

**MINUTES  
PUBLIC SERVICE BOARD  
CITY OF EL PASO  
January 10, 2018**

The regular meeting of the Public Service Board was held Wednesday, January 10, 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

**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  
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  
Melissa Bell, Lead Public Affairs Coordinator  
Ana Puchella, Budget & Management Analyst  
Lidia Carranco, Treasury & Property Control Manager  
Jeff Tepsick, Fiscal Operations Manager  
Joshua Moniz, Lead Public Information Coordinator  
Martin Noriega, Stormwater Operations Manager  
Mark Bolduc, Utility Business & Customer Service Manager  
Thomas Cieslik, Utility Engineer Associate  
Gisela Dagnino, Engineering Division Manager  
Enrique Ochoa, Engineering Division Manager  
Jeff Tepsick, Fiscal Operation Manager  
Martha Koester, Utility Public information Coordinator  
Armando Renteria, Chief Information Officer  
Robert Riley, Utility Construction Engineering Division Manager  
Ryan Stubbs, Utility Engineer Associate

Richard Wilcox, Utility Laboratory Service Manager

**GUESTS**

Evelyn Rios, Hazen & Sawyer  
Anthony Chacon, Hazen & Sawyer  
Marlene Strickler, GRP  
E. Craig Gibson, GRP  
Xavier Banales, Project Amistad  
Scottie Whittle, Project Amistad  
Andrea Ramirez, Project Amistad  
Patricia Chacon, Project Amistad  
Omar Veliz, Veliz Co.  
Gary Hoff, Citizen  
Pam Farrone, Citizen

**MEDIA**

KFOX  
KVIA  
KTSM  
Univision

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

**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 MEETING HELD ON DECEMBER 13, 2017.**

The Board approved the minutes of the regularly scheduled meeting held on December 13, 2017.

**APPROVE A SOLE SOURCE PURCHASE OF A WASTEWATER PUMP FOR THE GROUSE LIFT STATION FROM PIONEER EQUIPMENT INC., IN THE AMOUNT OF \$66,788, AND AUTHORIZE THE USE OF COMMERCIAL PAPER.**

The Board approved a sole source purchase of a Flowserve pump for the Grouse Lift Station from Pioneer Equipment Inc., in the amount of \$66,788 and authorized the use of commercial paper.

**REGULAR AGENDA**

**2017 SPIRIT OF THE YEAR AWARD PRESENTED BY THE EL PASO HISPANIC CHAMBER OF COMMERCE.**

Ms. Cindy Ramos Davidson, Director of El Paso Hispanic Chamber of Commerce presented the 2017 Spirit of the Year award to El Paso Water. Cindy began by introducing Omar Veliz, of Veliz Construction, who is the 2018 Chairman of the El Paso Hispanic Chamber of Commerce. In December 2017 during the general membership meeting, El Paso Water was presented the Supplier Diversity of the Year award. Additional comments were made by Mr. Veliz and Mr. Balliew.

**DISCUSSION AND ACTION ON AUTHORIZING THE PRESIDENT/CEO TO ENTER INTO AN AGREEMENT WITH PROJECT AMISTAD FOR THE FRAMEWORK DEVELOPMENT OF A POTENTIAL FUTURE EPWATER CUSTOMER ASSISTANCE PROGRAMS, TO PROVIDE MONEY MANAGEMENT PROGRAM SERVICES TO EXISTING EPWATER CUSTOMERS AND TO APPLY FOR AVAILABLE GRANTS WHICH COULD PROVIDE UTILITY PAYMENT ASSISTANCE FOR ELIGIBLE EPWATER CUSTOMERS.**

Mr. Balliew presented information to the Board regarding this item. EPWater desires to partner with the local non-profit agency Project Amistad, which provides a variety of social services and programs to low-income individuals throughout the County of El Paso, to benefit both current and future EPWater customers. The partnership with Project Amistad will explore and establish the framework, to include program eligibility criteria, for low-income, senior citizen and veterans customer assistance programs for the benefit of EPWater customers. Some parts of the customer assistance programs will be implemented subject to approval of legislation authorizing such programs, which will be presented in the next 2019 legislative session. In addition, the partnership would refer identified EPWater customers who are at risk of disconnection of service (or have been previously disconnected) to Project Amistad for money management counseling services. This is a service which Project Amistad already provides to the El Paso community. Finally, thru the partnership Project Amistad will explore and apply for various grant opportunities which would fund utility payment assistance for eligible EPWater customers and may serve as possible funding source for the contemplated EPWater customer assistance programs. Project Amistad has been providing various social services and programs to the El Paso Community since 1976. Additional comments were made from Andrea Ramirez with project Amistad. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Mr. Antcliff and unanimously carried, the Board discussed and took action on authorizing the President/CEO to enter into an agreement with Project Amistad for the framework development of potential future EPWater customer assistance programs, to provide money management program services to existing EPWater customers and to apply for available grants which could provide utility payment assistance for eligible EPWater customers.

**PUBLIC HEARING BY THE MUNICIPAL DRAINAGE UTILITY SYSTEM'S GOVERNING BOARD TO CONSIDER A STORMWATER RATE INCREASE. THE BOARD WILL RECEIVE PUBLIC COMMENT ON THE PROPOSED RATE INCREASE AND ANY RESULTING CHANGES TO THE STORMWATER FEES PRIOR TO THE ADOPTION OF ANY INCREASE OR FEE CHANGES.**

Ms. Lee Ann Koehler, General Counsel, said this is was public hearing to consider a stormwater rate increase and changes to the stormwater fees. She said a presentation would be made by staff. Following the presentation, the Board would allow public comment. After public comment, the Board would close the public hearing and move to the next agenda item for consideration and action. Mr. John Balliew, President/CEO, made a PowerPoint presentation to the Board (copy on file in Central Files). The Public Service Board budget hearings took place on November 6 and 13, 2017. Mr. Balliew began his presentation by providing a brief overview of FY 2017-18 Stormwater Accomplishment. El Paso Water was able to reduce flooding on I-10 with the Gateway East Pond and other ponds totaling 65 million gallon capacity created for flood control. In addition, we have cleared 25 miles in channels and levees, maintained 15 miles of drains, cleared conduits, inlets and 239 acres of dams. Next, Mr. Balliew went over the Stormwater budget for 2018-19. Total amount of budge is \$51.1 million, maintenance expense has increased by \$295,000, capital budget is \$34.1 million, incldes a \$9.2 million bond issue and the five-year plan presented last year included a 9% fee increase. A slide showing the break down of the expenditures was shown. Mr. Balliew went over the top project for Stormwater, which is the Will Ruth Pond. Mr. Balliew went on to discuss the FY 2018-19 current and proposed 2% fee increase. For a small residential home the increase will go up \$0.04, typical home will go up \$0.08 and a large home will go out \$0.17. For a non-residential property will go up \$0.09 for every 2,000 square feet. A slide was shown how El Paso compares to other Texas cities regarding Stormwater Fees. Mr. Balliew concluded his presentation asking the Board to adopt

the 2% fee increase, approve Stormwater budget for \$51.1 million, compete meetings with the Stormwater Focus group, and update the Stormwater Master Plan and present impact to the Financial Plan. Mr. Balliew addressed questions from the Board.

Mr. Gallardo opened the floor for comments from the public. The Board heard comments made by Mr. Gary Hoff, citizen. On a motion made by Mr. Roe, seconded by Mr. Antcliff, and unanimously carried, the Board closed the public hearing to receive public comment on the proposed rate increase and any resulting changes to the stormwater fees prior to the adoption of any increase or fee changes at 8:48 a.m., January 10, 2018

**CONSIDERED AND TOOK ACTION ON THE STORMWATER BUDGET TO INCLUDE, BUT NOT LIMITED TO, THE FOLLOWING ACTIONS:**

a. **ADOPTED A STORMWATER RATE INCREASE AND STORMWATER FEES.**

This item was heard in conjunction with Item 4.

On a motion made by Mr. Roe, seconded by Mayor Margo and unanimously carried, the Board adopted a 2% stormwater rate and fees increase.

b. **ADOPTED THE ANNUAL STORMWATER BUDGET IN THE AMOUNT OF \$51.099 MILLION FOR FISCAL YEAR 2018-2019.**

This item was heard in conjunction with Item 4.

On a motion made by Mr. Roe, seconded by Mayor Margo and unanimously carried, the Board adopted the annual stormwater budget in the amount of \$51.099 million for Fiscal Year 2018-2019.

c. **ADOPTED A RESOLUTION AMENDING PUBLIC SERVICE BOARD RULES AND REGULATIONS NO. 3, ESTABLISHING ADJUSTED RATES FOR THE FURNISHING OF STORMWATER SERVICE.**

This item was heard in conjunction with Item 4.

On a motion made by Mr. Roe, seconded by Mayor Margo and unanimously carried, the Board adopted a resolution amending Public Service Board Rules and Regulations Number 3, Establishing Adjusted Rates for the Furnishing of Stormwater Service. **(Resolution attached)**

**CONSIDERED AND TOOK ACTION ON THE WATER, WASTEWATER AND RECLAIMED WATER BUDGET, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING ACTIONS:**

a. **ADOPTED THE ANNUAL WATER, WASTEWATER AND RECLAIMED WATER BUDGET IN THE AMOUNT OF \$490.288 MILLION FOR FISCAL YEAR 2018-2019.**

On a motion made by Mr. Roe, seconded by Mayor Margo and unanimously carried, the Board adopted the annual Water, Wastewater and Reclaimed Water Budget in the amount of \$490.288 million for Fiscal Year 2018-2019.

b. **ADOPTED A RESOLUTION AMENDING PUBLIC SERVICE BOARD RULES AND REGULATIONS NO. 5, WATER SERVICE RATES.**

On a motion made by Mr. Roe, seconded by Mayor Margo and unanimously carried, the Board adopted a resolution amending Public Service Board Rules and Regulations No. 5, Water Service Rates. **(Resolution attached)**

c. **ADOPTION OF A RESOLUTION AMENDING PUBLIC SERVICE BOARD RULES AND**

**REGULATIONS NO. 6, SEWER SERVICE RATES.**

On a motion made by Mr. Roe, seconded by Mayor Margo and unanimously carried, the Board adopted a resolution amending Public Service Board Rules and Regulations No. 6, Sewer Service Rates. (Resolution attached)

**d. ADOPTION OF A RESOLUTION AMENDING PUBLIC SERVICE BOARD RULES AND REGULATIONS NO. 7, SEWER SERVICE RATES.**

On a motion made by Mr. Roe, seconded by Mayor Margo and unanimously carried, the Board adopted a resolution amending Public Service Board Rules and Regulations No. 7, Sewer Service Rates. (Resolution attached)

Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The total water, wastewater and reclaimed water budget is \$490 million. The \$105 million operating budget increased by \$8 million. The capital budget is \$279 million with new funding requests of \$115 million with a proposed rate increase of 8%. He then reviewed some of the challenges EPWater anticipates facing in the upcoming fiscal year. FY 2016-17 will focus on addressing securing our Future Water Supply; Advanced Purification, Importation, Desalination Expansion, and Aquifer Storage and Recovery. Mr. Balliew went over New Infrastructure Supporting Rehabilitation, Growth, and Resiliency with 13 million gallons of additional water storage in central, east and northeast El Paso. New water storage at Memphis, Ventanas, Americas #2, and Airport. Water Transmission remains at Edgemere, Montana East, Vista Del Sol and Resler (North of Transmountain). He added that 286,157 feet/53 miles of water and wastewater lines were installed.

New and continuing priorities for FY2018-19 are; Water Supply, Customer Service, Reliability Efficiency & Resilience, Infrastructure Rehabilitation, and City Growth Requirements. Mr. Balliew showed a graph with new water sources that need to be met with the demand of increasing population. The FY2018-19 operating budget is anticipated to increase to accommodate normal salary increases; additional increases in chemical and new water supply costs; adjustments to electricity expenses; increases in maintenance of services and maintenance of mains; and increases in expenses of technology. The total capital improvements program new funding request for FY 2017-18 is \$279 million. The total water wastewater/reclaimed CIP new funding request is \$115,259,000. During the November workshop, Mr. Balliew presented the Board with an eight percent rate increase, during the December 13, 2017 PSB meeting, the Board asked Mr. Balliew to see if cuts can be found to reduce the rate. The staff performed extensive analysis of Capital and Operating Budgets and recommended the adoption of an 8% rate increase. The five-year financial plan presented last year projected an eight percent rate increase for FY 2017-18. Mr. Balliew showed examples of residential and commercial bill impacts with an 8% rate increase and the increase in dollars. He went on to talk about average residential water/wastewater bill border cities survey and where El Paso falls. He also showed a slide to compare El Paso Water rates to income where El Paso remains comparatively low. Mr. Balliew went over the engineering service fee; EPWater will no longer provide design services for subdivisions. There will be an increase in fees for Frontage fees from 28% to 30%, water will go from \$17.84/LF to \$22.90/LF, and sewer will go from \$13.70/LF to \$17.83/LF. Sewer manhole connection fee will go from \$870 to \$1500, a 72% increase and lastly the promissory note set up fee will go from \$30 to \$60, a 100% increase. In summary, Mr. Balliew explained that 7% vs. an 8% increase would save our customers \$.50 monthly for residential customers and \$.75 for commercial. Mr. Balliew informed that Board that EPWater could work off the 7%, he did make the point that if EPWater was to have a main break or an expensive repair that was not budgeted for, the item would have to be presented to the Board so the funds could be taken out of the contingency account. Mr. Balliew addressed several questions from the Board. Mr. Gallardo also opened the floor for public comment. There were no additional comments from the public.

**AWARDED A PROFESSIONAL SERVICES CONTRACT FOR THE ENERGY MANAGEMENT MASTER PLAN TO HAZEN AND SAWYER, INC. IN THE AMOUNT OF \$131,711 FOR PRE-DESIGN AND DESIGN SERVICES, AND FURTHER AUTHORIZED FUTURE TASK ORDERS**

**OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT TO INCLUDE ADDITIONAL PRE-DESIGN AND DESIGN SERVICES FOCUSED ON WATER TREATMENT PLANTS, WELLS, AND LIFT/PUMPING STATIONS IN AN ESTIMATED AMOUNT OF \$2,268,229, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.**

Mr. Gilbert Trejo, Utility Chief Technical Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). EPWater intends to implement an Energy Management Master Plan for its Water, Wastewater, and Stormwater facilities. The goals of the Master Plan are: to provide EPWater with tools and information needed to effectively manage energy usage and establish the foundation for a long-term management program; maximize process control and minimize resource use; promote best practices including alternatives to business as usual and lowest life-cycle cost or lowest initial cost procurement practices; provide reliable and timely process performance metrics to benchmark and improve operating efficiency; and to quantify actual resource savings from each facility improvement. The Architectural/Engineering Selection Advisory Committee met on July 26, 2017, to review and recommend selection of the engineering firm for the above-referenced project in accordance with Texas Local Government Code Section 252.022.(a).(4). The committee consisted of Bradley Roe, Ivonne Santiago, R. Alan Shubert, Fernando Rico, and Gilbert Trejo. Proposals were scored in the areas of technical competence, project approach, team organization and availability, project management, and quality control. Hazen and Sawyer 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 Hazen and Sawyer 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 services for wastewater treatment plants. Task orders for pre-design services for water treatment, wells, and pumping stations will be negotiated and issued prior to proceeding to the next phase. The negotiated engineering services fee is in line with the level of effort required to complete the task and include coordination, office engineering, and field engineering services. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board Awarded a professional services contract for the Energy Management Master Plan, in accordance with Texas Local Government Code Section 252.022.(a).(4), to Hazen and Sawyer, Inc. in the amount of \$131,771 for pre-design services focusing on a metering plan for wastewater treatment plants and further authorized future task orders to be issued under this contract to include additional pre-design services focused at water treatment plants, wells, and lift/pumping stations in an estimated amount of \$2,268,229; provided that funding is available in the approved budget for the task orders.

**APPROVED A PROFESSIONAL SERVICES CONTRACT FOR THE HASKELL R. STREET WASTEWATER TREATMENT PLANT SITE SUBSIDENCE TO AIA ENGINEERING, LTD IN THE AMOUNT OF \$132,179.55 FOR DESIGN AND BID PHASE SERVICES; FURTHER AUTHORIZED FUTURE TASK ORDERS AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT TO INCLUDE CONSTRUCTION MANAGEMENT SERVICES IN THE ESTIMATED AMOUNT OF \$200,000, 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, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Haskell R. Street Wastewater Treatment Plant located at 4100 Delta Street has been in existence since 1923 and much of the plant is built on what was the City of El Paso Municipal landfill. Extensive subsidence around the sludge storage silo has caused heaving and instability. The Architectural/Engineering Selection Advisory Committee met on October 11, 2017, to review and recommend selection of the engineering firm for the above-referenced project in accordance with Texas Local Government Code Section 252.022.(a).(4). 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. AIA Engineers was selected as the most qualified firm that best meets the needs of the Utility for these important services and demonstrated excellent abilities in all the evaluated categories. Staff worked with AIA Engineers 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. A task order for construction management services will be negotiated prior to 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 Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board approved a professional services contract for the Haskell R. Street Wastewater Treatment Plant Site Subsidence to AIA Engineering, LTD in the amount of \$132,179.55 for design and bid phase services; further authorized future task orders or amendments to be issued under this contract to include construction management services in the estimated amount of \$200,000, provided that funding is available in the approved budget for the task orders or amendments; and authorized the use of commercial paper.

**APPROVED TASK ORDER NUMBER 2 TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO PARKHILL, SMITH AND COOPER, INC. FOR THE CONSTRUCTION PHASE SERVICES ASSOCIATED WITH THE HASKELL R. STREET WASTEWATER TREATMENT PLANT DIGESTER NO. 1 COVER AND MIXER REPLACEMENT IN THE AMOUNT OF \$362,780; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL CONSTRUCTION PHASE AND DESIGN SERVICES IN AN ESTIMATED AMOUNT OF \$50,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS; AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). In September 2016, the Public Service Board awarded Bid 64-17, Haskell R. Street WWTP Digesters 1, 2, 3 & 4 Digester Heating System Upgrades and Digester No. 1 Cover and Mixer Replacement, and this task order is for the construction phase services associated with the Cover and Mixer Replacement portion of this project. Parkhill, Smith, and Cooper (PSC), through Task Order Number 1, was tasked to complete the design of the Haskell R. Street WWTP Digester No. 1 Cover and Mixer. Because of the upcoming construction activities for this project, staff worked with PSC to develop the scope of services for Task Order Number 2 of this project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant. The negotiated fees are in line with the level of effort required to complete the tasks and consistent with similar work completed recently.

On a motion made by Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board approved Task Order Number 2 to the professional services contract awarded to Parkhill, Smith and Cooper, Inc. for the construction phase services associated with the Haskell R. Street Wastewater Treatment Plant Digester No. 1 Cover and Mixer Replacement in the amount of \$362,780; authorized future task orders or amendments to be issued under this contract for additional construction phase and design services in an estimated amount of \$50,000, provided that funding is available in the approved budget for the task orders or amendments; and authorized the use of commercial paper.

**APPROVED TASK ORDER NUMBER 2 TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO H2O TERRA LLC, FOR THE CONSTRUCTION ADMINISTRATION SERVICES FOR THE HASKELL R. STREET WASTEWATER TREATMENT PLANT DIGESTERS 1, 2, 3 & 4 DIGESTER HEATING SYSTEM UPGRADES IN THE AMOUNT OF**

**\$158,381; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL CONSTRUCTION PHASE AND DESIGN SERVICES IN AN ESTIMATED AMOUNT OF \$50,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS; AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). In September 2017, the Public Service Board awarded Bid 64-17, Haskell R. Street WWTP Digesters 1, 2, 3 & 4 Digester Heating System Upgrades and Digester No. 1 Cover and Mixer Replacement to H2O Terra. This task order is for the construction administration services associated with the Digesters 1, 2, 3 & 4 Digester Heating System Upgrades portion of this project. H2O Terra, via Task Order Number 1, was tasked to complete the design of the Haskell R. Street WWTP Digesters 1, 2, 3 & 4 Digester Heating System Upgrades. Because of the upcoming construction activities for this project, staff worked with H2O Terra to develop the scope of services for Task Order Number 2 of this project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant. The negotiated fees are in line with the level of effort required to complete the tasks and consistent with similar work completed recently.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board approved Task Order Number 2 to the professional services contract awarded to H2O Terra LLC, for the construction administration services for the Haskell R. Street Wastewater Treatment Plant Digesters 1, 2, 3 & 4 Digester Heating System Upgrades in the amount of \$158,381; authorized future task orders or amendments to be issued under this contract for additional construction phase and design services in an estimated amount of \$50,000, provided that funding is available in the approved budget for the task orders or amendments; and authorized the use of commercial paper.

**APPROVED CHANGE ORDER NUMBER 1 – HASKELL R. STREET WASTEWATER TREATMENT PLANT PRIMARY CLARIFIER NO. 1 & 4 REHABILITATION TO RMCI, INC. OF TEXAS IN THE AMOUNT OF \$500,489.54.**

Mr. Alan Shubert, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Haskell Street Wastewater Treatment Plant has four primary clarifiers that required replacement of the clarifier mechanisms, rehabilitation of corroded concrete, and replacement of the odor control systems. Clarifier 3 was completed in 2016, and Bid No. 68-16 is ongoing, with work being done on Clarifiers 1 and 4. The contractor has completed work on Clarifier 1, and it is now operational. Clarifier 4 will be operational in April 2018. A reduction in the contractor's original scope of work due to equipment being prepurchased by EPWater instead of the contractor, has resulted in available contract capacity. A third bid package was budgeted to complete the work on Clarifier 2 in a future fiscal year. This change order will now add the rehabilitation of Clarifier 2 to this contract therefore eliminating the need for an additional bid package in the future. The amount of this change order is for 22.2% of the original contract price. The proposals provided by the contractor were evaluated for scope, accuracy of quantities, and cost by both staff and Parkhill, Smith, and Cooper, the consulting firm providing construction management services, and were negotiated to come to an agreeable cost. Mr. Shubert 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 Change Order Number 1 – Haskell R. Street Wastewater Treatment Plant Primary Clarifier No. 1 & 4 Rehabilitation to RMCI, Inc. of Texas in the amount of \$500,489.54.

**CONSIDERED AND AWARDED BID NUMBER SW48-17, THOMAS MANOR PARK POND & PUMP STATION IMPROVEMENTS, TO THE HIGHEST RANKED OFFEROR, RMCI, INCORPORATED OF TEXAS, IN THE NEGOTIATED AMOUNT OF \$5,646,165 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). Thomas Manor Park is located in the Mission Valley and includes an existing stormwater detention pond and



pump station. The pond and pump station have been found to be in a deteriorated condition. This project is designed to rebuild the pump station, relocate existing water and sewer lines and restructure the ponding area to utilize the space as a park pond. On May 10, 2017, the PSB adopted a Resolution that adopted alternative project delivery methods for construction projects and approved a Competitive Sealed Proposal (CSP) Policy. In Accordance with this policy, on November 2, 2017, EPWater received five Competitive Sealed Proposals for the referenced project. The offerors were ZITEX Construction, CSA Constructors, Smithco Construction, RMCI, Incorporated of Texas, and Jordan Foster Construction. The Architectural/Engineering Selection Advisory Committee met on November 27, 2017 to review and recommend selection of the Contractor. The committee consisted of Gisela Dagnino, Abel Garcia, Kristina D. Mena, Marcela Navarrete, Bradley Roe, Ivonne Santiago, R. Alan Shubert, Ryan Stubbs and Gilbert Trejo. Proposals were scored in the areas of Financial Capacity, Past Experience with Public Entities, Past Experience with Stormwater Pump Stations & Force Mains, Past Experience with Earthwork and/or Park Ponds, Project Team and Schedule, and Cost. RMCI is the highest ranked offeror.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board considered and awarded Bid Number SW48-17, Thomas Manor Park Pond & Pump Station Improvements, to the highest ranked offeror, RMCI, Incorporated of Texas, in the negotiated amount of \$5,646,165 and authorized the use of commercial paper.

**APPROVED TASK ORDER NUMBER 2 TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO CEA GROUP FOR CONSTRUCTION PHASE SERVICES FOR THE THOMAS MANOR PARK POND & PUMP STATION IMPROVEMENTS IN THE AMOUNT OF \$636,789.02 AND AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL CONSTRUCTION PHASE SERVICES AND DESIGN PHASE SERVICES IN AN ESTIMATED AMOUNT OF \$64,000 PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Thomas Manor Park is located in the Mission Valley, and includes an existing stormwater detention pond and pump station. The pond and pump station have been found to be in a deteriorated condition. This project is designed to rebuild the pump station and restructure the ponding area to utilize the space as a park pond. In June 2014, CEA Group was selected by the Architectural/Engineering Selection Committee to design improvements to the Thomas Manor stormwater facilities. Staff worked with CEA Group to develop the scope of services for construction phase services. A fee proposal was submitted, reviewed, and negotiated with the consultant. The negotiated fees are in line with the level of effort required to complete the tasks and consistent with similar work completed recently.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board approved Task Order Number 2 to the professional services contract awarded to CEA Group for construction phase services for the Thomas Manor Park Pond & Pump Station Improvements in the amount of \$636,789.02 and authorized future task orders or amendments to be issued under this contract for additional construction phase services and design phase services in an estimated amount of \$64,000 provided that funding is available in the approved budget for the task orders or amendments.

**CONSIDERED BID NUMBER 94-17, NORTH 2 TO FRANKLIN EAST 1A AND 1B 36-INCH/24-INCH WATER LINES PHASE II; DECLARED MORROW ENTERPRISES, INC. BID AS NOT-RESPONSIBLE; AND AWARDED TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER CMD ENDEAVORS, INC. IN THE AMOUNT OF \$2,083,000.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The North 2 tank to Franklin East 1A and 1B tank water line is intended to extend the water services to northeast El Paso. These 36-inch and 24-inch water lines will convey water to the Franklin East 1A and 1B tanks. EPWater received five bids for this project on December 14, 2017. The bidders were: Morrow Enterprises, CMD

Endeavors, Smithco Construction, Danny Sander Construction, and Spiess Construction. The bids ranged from \$1,958,091.00 to \$2,161,170.00 above the Engineer's Estimate of \$2,046,791.25. The project consulting engineer, CDM Smith, evaluated the qualifications of the apparent low bidder and has determined that Morrow Enterprises does not meet the minimum project specific criteria as specified on the bid documents. CDM Smith evaluated the qualifications of the second lowest bidder, CMD Endeavors, and has determined that CMD Endeavors does meet the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. Staff has reviewed the Engineer's Evaluation Matrix and recommends award of Bid Number 94-17, North 2 to Franklin East 1A and 1B 36-Inch/24-Inch Water Lines Phase II, to CMD Endeavors as the lowest, responsive, responsible bidder in the amount of \$2,083,000.

On a motion made by Ms. Garcia, seconded by Mayor Margo and unanimously carried, the Board considered Bid Number 94-17, North 2 to Franklin East 1A and 1B 36-Inch/24-Inch Water Lines Phase II; declared Morrow Enterprises, Inc. bid as not-responsible; and awarded to the lowest responsive, responsible bidder CMD Endeavors, Inc. in the amount of \$2,083,000.

**AWARDED BID NUMBER 97-17, UPPER VALLEY OUTFALL 24-INCH SEWER LINE REPLACEMENT, PHASE 1 TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER DANNY SANDER CONSTRUCTION, INC., IN THE AMOUNT OF \$1,048,000 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The existing Upper Valley Outfall sewer line parallels the Rio Grande River. Portions of the line are located within the International Boundary and Water Commission's (IBWC) right-of-way. IBWC is currently working on projects to improve the American Canal and is requiring that the Utility relocate portions of the line that are currently within the proposed improvement areas. EPWater received two bids for the referenced project on December 7, 2017. The bidders were Danny Sander Construction and Meridian Contracting dba Meridian Bridge Company. The bids ranged from \$1,048,000 to \$2,976,149 above the Engineer's Estimate of \$354,956. The consulting engineer evaluated the qualification information submitted by the apparent low bidder and determined that based on the information submitted they met all of the minimum general requirements and all of the minimum project specific criteria as specified in the bid documents. EPWater staff reviewed the Engineer's Evaluation Matrix and recommends award of Bid Number 97-17, Upper Valley Outfall 24-Inch Sewer Line Replacement, Phase 1, to the lowest responsive, responsible bidder Danny Sander Construction, in the amount of \$1,048,000.

On a motion made by Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 97-17, Upper Valley Outfall 24-Inch Sewer Line Replacement, Phase 1 to the lowest responsive, responsible bidder Danny Sander Construction, Inc., in the amount of \$1,048,000 and authorized the use of commercial paper.

**APPROVED AN EMERGENCY PURCHASE ORDER TO DANNY SANDER CONSTRUCTION INC., FOR AN EMERGENCY REPLACEMENT OF AN 18-INCH WASTEWATER MAIN IN THE AMOUNT OF \$134,800.**

Mr. Shubert presented information to the board regarding this item. On Monday October 16, 2017, an 18-inch wastewater main collapsed in the area of the John T. Hickerson Water Reclamation Facility. Evaluation of this piping system identified 120 linear feet in need of replacement due to corrosion. The collapsed main was 20-feet deep and carries a hydraulic load of 4 MGD under peak circumstances. Danny Sander Construction was selected to carry out the emergency replacement because the contractor was available to respond to emergency failure, they have the experienced personnel, available equipment, and historically they have performed quality work that complies with the Utility's construction requirements. The replacement of the wastewater main was completed pursuant to the provisions of Texas Local Government Code Section 252.022 as an exemption to the bidding statute due to unforeseen damage to public machinery, equipment, or other property, and as necessary to preserve public health and safety.

On a motion made by Mayor Margo, seconded by Mr. Antcliff and unanimously carried, the Board approved an emergency purchase order to Danny Sander Construction Inc., for an emergency replacement of an 18-inch wastewater main in the amount of \$134,800.

**AWARDED RFP 91-17 PROFESSIONAL LABORATORY SERVICES TO PACE ANALYTICAL SERVICES, LLC., IN THE ESTIMATED ANNUAL AMOUNT OF \$225,000 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

Rose Guevara, Senior Purchasing Agent, presented information to the Board regarding this item. The technical services to be provided by this RFP are for analysis of parameters needed to meet the regulatory requirements of the Safe Drinking Water Act, Clean Water Act, Resource Conservation and Recovery Act, Clean Air Act, etc. The contract laboratory is utilized as support for analyses that the International Water Quality Laboratory (IWQL) is not currently accredited for and does not perform (e.g. Radiochemical analyses, WET testing, RECRA, TCLP etc.) One proposal was received. A committee evaluated the proposal and the score was tabulated based on criteria set within the proposal. Based on the results of the scoring, staff recommends awarding the contract for Professional Laboratory Services to Pace Analytical Services, LLC. Ms. Guevara addressed questions from the Board regarding this item.

On a motion made by Ms. Antcliff, seconded by Dr. Mena and unanimously carried, the Board awarded RFP 91-17 Professional Laboratory Services to Pace Analytical Services, LLC., in the estimated annual amount of \$225,000 with the option for two, one-year extensions.

**CONSIDERED BID NUMBER 92-17 EMERGENCY SHUTOFF ACTUATORS & CONTROLLER SYSTEM FOR CHLORINE 150 LBS. CYLINDERS AND AUTOMATIC SWITCHOVER SYSTEMS; DECLARED CLOWE & COWAN OF EL PASO LLC., AS NON-RESPONSIVE; AND AWARDED TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER PUREOPS, LLC., IN THE ESTIMATED AMOUNT OF \$203,285.35 WITH THE OPTION FOR A ONE YEAR EXTENSION.**

Ms. Guevara, presented information to the Board regarding this item. There are approximately 30 wells and booster sites throughout the city where 150-pound chlorine cylinders are used for disinfection. The function of the actuators is to shut down the chlorine cylinder during a leak. Three bids were received ranging from \$72,325 to \$232,125. Staff evaluated the bid submitted by the apparent low bidder and determined that their bid did not meet the specifications as described within the bid proposal. Therefore staff recommends deeming Clowe & Clowan of El Paso LLC., as non-responsive. Staff evaluated the second low bidder and determined that they meet all the requirements as described within the bid proposal; therefore staff recommends award to the lowest responsive, responsible bidder PureOps, LLC. Ms. Guevara addressed questions from the Board regarding this item.

On a motion made by Mayor Margo, seconded by Ms. Garcia and unanimously carried, the Board considered Bid Number 92-17 Emergency Shutoff Actuators & Controller System for Chlorine 150 lbs. Cylinders and Automatic Switchover Systems; declared Clowe & Cowan of El Paso LLC., as non-responsive; and awarded to the lowest responsive, responsible bidder PureOps, LLC., in the estimated amount of \$203,285.35 with the option for a one year extension.

**AWARDED BID NUMBER 99-17 CARTRIDGE FILTERS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER AMERICAN MELT BLOWN & FILTRATION, INC., IN THE ESTIMATED ANNUAL AMOUNT OF \$144,000 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

Ms. Guevara, presented information to the Board regarding this item. The Kay Bailey Hutchison Desalination Plant uses cartridge filters as secondary protection to filter and remove solids, dirt and other debris from raw brackish water prior to entering the reverse osmosis units for processing. The previous bid was awarded on 4/13/16. Five bids were received on December 8, 2017, and the bids ranged from \$144,000 to \$196,000. Staff

evaluated the bids and determined that the low bidder met all the specifications as required in the bid proposal. Therefore, staff recommends award to the lowest responsive, responsible bidder American Melt Blown and Filtration, Inc.

On a motion made by Mayor Margo, seconded by Mr. Antcliff and unanimously carried, the Board awarded Bid Number 99-17 Cartridge Filters, to the lowest responsive, responsible bidder American Melt Blown & Filtration, Inc., in the estimated annual amount of \$144,000 with the option for two, one-year extensions.

**AWARDED BID NUMBER 101-17 SALES OF SURPLUS BRASS, COPPER, STEEL AND MISCELLANEOUS ASSORTED SCRAP, TO THE HIGHEST RESPONSIVE, RESPONSIBLE BIDDER BORDER TRADING INC. WITH ESTIMATED ANNUAL PROCEEDS OF \$180,796.76 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

Ms. Guevara, presented information to the Board regarding this item. This bid is for the sale of surplus metal scrap including brass from used water meters, copper wire and miscellaneous steel items. The previous bid for the sale of surplus metal scrap was awarded on 7/08/2015. Changes in line item quantities were included in the new bid, as well as the creation of additional line items. Five bids were received, ranging from \$119,965.05 to \$180,796.76. Staff evaluated the bids and determined that border trading inc. offered the best overall markup price; therefore, staff recommends award to border trading inc.

On a motion made by Mayor Margo, seconded by Mr. Antcliff and unanimously carried, the Board awarded Bid Number 101-17 Sales of Surplus Brass, Copper, Steel and Miscellaneous Assorted Scrap, to the highest responsive, responsible bidder Border Trading Inc. with estimated annual proceeds of \$180,796.76 with the option for two, one-year extensions.

**AWARDED BID NUMBER 102-17 LIQUID FERROUS CHLORIDE AND EQUIPMENT LEASE, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER PENCCO, INCORPORATED, IN THE ESTIMATED ANNUAL AMOUNT OF \$1,363,960 FOR A TERM OF TWO YEARS WITH THE OPTION FOR THREE, ONE-YEAR EXTENSIONS.**

Ms. Guevara, presented information to the board regarding this item. Liquid ferrous chloride is used in both water and wastewater treatment processes as a coagulant, in the conditioning of digester gas, and for odor control. The contract includes the lease of equipment for injection of chemical in the wastewater collection system to eliminate odors at the Haskell R. Street Wastewater Treatment Plant. Currently there are two injection sites upstream of the Haskell Plant. There are provisions in the contract to include additional injection sites through the leasing of other equipment for the future as those additional sites are identified. The previous bid for the chemical was awarded on 10/08/14, and the addition of equipment rental was included in the new bid. Two bids were received. Staff evaluated the bids and determined that the low bidder met all the requirements as described within the bid proposal, therefore, staff recommends award to the lowest responsive, responsible bidder Pencco, Inc.

On a motion made by Mayor Margo, seconded by Mr. Roe and unanimously carried, the Board awarded Bid Number 102-17 Liquid Ferrous Chloride and Equipment Lease, to the lowest responsive, responsible bidder Pencco, Incorporated, in the estimated annual amount of \$1,363,960 for a term of two years with the option for three, one-year extensions.

**CONSIDERED AND AWARDED BID NUMBER 95-17, CLEANING OF COMMON IRRIGATION DITCHES TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER ABESCAPE LANDSCAPING, LLC, IN THE ESTIMATED ANNUAL AMOUNT OF \$198,320 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

Ms. Guevara, presented information to the board regarding this item. A total of 128 common irrigation ditches throughout the city of El Paso require twice-a-month maintenance from February through October with a total area of 5,643,760 square feet. Maintenance includes but is not limited to the removal of trees, vegetation, and

debris. The previous bid was awarded on 3/08/2017 and increases in line item quantities were included in the new bid. Five bids were received. The bids ranged from \$198,320 to \$5,717,384 (accounting error). Staff evaluated the bids and recommends award to the lowest responsive, responsible bidder Abescape Landscaping LLC.

On a motion made by Mayor Margo, seconded by Mr. Roe and unanimously carried, the Board considered and awarded Bid Number 95-17, Cleaning of Common Irrigation Ditches to the lowest responsive, responsible bidder Abescape Landscaping, LLC, in the estimated annual amount of \$198,320 with the option for two, one-year extensions.

**APPROVED THE PURCHASE OF TEN PALFINGER 16-FOOT CRANES THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE TASB CONTRACT NUMBER 516-16 FROM HEIL OF TEXAS, IN THE AMOUNT OF \$113,831.**

Ms. Guevara, presented information to the board regarding this item. The truck service cranes are an essential piece of equipment which is used to lift, assist and position different types of materials for the Utility maintenance mechanics. Due to the high usage in day to day operations and age of these cranes, they need replacement. The replacement service cranes have a 16-foot reach capability to lift 4,000 pounds vertically. The new service cranes will have additional safety features. Staff solicited a quote from Heil of Texas utilizing the Texas Local Government Purchasing Cooperative TASB Contract 516-16. Staff evaluated the quote and determined that it met all the requirements for this procurement. Therefore staff recommends purchasing ten Palfinger 16-foot cranes from Heil of Texas utilizing TASB Contract 516-16.

On a motion made by Mayor Margo, seconded by Ms. Garcia and unanimously carried, the Board approved the purchase of ten Palfinger 16-foot cranes through the Texas Local Government Purchasing Cooperative TASB Contract Number 516-16 from Heil of Texas, in the amount of \$113,831.

**CONSIDERED AND APPROVED THE PURCHASE OF THE NICE UPTIVITY WFO SYSTEM QUOTED BY VOICE PRODUCTS, INC. WITH BUY BOARD PRICING THROUGH TEXAS DIR CONTRACT NO. DIR-TSO-3873 IN THE AMOUNT OF \$115,362.00.**

Mr. Armando Renteria, Chief Information Officer, presented information to the Board regarding this item. The use of workforce optimization software is part of the Customer Service strategic plan to enhance the customer experience through improved call center performance reporting and training of the call center staff. The workforce optimization system includes the following features, call recording and desktop screen recording that can be utilized for training as well as for tracking customer calls and transactions, an analytics function that searches for key words and phrases on each call to provide feedback to each agent on how well they conducted the call, and real-time performance management updates for use in identifying areas for improvement. Upon completion of a product review, a quotation for the NICE Uptivity WFO (Workforce Optimization) system was requested and received from Voice Products, Inc. with buy board pricing through Texas Department of Information Resources (DIR) Contract Number DIR-TSO-3873.

On a motion made by Mayor Margo, seconded by Ms. Garcia and unanimously carried, the Board approved the purchase of the NICE Uptivity WFO system from Voice Products, Inc. with buy board pricing through Texas DIR Contract Number DIR-TSO-3873 in the amount of \$115,362.

**CONSIDERED AND APPROVED A CONTRACT WITH SPECTRUM FOR INCREASED BROADBAND CAPACITY WITH BUY BOARD PRICING THROUGH TEXAS DIR CONTRACT NUMBER DIR-TEX-AN-NG-CTSA-008 FOR AN AGREEMENT TERM OF SIXTY MONTHS THROUGH DECEMBER 2022 AT \$19,248 PER MONTH FOR AN ESTIMATED ANNUAL AMOUNT OF \$230,976.**

Mr. Renteria presented the Board with information regarding this item. The existing Spectrum contract for internet, fiber network, and network bandwidth services supporting eleven EPWater facilities will expire May

2018. Spectrum has provided a revised contract proposal offering increased bandwidth capacity at a reduced rate. A five-year contract proposal with revised pricing for increased broadband capacity was received from Spectrum with buy board pricing through Texas Department of Information Resources (DIR) Contract Number DIR-TEX-AN-NG-CTSA-008. Mr. Renteria addressed questions from the Board regarding this item.

On a motion made by Mayor Margo, seconded by Mr. Roe and unanimously carried, the Board considered and approved a contract with Spectrum for increased broadband capacity with buy board pricing through Texas DIR Contract Number DIR-TEX-AN-NG-CTSA-008 for an agreement term of sixty months through December 2022 at \$19,248 per month for an estimated annual amount of \$230,976.

**CONSIDERED AND TOOK ACTION ON THE PUBLIC SERVICE BOARD'S SEMI ANNUAL REPORT (JULY 2017 THROUGH DECEMBER 2017) ON THE ACTIVITIES OF THE LAND MANAGEMENT PROGRAM AND THE ANNUAL LAND INVENTORY REPORT IDENTIFYING THE LAND WHICH MAY BE CONSIDERED FOR SALE, AS REQUIRED BY THE CITY COUNCIL/PSB JOINT RESOLUTION OF MARCH 2010 AND AMENDED SEPTEMBER 2012.**

Cynthia Osborn, Real Estate Manager and Counsel, presented the Board with information regarding this item. Consider and take action on the Public Service Board's Semi Annual Report (July 2017 through December 2017) on the activities of the Land Management Program and the Annual Land Inventory Report identifying the land which may be considered for sale, as required by the City Council/PSB Joint Resolution of March 2010 and as amended September 2012. The Joint Resolution between the El Paso City Council and the El Paso Water Utilities/Public Service Board adopted on March 31, 2010, and amended on September 26, 2012, requires the Public Service Board submit to the City Council of El Paso, both a Semi Annual Report on the activities of the Land Management Program summarizing the land activities that are the subject of the Joint Resolution as well as an Annual Land Inventory Report identifying the land under its management and control which may be considered for sale.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board considered and took action on the Public Service Board's Semi Annual Report (July 2017 through December 2017) on the activities of the Land Management Program and the Annual Land Inventory Report identifying the land which may be considered for sale, as required by the City Council/PSB Joint Resolution of March 2010 and amended September 2012.

**CONSIDER AND AWARD A PROFESSIONAL SERVICE CONTRACT FOR AUDITING SERVICES TO GRP GIBSON RUDDOCK PATTERSON, LLC, FOR A PERIOD OF THREE YEARS WITH AN OPTION TO RENEW FOR TWO ADDITIONAL YEARS.**

Mr. Arturo Duran, Chief Financial Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in central files). EPWater's current contract for auditing services expires this fiscal year. A request for proposals was issued for an experienced and qualified firm to provide auditing services to the Utility and assist with the comprehensive annual financial report. Three proposals were received from GRP, Gibson Ruddock Patterson, LLC, BKD, LLP, and Mauldin & Jenkins, LLC. An Audit Services Evaluation Committee (Committee) consisting of Marcela Navarrete, CPA, VP of Financial and Management Services, Arturo Duran, CFO, and Jeff Tepsick, Fiscal Operations Manager evaluated the proposals based on the following criteria: Qualifications of Staff, Price, Project Approach, and Organization, Size and Structure of the Firm. The Committee unanimously rated GRP as the best-qualified firm to perform the Utility's audit services

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board considered and awarded a professional services contract for auditing services to GRP, Gibson Ruddock Patterson, LLC, for a period of three years with an option to renew for two additional years.

**CONSIDERED AND APPROVED THE EL PASO WATER UTILITIES/PUBLIC SERVICE BOARD'S 3RD QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING NOVEMBER 30, 2017.**

Mr. Jeff Tepsick, Fiscal Operations Manager, made a PowerPoint presentation to the Board regarding the 3rd Quarter Financial and Performance Measures Report for period ending November 30, 2017 (copy on file in Central Files). The Public Service Board requires regular financial reporting from the President/CEO and staff on the financial condition of the EPWater. Water and Wastewater operating revenues were \$187 million, which is \$17 million more than FY16-17, this included farming revenues from Dell City. Operating expenses were \$66 million, which is \$5 million more mainly due to personnel expenses. EPWater has spent \$82 million thru November 30, which is a decrease from last year, due to land purchases that have been postponed for next fiscal year. It is projected that we will spend \$142 million by the end of the fiscal year. El Paso Water met all of its water and wastewater operating, capital and debt service obligations this year. Afterwards, Mr. Tepsick discussed the stormwater utility and said the total operating revenues is \$17 million, which is \$2.6 million more than last year. Stormwater operating expenditures were \$400,000 more than last year, the increase is due to increase of maintenance cost for dams, basins, channels. Year to date we have spent \$20.6 million in capital expenditures, with \$5 million going towards the Will Ruth land acquisition and \$3 million on the Gateway East, phase II. Mr. Tepsick said El Paso Water is on target to meet all stormwater operating, capital and debt service requirements this year.

On a motion made by Mr. Roe, seconded by Ms. Garcia, unanimously carried, the Board reviewed, and accepted the El Paso Water 3rd Quarter Financial and Performance Measures Report for period ending November 30, 2017.

**CONSIDERED AND APPROVED THE AUDIT, FINANCE AND INVESTMENT COMMITTEE'S 3RD QUARTER INVESTMENT REPORT FOR PERIOD ENDING NOVEMBER 30, 2017.**

Ms. Lidia Carranco, Utility Treasury & Property Control Manager, made a PowerPoint presentation to the Board regarding the Audit, Finance and Investment Committee's 3rd quarter Investment Report for period ending November 30, 2017 (copy on file in central files). Ms. Carranco showed a slide with yield comparison with interest rates continuing to rise which is an advantage for EPWater. The portfolio value as of November 30, 2017 had an investment value of \$298 million dollars, WAM was at 25 days and the portfolio weighted yield was 1.20%. Ms. Carranco went on to discuss that the Utility purchased 39 securities in the amount \$92.2 million during the 3<sup>rd</sup> quarter. Interest earned thru November 30, 2017 was \$1.7 million.

On a motion made by Ms. Garcia, seconded by Mr. Roc and unanimously carried, the Board considered and approved the Audit, Finance and Investment Committee's 3rd Quarter Investment Report for period ending November 30, 2017.

**CONSIDERED AND APPROVED A RESOLUTION AUTHORIZING THE PRESIDENT/CEO'S SUBMISSION OF AN AGRICULTURAL WATER CONSERVATION GRANT APPLICATION TO THE TEXAS WATER DEVELOPMENT DEPARTMENT IN THE AMOUNT OF \$150,000.**

Mr. Balliew presented the Board with information regarding this item. The proposed project entails installing 150 acres of drip irrigation on farm land owned by EPWater in Hudspeth County to demonstrate water savings and improved crop productivity relative to customary flood and center pivot irrigation methods. The land is currently flood irrigated and has a history of producing alfalfa, red chilies and oats. A complete drip irrigation system will be purchased, designed and installed to meet crop specifications for 150 acres of chili. A filtration system and sub-surface drip tape will be installed to decrease water use in the production of red chilies. Water, energy and other inputs will be monitored and recorded throughout the growing season, and compared to conventional irrigation systems on adjacent fields with similar growing conditions. Two field days will be scheduled to educate local farmers on the process and results of drip irrigation. **(RESOLUTION)**

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board authorized the President/CEO to submit a grant application to the Texas Water Development Board for an agricultural water conservation grant in the amount of \$150,000.

**MANAGEMENT REPORT:**

- Customer Service Improvements-Ms. Marcela Navarrete, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in central files). Call volume has increased significantly over the years, some of the challenges the Utility faces is being under-staffed, technology limitations, and facility constraints. Examples of staffing improvements has been to expand customer service hours in 2016, peak hours are 9am-4pm, and after hours 5pm-9pm. All 27 CSR positions are filled, and in FY 18-19 budget includes six part time employees. In 2017, the IVR was introduced and provided key benefits and tools such as initial payment option offered, call back options for our customers. For our CSR's, smartboard visuals to see customers on hold, and wait times. Coming soon; more IVR self-help features and after call surveys for feedback. 4Q data shows positive results, calls received in 2016 and 2017 remained the same, answered calls increased in 2017 and abandoned calls decreased in 2017, in addition we have been able reduce wait times from 10 minutes in 2016 to three minutes in 2017. More improvements are to come, ReadyOne employees will implemented and hardware and software testing in February, dedicated secure network as part of the EPWater system, training of staff to start in February and a projected go live for May 2018. In addition new website launch with training and testing done beforehand. We are also looking at quality assurance training, and we are in design for a new facility at Pan American, this will include 40 seat call center with modern equipment, industry best practices for workstations and enhanced training center. Mr. Balliew made additional comments regarding this item. Ms. Navarrete addressed questions from the Board.
- "Working for You" video-Ms. Lisa Rosendorf, Chief Government Affairs and Communications Officer presented a video to the Board, (copy on file in central files). Along with the customer service improvements, a customer service campaign is being prepared. The campaign is to make our customers aware of what we are doing to better serve them and show them what it is to be an EPWater employee. Ms. Rosendorf explained that this ongoing series with various positions to be spotlighted. Ms. Rosendorf addressed questions from the Board.

**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 9:41 a.m., January 10, 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 551.074-Personnel Matter**  
Annual Performance Review of the President/CEO.

On a motion made by Mr. Roe, seconded by Mr. Antcliff and unanimously carried, the Board reconvened in open session at 11:35 a.m., January 10, 2018.


**ANNUAL PERFORMANCE REVIEW OF THE PRESIDENT/CEO**

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board determined that the President/CEO performed above average and exceeded the Board's expectations; therefore, the Board authorized a salary increase in the amount 5.5%, effective immediately.

**ADJOURNMENT**

On a motion made by Mr. Antcliff, seconded by Mayor Margo and unanimously carried, the meeting adjourned at 11:36 a.m., January 10, 2018.

ATTEST:

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

Chair

  
\_\_\_\_\_