FOR A PERIOD OF THREE YEARS IN THE ESTIMATED ANNUAL AMOUNT OF \$170,000.

The Board approved three-year leases for four Challenger tractors through US Communities Buy Board, Contract Number 17-6221, from Wagner Equipment, for an estimated annual payment of \$186,527.04, and one John Deere Tractor through Texas Local Government Purchasing Cooperative TASB, Contract Number 529-17, from South Plains Implement LTD., for an estimated annual payment of \$16,629.

CONSIDERED AND APPROVED THE PURCHASE OF FARMING OPERATIONS EQUIPMENT THROUGH THE GENERAL SERVICES ADMINISTRATION GSA CONTRACT NUMBER GS-30F-008S FROM FEDERAL CONTRACTS CORP, IN THE AMOUNT OF \$444,903.

The Board approved the purchase of farming operations equipment through the General Services Administration GSA Contract Number GS-30F-008S from Federal Contracts Corp, in the amount of \$444,903.

REGULAR AGENDA

9. PRESENTATION FROM THE REYNOLDS HOME TO EL PASO WATER FOR ITEMS COLLECTED DURING THE 2017 CHRISTMAS SEASON.

Christina Montoya, Marketing & Communications Manager provided information to the Board regarding this organization. The Reynolds Home was selected during the 2017 holiday activities at the Hawkins headquarters. EPWater staff collected things such as clothing, toiletries, diapers, baby wipes, snacks and even tamales. Jillian Shipp, Executive Assistant to the President selected The Reynolds Home, because of what they stood for, they help women and children transition into their new homes focusing on financial stability, family cohesion and wellness. Dorothy Truax, director of the home made comments, and an employee, Starlynn Lucero presented EPWater with a handmade canvas as a token of gratitude from the children of The Reynolds Home.

10. PRESENTATION OF THE SAFEST SECTION OF THE QUARTER AWARDS (FOURTH QUARTER 2017).

Ms. Christina Montoya, Marketing and Communications Manager, presented the Board with information regarding the Safest Section of the Quarter Awards for the Fourth Quarter of 2017. The awards recognize the sections with the lowest accident rate for the months of October, November and December. The sections were "Accident Free" during the fourth quarter. The members of each section performed their jobs safely as a group and as individuals. Mayor Margo and Mr. Balliew presented awards to Jesus Perez for the Roberto R. Bustamante Wastewater Plant, Joey Paz for Stormwater Management, Juan Rodriguez for Instrumentation and Control and last Richard Wilcox for Laboratory Services.

11. CONSIDERED AND APPROVED THE RECOMMENDATION OF THE 2018 ANNUAL NON-PROFIT STRATEGIC PARTNERSHIP WITH ASSISTANCE LEAGUE OF EL PASO.

Gerardo Gomez, Engineering Program Administrator made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). 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 ten candidates for this year's strategic partner. After careful thought and consideration, the employee committee is recommending the Assistance League of El Paso. The Assistance League of El Paso created its first program, Operation School Bell, in 1967. This program provides school clothing, socks, underwear, shoes, and jackets to the most

economically-disadvantaged children in the area. The program covers 143 elementary schools from Anthony, Texas to Tornillo, Texas. For the school year 2016-17, the program clothed 3,780 children and expects to serve a similar amount in 2017-18. Mr. Gomez presented Mrs. Armida Hernandez, grant writer for the organization who provided additional information.

On a motion made by Mr. Antcliff, seconded by Mr. Roe, and unanimously carried, the Board approved the Annual 2018 Strategic Partnership with the Assistance League of El Paso.

12. CONSIDERED AND TOOK ACTION ON A RESOLUTION TO AUTHORIZED THE PRESIDENT/CEO TO SIGN AN AGREEMENT BETWEEN THE EL PASO WATER PUBLIC SERVICE BOARD AND THE BORDERPLEX ALLIANCE TO IMPLEMENT AN ECONOMIC DEVELOPMENT PLAN SPECIFIC TO EL PASO WATER IN THE AMOUNT OF \$250,000.

John Balliew, President/CEO provided the Board with information regarding this item. El Paso Water has been designated by the State of Texas as the regional water planning agency for the El Paso region. The Borderplex Alliance is a bi-national economic initiative that has proposed an economic development plan specific to EPWater. Borderplex has integrated the EPWater's President/CEO as a member of the Executive Committee and the Vice President of Strategic, Financial and Management Services as a member of the Board of Directors. EPWater and Borderplex have an existing Economic Development Plan Agreement in effect through February 2018. Under this new agreement, to begin March 1, 2018, the primary emphasis will be for Borderplex Alliance to assist EPWater in identifying potential buyers and/or lessees for EPWater owned property. EPWater desires to make significant strides forward in promoting a healthy, vigorous local economy that maximizes business opportunities and the use of land owned and/or controlled by the El Paso Water Utilities Public Service Board. Implementing a plan specific to EPWater is expected to return significant benefits to the Utility, its ratepayers and the citizens of the El Paso region. Furthermore, EPWater has had a role in determining which industries are recruited to the region based on water and wastewater issues. Mr. Gallardo, PSB Chairman suggested to make a two-year commitment with The Borderplex Alliance.

On a motion made by Mr. Gallardo, seconded by Mayor Margo and unanimously carried, the Board considered and took action on a resolution to authorize the President/CEO to sign an agreement between the El Paso Water Utilities—Public Service Board and the Borderplex Alliance to implement an economic development plan specific to EPWater in the amount of \$250,000.

13. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE ROSA STREET 16-INCH WATER MAIN EXTENSION TO BROCK AND BUSTILLOS, INC. IN THE AMOUNT OF \$299,545 FOR PRE-DESIGN, DESIGN AND BID PHASE SERVICES; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION MANAGEMENT SERVICES IN THE ESTIMATED AMOUNT OF \$220,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS; AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Gilbert Trejo, Chief Technical Officer made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The University Medical Center announced a long-term planned expansion that will be phased in within the next 50 years. In addition, the Texas Tech Medical Center has been active in implementing their expansion plan east of Reynolds Drive. Each respective development will require additional water supply. EPWater has committed to support the needs and growth of both entities by taking a proactive approach to extend water mains prior to development. The Architectural/Engineering Selection Advisory Committee met on November 8, 2017 to review and recommend selection of the engineering firm for the above-referenced project. The committee consisted of Bradley Roe, Ivonne Santiago, Kristina Mena, 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. Brock and Bustillos was selected as the firm that best meets the needs of the Utility for these important services and

demonstrated excellent abilities in all the evaluated categories. This firm is the most qualified. Staff worked with Brock and Bustillos 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 pre-design, 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. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Mr. Roe and unanimously carried, the Board approved a Professional Engineering Services Contract for the Rosa Street 16-Inch Water Main Extension to Brock and Bustillos, Inc. in the amount of \$299,545 for pre-design, design, and bid phase services and further authorized future task orders or amendments to be issued under this contract for additional design and construction management services in the estimated amount of \$220,000, provided that funding is available in the approved budget for the task order or amendments, and authorized the use of commercial paper.

14. CONSIDERED AND APPROVED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE JOHN T. HICKERSON WATER RECLAMATION FACILITY REHABILITATION – HEADWORKS AND ULTRAVIOLET DISINFECTION TO PARKHILL, SMITH AND COOPER, INC. IN THE AMOUNT OF \$153,821 FOR DESIGN AND BID PHASE SERVICES; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION ADMINISTRATION 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 John T. Hickerson Water Reclamation Facility (JTHWR) was constructed in 1984 and expanded in 1993. The plant headworks structure consists of mechanical screens, flow meter and grit chambers, and a distribution box for the aeration channels and odor collection system. All of these structures are in need of repair or replacement. The Architectural/Engineering Selection Advisory Committee met on October 11, 2017, to review and recommend selection of the engineering firm for this service. The committee consisted of Bradley Roe, Ivonne Santiago, Kristina Mena, R. Alan Shubert, Marcela Navarrete, Fernando Rico, and Gilbert Trejo. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. Parkhill, Smith, and Cooper was selected as the firm that best meets the needs of the Utility for these important services and demonstrated excellent abilities in all evaluated categories. This firm is the most qualified. Staff worked with Parkhill, Smith, and Cooper 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 similar work. Mr. Balliew made additional comments regarding this item, and Mr. Trejo addressed questions from the Board.

On a motion made by Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board approved a Professional Engineering Services Contract for the John T. Hickerson Water Reclamation Facility Rehabilitation – Headworks and Ultraviolet Disinfection to Parkhill, Smith and Cooper, Inc. in the amount of \$153,821 for design and bid phase services; authorized future task orders or amendments to be issued under this contract for additional design and construction administration 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.

15. CONSIDERED AND APPROVED TASK ORDER NUMBER 1 TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO CDM SMITH, INC. FOR CONSTRUCTION PHASE SERVICES FOR THE TXDOT BORDER HIGHWAY WEST LARGE DIAMETER PIPELINE RELOCATION PROJECT IN THE AMOUNT OF \$300,000; AUTHORIZED FUTURE TASK

ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL CONSTRUCTION PHASE SERVICES IN AN ESTIMATED AMOUNT OF \$150,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.

Mr. Trejo, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). As part of the Texas Department of Transportation (TXDOT) Border Highway West project several EPWater facilities required relocation to eliminate conflicts with proposed highway improvements. CDM Smith has been under contract since October 28, 2015 to perform construction phase services for all EPWater relocations within the TXDOT project limits, which extend approximately from Cotton Street to the Doniphan Drive/Racetrack Drive area. TXDOT recently increased their project scope by adding the construction of the Delta Drive Bridge near Bowie High School. This resulted in the relocation of a segment of our 42-inch Upper Valley Outfall Sewer Facility. All construction phase services task orders for CDM Smith related to the Border Highway West project have been executed under the On-Call Professional Engineering Services for Water, Wastewater, Reclaimed Water, and Stormwater Pipelines Greater than 24-Inches contract. This task order would exceed the remaining amount available on the current On-Call Professional Engineering Services contract; therefore a separate contract must be executed. CDM Smith is the most qualified consultant to perform additional construction phase services for the Border Highway West project based on their experience and familiarity with all EPWater facilities relocations performed to date and having successfully coordinated with the prime contractor since the beginning of the project. Mr. Trejo, addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Mr. Roe and unanimously carried, the Board approved Task Order Number 1 to the professional services contract awarded to CDM Smith, Inc. for construction phase services for the TXDOT Border Highway West Large Diameter Pipeline Relocation Project in the amount of \$300,000; authorize future task orders or amendments to be issued under this contract for additional construction phase services in an estimated amount of \$150,000, provided that funding is available in the approved budget for the task orders or amendments.

16. CONSIDERED AND APPROVED TASK ORDER NUMBER 1 AMENDMENT 2 TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO HAZEN AND SAWYER P.C. FOR ADDITIONAL DESIGN AND BID PHASE SERVICES FOR THE JONATHAN ROGERS WATER TREATMENT PLANT OZONE SYSTEM & SUPPORT FACILITIES IN THE AMOUNT OF \$347,000; AND AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES IN AN ESTIMATED AMOUNT OF \$1,000,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS; AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This task order amendment is for additional bid and design services for the Jonathan Rogers Water Treatment Plant Ozone System and Support Facilities project. During the bid phase, the plant shut down and the sequencing schedule for installing the new ozone system was updated to remove, a temporary ozone feed system in lieu of an updated operations plan that would keep the plant operational while the new system was installed. This change required additional engineering that was completed during the bid phase. Hazen and Sawyer, via Task Order Number 1, was tasked to complete the design of the Jonathan Rogers Water Treatment Plant Ozone System and Support Facilities. A change in scope for this project required additional services to efficiently complete the design and bid the project. Staff worked with Hazen and Sawyer to develop the scope of services for Task Order Number 1 Amendment 2 of this project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant. The negotiated fees are in line with the level of effort required to complete the tasks and consistent with similar work completed recently. A task order for construction management services will be negotiated at a later date. Mr. Balliew made additional comments regarding this item, and Mr. Trejo addressed questions from the Board.

On a motion made by Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board approved Task Order Number 1 Amendment 2 to the professional services contract awarded to Hazen and Sawyer P.C. for additional design and bid phase services for the Jonathan Rogers Water Treatment Plant Ozone System & Support Facilities in the amount of \$347,000; and authorized future task orders or amendments to be issued under this contract for additional design and construction phase services in an estimated amount of \$1,000,000, provided that funding is available in the approved budget for the task orders or amendments; and authorized the use of commercial paper.

17. CONSIDERED AND AWARDED BID NUMBER 83-17 (COMPETITIVE SEALED PROPOSAL), JOHNATHAN ROGERS WATER TREATMENT PLANT OZONE SYSTEM & SUPPORT FACILITIES TO THE SOLE OFFERER, KIEWIT WATER FACILITIES SOUTH COMPANY, IN AN AMOUNT OF \$17,037,750.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The existing ozone system at the Jonathan Rogers Water Treatment Plant (JRWTP) is over 20 years old. The existing generators are no longer manufactured, making them difficult to maintain. The ozone system and support facilities upgrades will be designed to treat an average of 60 MGD. JRWTP currently performs raw water and settled water ozonation for optimizing the quality of the water and reducing taste and odor causing compounds. A Competitively Sealed Proposal selection process was used for the selection of the contractor for this project. EPWater received one proposal for the referenced project on December 20, 2017. The only proposal received was from Kiewit Water Facilities South Company. The proposal price was \$17,037,750 or 39.5% above the Engineer's Estimate of \$12,210,665. The Architectural/Engineering Selection Advisory Committee did not meet to score the sole proposal. The proposal was evaluated by the consulting engineer in the areas of ozone equipment capital cost; operation and maintenance cost; past experience with similar LOX-based ozone installations; maintenance support; and system's complexity, reliability, and flexibility. Kiewit Water Facilities South Company satisfied the requirements set forth in the proposal. EPWater staff reviewed the Engineer's Evaluation and recommends award of Bid Number 83-17, Jonathan Rogers Water Treatment Plant Ozone System and Support Facilities, to the sole offeror Kiewit Water Facilities South Company, in the amount of \$17,037,750. Mr. Balliew made additional comments regarding this item, and Mr. Trejo addressed questions from the Board.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 83-17 (Competitive Sealed Proposal), Johnathan Rogers Water Treatment Plant Ozone System & Support Facilities to the sole offerer, Kiewit Water Facilities South Company, in an amount of \$17,037,750.

18. AWARDED CONTRACTS FOR NATIONAL JOB ORDER CONTRACTING SERVICES THROUGH ESC REGION 19 ALLIED STATES COOPERATIVE CONTRACT NUMBER 17-7261 TO EGL CONSTRUCTION; JORDAN FOSTER CONSTRUCTION; KEYSTONE GC, LLC; NOBLE GENERAL CONTRACTORS; AND VELIZ COMPANY, LLC; IN THE ESTIMATED CUMULATIVE ANNUAL AMOUNT NOT TO EXCEED \$1,500,000 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Mr. Alan Shubert, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). There are several building structures in the Utility that are in need of aesthetic and functional improvements. Most of these repairs or improvements are too small to be handled through design/bid/build processes and are too large to be handled in-house by our Building Maintenance section. Job Order Contracting will help us tackle most of the much-needed repairs and improvements quickly and effectively. In February 2017, the Public Service Board approved three Job Order Contracts in a cumulative, combined annual amount of \$500,000. EPWater's use of these contracts has reached the \$500,000 limit. ESC Region 19 Allied States Cooperative recently awarded a new Job Order Contract (Contract Number 17-7261) with over twenty contractors available and an improved pricing and quality control program. Although the existing contract can be extended for another year, staff recommends to cancel the existing contract and select contractors from the new and improved ESC Region 19 Allied States Cooperative Contract Number 17-7261. Staff evaluated the new

Region 19 Allied States Cooperative contract which includes 14 local and 9 out of town contractors. Staff determined that all contractors are capable of performing the tasks which will be required of them. Of the available contractors; staff has selected to award contracts to: EGL Construction; Jordan Foster Construction; Keystone GC, LLC; Noble General Contractors; and Veliz Company, LLC. These five contractors either have successfully completed projects with EPWater or are a small historically underutilized business with the qualifications to completed projects for us.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board awarded contracts for National Job Order Contracting Services through ESC Region 19 Allied States Cooperative Contract Number 17-7261 to EGL Construction; Jordan Foster Construction; Keystone GC, LLC; Noble General Contractors; and Veliz Company, LLC; in the estimated cumulative annual amount not to exceed \$1,500,000 with the option for two, one-year extensions.

19. CONSIDERED AND AWARDED BID NUMBER 06-18, WATER DISTRIBUTION SYSTEM CONSTRUCTION ON-CALL CONTRACT AND SANITARY SEWER CONSTRUCTION ON-CALL CONTRACT RE-BID TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, KARLSRUHER, INC. DBA CSA CONSTRUCTORS, IN THE ESTIMATED ANNUAL AMOUNT OF \$1,272,011 FOR BASE BID I, AND IN THE ESTIMATED ANNUAL AMOUNT OF \$2,175,812 FOR BASE BID II, FOR A TERM OF ONE YEAR WITH THE OPTION FOR AN ADDITIONAL ONE-YEAR EXTENSION, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Water distribution and sanitary sewer collection infrastructure requires planned and unplanned repair or replacement to maintain or restore service to our customers. Currently, this work is done by our in-house construction crews or by third party contractors selected through a bidding process. We have identified the need to shorten the time required to mobilize contractor assistance and to supplement the capabilities of in-house crews. This on-call contract will have a contractor available and ready to repair or replace water and sanitary sewer infrastructure as needed. This solicitation was re-bid because no bids were received on the first solicitation. EPWater received two bids for this project on January 24, 2018. The bidders were Karlsruhe dba CSA Constructors and Danny Sander Construction. Base Bid I – Water Distribution System ranged from \$1,272,011.00 to \$2,164,820.00 or 18.9% to 102.4% above the engineer's estimate of \$1,069,755.75. Base Bid II - Sanitary Sewer System ranged from \$2,175,812.00 to \$2,884,050.00 or 18.3% to 56.8% above the engineer's estimate of \$1,839,176.83. This is a unit price bid that will be used for repairs as needed. Staff evaluated the bids of the apparent low bidder and has determined that Karlsruhe dba CSA Constructors meets the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. Based on the evaluation, staff recommends award Bid Number 06-18, Water Distribution System Construction On-Call Contract and Sanitary Sewer Construction On-Call Contract Re-Bid (Base Bid I and Base Bid II) to the lowest, responsive, responsible bidder, Karlsruhe dba CSA Constructors, for a period of one year with an option for one additional year. Mr. Shubert addressed questions from the Board.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board considered and awarded Bid Number 06-18, Water Distribution System Construction On-Call Contract and Sanitary Sewer Construction On-Call Contract Re-Bid to the lowest responsive, responsible bidder, Karlsruhe, Inc. dba CSA Constructors, in the estimated annual amount of \$1,272,011 for Base Bid I, and in the estimated annual amount of \$2,175,812 for Base Bid II, for a term of one year with the option for an additional one-year extension, and authorized the use of commercial paper.

20. CONSIDERED AND AWARDED BID NUMBER 103-17 REPAIR OF CITY STREETS AND TEXAS DEPARTMENT OF TRANSPORTATION HIGHWAYS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, DOUBLE H CONTRACTING, INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$2,078,730 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Ms. Rose Guevara, Senior Purchasing Agent, presented the Board with information regarding this item. This contract is to provide for pavement repairs on highways, streets, or alleys resulting from paving cuts made by El Paso Water crews during the construction, repair, or maintenance of water mains, sewer mains, water services, and stormwater culverts. The previous bid was awarded on 1/21/15. Changes in line item quantities were made in the new bid, as well as the addition of multiple line items. With the quantity changes and additional line items the new bid increased by 8.96%. Three bids were received, ranging from \$ 2,078,730 to \$2,932,873. Staff evaluated the bids and determined the low bidder meets all the specifications as described within the bid proposal. Therefore, staff recommends award of the contract to the lowest responsive, responsible bidder, Double H Contracting, Inc. Additional comments were made from Mr. Balliew and Mr. Shubert. Ms. Guevara addressed questions from the Board.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board awarded Bid Number 103-17, Repair of City Streets and Texas Department of Transportation Highways, to the lowest responsive, responsible bidder, Double H Contracting, Inc., in the estimated annual amount of \$2,078,730 with the option for two, one-year extensions and authorized the use of commercial paper.

21. CONSIDERED AND AWARDED BID NUMBER 105-17, WATER SYSTEM DIRECTED MAINTENANCE, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, WATER CONSERVATION SERVICES COMPANY, LLC, IN THE ESTIMATED ANNUAL AMOUNT OF \$299,960 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Guevara presented the Board with information regarding this item. This contract is to provide routine valve exercising services and for inspection and maintenance services on air/vacuum release valves located on potable and reclaimed water mains. The previous bid was awarded on 02/11/15, changes in line item quantities occurred with the new bid, as well as the deletion of multiple line items. With the quantity changes and reduced amount of line items the new bid decreased by 25%. EPWater received two bids. Staff evaluated these bids and determined the low bidder meets all requirements as specified within the bid proposal. Therefore staff recommends award to the lowest responsive, responsible bidder, Water Conservation Services Company, LLC, in the estimated annual amount of \$ 299,960.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board awarded Bid Number 105-17, Water System Directed Maintenance, to the lowest responsive, responsible bidder, Water Conservation Services Company, LLC, in the estimated annual amount of \$ 299,960 with the option for two, one-year extensions.

22. DISCUSSED AND TOOK ACTION ON ADOPTING REVISIONS TO THE PUBLIC SERVICE BOARD POLICY ON THE DELEGATION OF SIGNATURE AUTHORITY TO THE PRESIDENT AND CEO.

Ms. Lee Ann Koehler, General Counsel presented the Board with information regarding this item. Dating back to at least 1994, there have been actions and documents approved by the Board delegating to the President/CEO the authority to sign certain documents, agreements and contracts. On March 9, 2016 all previous Board adopted delegations of authority were consolidated into one comprehensive policy document. It is recommended that the March 2016 adopted policy be revised to clarify certain delegations, increase certain delegations and add new delegations. The delegation of signature authority policy is intended to be a delegation, within specified parameters, of signature authority and certain administrative approval authority to the President and CEO so that approval of such actions will not require Board approval. This policy does not delegate the Public Service Board's policymaking authority. Delegation of this signature authority to the President/CEO will streamline procedures, eliminate unnecessary delays, and improve overall Utility efficiency.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried, the Board adopted revisions to the Public Service Board policy on the delegation of signature authority to the President and CEO.

23. MANAGEMENT REPORT:

- Presentation and discussion on 2017 Customer Opinion Survey Results—Ms. Lisa Rosendorf, Chief Communications & Gov't Affairs Officers, provided information regarding this report. Every two years, EPWater conducts a customer survey to gauge public opinion to find out how we are doing. For this year's survey, EPWater chose Research and Polling out of Albuquerque they brought new expertise. The PSB Communications committee reviewed the questions that were going to be asked to the customers. We were able to reach customers not only on land lines, but also through cell phones. Lisa went on to introduce the President and CEO of Research and Polling, Mr. Brian Zanderoff and Matt Hughes. Mr. Zanderoff began his presentation with the methodology that was used with the survey; Research Objectives—Measure customer awareness and satisfaction on a variety of issues relating to the water utility to better understand how customers prioritize future water projects. Data Collection Method—telephone (cell phones and landlines) from El Paso Water customer list (English and Spanish), Total Sample size N=507 (this is 507 of EPWater customers), Field Dates were September 24-October 5, 2017 and Margin of Error was +4.4 at a 95% confidence level. Mr. Zanderoff went on to show a slide showing the overall satisfaction with El Paso Water as the City Water Utility, the options were very satisfied (36 %), somewhat satisfied (49%), neither satisfied nor dissatisfied (4%), somewhat dissatisfied (8%) and very dissatisfied (4%). They combined the satisfactory together and the unsatisfactory together for a total of 85% vs. 12%. The next slide shows Agree/Disagree with Various Statements Pertaining to El Paso Water. Using the same combination of satisfactory and unsatisfactory answers, the ratio was 70% to 23% to Our Drinking Water in El Paso is Safe and of Good Quality. El Paso Water Really Cares About its Customers 72% vs 17%, and the Cost of Water in El Paso is Reasonable, 57% vs 38%. Mr. Zanderoff suggested ways to lower the 38% for the cost of water is to educate the public on why we have rate increases and how they are applied. The next slide was Confident in El Paso Water's Ability to Provide Water for El Paso, yes came in at 89%, no came in at 7 % and don't know/won't say was 3%. Mr. Zanderoff went on to go over Evaluation of Various Services Offered by El Paso Water; Reliability and Availability of Water to Your Home, 91% vs. 2%, Reliable Drainage of Sewage/Wastewater from Your Home, 82% vs. 5% and lastly Promoting Water Conservation 67% vs. 9%. Moving on the next slide, Taste of the Drinking Water 53% vs. 14%, Planning for a Long-Term Water Supply for Our Future 52% vs. 9%, and Maintaining and Replacing Water and Sewer/Sewage Pipes 50% vs 14%. The next slide asked How Has El Paso's Stormwater Drainage and Flood Control System Changed Over the Last 10 Years, 43% says that it has improved, 41% stayed about the same, 8% declined and 8% don't know/won't say. They next asked Is Stormwater Fee Reasonable, 72% said yes, 23% said no, and 5% said don't know/won't say. Following slide showed Priority Level of Various Plans for the Future; replacing Water Pipes That are 50 Years Old or Older, 87% vs. 3%, Developing New Water Supply project to Provide Water Over the Next 50 Years 81% vs. 5%, Adding More Backup Power Sources to Ensure Reliability During A Freeze or Other Power Outage, 78% vs. 6%, Building New Flood Control Structures to Reduce Flooding, 76% vs. 7%, and lastly Reducing Odors at Wastewater Treatment 68% vs 10%. In closing, Mr. Zanderoff also touched base regarding Customer Service Representatives at our call center, 86% are happy with the customer service they receive and if their issues were resolved. Mr. Zanderoff addressed questions from the Board.

- US-Mexico Border Water Summit (March 1-2) - Ms. Lisa Rosendorf, Chief Communications & Gov't Affairs Officers, provided information regarding this report. Former President, Mr. Ed Archuleta approached EPWater with an idea of putting together a U.S-Mexico Border Water Summit. Two Nations One Water was created for March 1-2, 2018. Distinguished speakers include IBWC-US/Mexico, NADBank, State Water Commission-Baja, California-Mexico, U.S Bureau of Reclamation, Tucson Water, Ciudad Juarez Municipal Utility, and Texas Water Reuse to name a few. Event sponsors included The Borderplex Alliance, CDM Smith, Carollo, and Brown and Caldwell. An invitation was sent to all Board members and kick off starts on February 28, 2018 with a trip to the Alamogordo Desalination Plant, a research facility that is run by the U.S Bureau of Reclamation
- Northeast El Paso LOMR.-Mr. Alan Shubert, Vice President, provided information regarding this item. One of the stated goal when the Stormwater Focus Group was created in 2008 was to remove properties from the flood plain. The Northeast Channel 2 was done in 2010/2011 timeframe, Mr. Shubert showed a slide of what it looked like before and after. In 2014 a Letter of Map Revision (LOMR) was sent to FEMA, you model what improvements you made along with properties that are still in a flood zone. In December 2017, EPWater started with public outreach. In January 2018, FEMA approved the map revisions and it was effective June of 2018. The total construction investment was \$14.6million with NE Channel 2 Phase 1-coming in at \$10.7million and phase 2 at \$3.9 million. The benefit of this is that 5,000+ properties will be removed from a flood zone, of the properties, removed 747 had flood insurance, average premium per household \$895, and the sum of annual premiums was \$670,000+. Mr. Shubert then showed a slide of the FEMA Northeast Floodplain Map before and after what the floodplain will look like (copy on file in Central Records).

24. 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 Mr. Antcliff, seconded by Ms. Garcia, and unanimously carried, the Board retired into Executive Session at 9:58 a.m., February 14, 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

- Section 551.072 Deliberation regarding Real Property**
The Board will deliberate regarding potential land purchases for the Will Ruth Pond project.
- Section 551.071 Consultation with Attorney**
The Board will consult with its attorney regarding Community at Hueco Mountain Village Association, Inc., et al v. The City of El Paso Water Utilities District Public Service Board, Cause No. 2012DCV02834, 34th Judicial District Court, El Paso County, Texas.
- Section 551.072 Deliberation regarding Real Property**

The Board will receive an update regarding the following properties, which have been declared inexpedient to the water system:

1. Nellie D. Mundy Survey 246 (approximately 73.6664 acres);
2. S.J. Larkin Survey 267 (approximately 632.735 acres);
3. S.J. Larkin Survey 269, Abstract 10070, Tract 1-A (approximately 8.175 acres);
4. S.J. Larkin Survey 268, Abstract 10069, Tract 1-C (approximately 15.8712 acres);
5. S.J. Larkin Survey 268, Abstract 10069, Tract 1 (approximately 45.664 acres);
6. Portion of Nellie D. Mundy, Survey 246 (approximately 149.9192 acres);
7. Township 1, Block 82, Portion of Section 9 (approximately 72.4421 acres);
8. S.J. Larkin Survey 269, Abstract 10070, Tract 1 (approximately 7.3182 acres).

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board reconvened in open session at 11:13 a.m., February 14, 2018.

DELIBERATED REGARDING POTENTIAL LAND PURCHASES FOR THE WILL RUTH POND PROJECT.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried that the El Paso Water Utilities President and CEO be authorized to proceed with the acquisition of land in the manner approved by the Board in accordance with the terms and conditions specified by the Board and sign any and all documents necessary to complete the purchase..

DELIBERATED REGARDING COMMUNITY AT HUECO MOUNTAIN VILLAGE ASSOCIATION, INC., ET AL V. THE CITY OF EL PASO WATER UTILITIES DISTRICT PUBLIC SERVICE BOARD, CAUSE NO. 2012DCV02834, 34TH JUDICIAL DISTRICT COURT, EL PASO COUNTY, TEXAS.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried the El Paso Water Utilities-Public Service Board authorizes, and ratifies to the extent necessary, the Settlement In Principle Agreement in this matter and the Closing under the agreement, and further authorizes the President and CEO to execute any all document necessary to effectuate the final resolution of this matter.

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

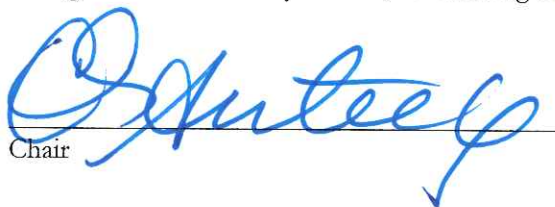
On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried that the El Paso Water Utilities-Public Service Board having previously declared these properties inexpedient to the water system, and that the President/CEO is now authorized to transfer one or more the parcels to the City of El Paso for economic development purposes in accordance with the terms specified by the Board, and to sign any and all documents necessary to complete the transfer of the land.

ADJOURNMENT

On a motion made by Mr. Roe, seconded by Dr. Santiago and unanimously carried, the meeting adjourned at 11:15 a.m., February 14, 2018.

ATTEST:


Secretary-Treasurer


Chair