

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
January 13, 2021

The regular meeting of the Public Service Board was held via video conference, Wednesday, January 13, 2021.

PSB MEMBERS PRESENT

Dr. Kristina D. Mena, Chair
Terri Garcia, Secretary-Treasurer
Mayor Oscar Leeser, Ex-Officio Member
Christopher A. Antcliff, Member
Henry Gallardo, Member
Bryan Morris, Member

PSB MEMBERS ABSENT

Dr. Ivonne Santiago, Vice-Chair

PSB EMPLOYEES PRESENT

John E. Balliew, P.E., President and Chief Executive Officer
Daniel Ortiz, General Counsel

EPWATER EMPLOYEES PRESENT

Alan Shubert, Vice President
Marcela Navarrete, Vice President
Art Duran, Chief Financial Officer
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Alfredo Solano, Chief Information Officer
Zulema Jamis, Interim Executive Assistant
Gilbert Trejo, Chief Technical Officer
Israel Chavez, Senior Network Administrator
Diana Velazquez, Utility Purchasing & Contract Manager
Edgar Campos, Utility Information Systems Manager
Alma De Anda, Utility Land & Water Rights Manager
Martin Noriega, Utility Chief Operations Officer
Felipe Lopez, Utility Chief Operations Officer
Sol Cortez, Assistant General Counsel
Michaela Grambling, Assistant General Counsel
Michelle Valdez, Purchasing Agent
Richard Wilcox, Water Supply Manager
Rocio Alvarado, Senior Land & Contract Administrator
Adriana Castillo, Engineering Division Manager
Mark Bolduc, Utility Business & Customer Service Manager
Ana Sanchez, Utility Human Resources Manager
Jeff Tepsick, Utility Assistant Chief Financial Officer
Ivan Ibarra, Fleet & Building Maintenance Superintendent
Rose Guevara, Senior Purchasing Agent
Eric Mendoza, PC/LAN Specialist II

GUESTS

Laura Prine, City of El Paso City Clerks

MEDIA

None

The Public Service Board meeting was called to order by Dr. Mena at 9:30 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Mr. Morris, in reciting the Pledge of Allegiance.

REGULAR AGENDA

1. ADMINISTERED THE OATH TO MAYOR OSCAR LEESER, NEW BOARD MEMBER

Ms. Laura Prine, City Clerk, administered the oath of office to new PSB member, Mayor Oscar Leeser, who was elected to office on December 12, 2020 and sworn in as mayor on January 5, 2021.

CONSENT AGENDA

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

2. CONSIDERED AND APPROVED THE MINUTES OF THE BUDGET REVIEW SPECIAL MEETING HELD ON NOVEMBER 30, 2020 AND THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON DECEMBER 9, 2020.

The Board approved the minutes of the budget review special meeting held on November 30, 2020, and the minutes of the regularly scheduled meeting held on December 9, 2020.

3. CONSIDERED AND APPROVED A CONSENT TO ASSIGNMENT OF SUPPLEMENTAL MASTER SERVICE AGREEMENT FOR PAYMENT SERVICES THROUGH ESC REGION 19-ALLIED SERVICES COOPERATIVE CONTRACT NUMBER 20-7369, FROM PAYMENTUS GROUP, INC. (ASSIGNOR) TO PAYMENTUS CORPORATION (ASSIGNEE).

The Board approved a consent to assignment of supplemental master service agreement for payment services through ESC Region 19-Allied Services cooperative contract number 20-7369, from Paymentus Group, Inc. (assignor) to Paymentus Corporation (assignee).

REGULAR AGENDA

4. PRESENTATION TO HENRY GALLARDO IN RECOGNITION OF HIS LEADERSHIP, DEDICATION, AND SERVICE TO THE COMMUNITY DURING HIS TENURE ON THE PUBLIC SERVICE BOARD.

Mr. John Balliew, President and CEO provided a presentation to the Board regarding this item (copy on file in Central Files). Mr. Balliew presented a plaque to Mr. Henry Gallardo for his hard work and dedication over the eight years on the Public Service Board, including serving as Chair during his tenure.

Mr. Gallardo spoke about his appreciation for serving on the Board and reflected on the meaningful work that is done through the PSB. Dr. Mena, Mayor Leeser, Chris Antcliff, Terri Garcia and Bryan Morris also spoke in recognition and appreciation for Mr. Gallardo's service and expertise and friendship on the Board.

5. CONDUCT A PUBLIC HEARING BY THE MUNICIPAL DRAINAGE UTILITY SYSTEM'S GOVERNING BOARD TO CONSIDER A STORMWATER FEE INCREASE FOR FISCAL YEAR 2021-2022.

Ms. Zulema Jamis, Interim Executive Assistant read into record items 5 and 6 respectively. Dr. Mena addressed the Board that a motion is needed to open the Public Hearing regarding this item (copy on file in Central Files).

On a motion made by Mr. Antcliff seconded by Mr. Morris, and unanimously carried, the Board conducted a public hearing by the Municipal Drainage Utility Systems Governing Board to consider a Stormwater fee increase for fiscal year 2021-2022.

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

a. ADOPTION OF THE ANNUAL STORMWATER BUDGET IN THE AMOUNT OF \$48.676 MILLION FOR FISCAL YEAR 2021-2022.

Mr. John Balliew, President and CEO provided a presentation to the Board regarding this item (copy on file in Central Files). Mr. Balliew began with a summary of the Stormwater Budget. FY20-21 total budget amount was \$43.9m with \$7.6m going to Operating, \$26m for Capital, and \$10.3m for Debt Service. For FY2021-22, total budget has increased to \$48.7m, with \$7.8m towards Operating, \$30.3m for Capital, and \$10.6m for Debt Service. Mr. Balliew went on to discuss the Stormwater Operating Budget, for FY2020-21 the total amount was \$7.6m, with \$1.5m going towards Indirect Cost Allocation, \$1.3m for Personnel Services, \$3.5m for Maintenance, and \$1.3m for Miscellaneous. Compared to the FY2021-22 for a total budget amount of \$7.8m, with \$1.7m for Indirect Cost Allocation, \$1.4m for Personnel Services, \$3.6m for Maintenance, and \$1.1m for Miscellaneous. Mr. Balliew discussed Stormwater Projects, which include Sam Snead conduits from Lee Trevino to Pico Norte Pond, San Lorenzo improvements and Doniphan/Frontera inlet rehabilitation. Mr. Balliew then discussed projects to be completed in FY2021-22; Sam Snead (from Pico Norte Pond to Lee Trevino Dr.) with a total cost of \$6.5m, Fort Bliss Diversion Access Boxes at a total cost of \$5.6m, Doniphan and Frontera Inlet Rehabilitation at a total cost of \$4.1m, Corrugated Metal Pipe Replacements at a total cost of \$2.6m and other projects at a total cost of \$15.3m. Some of the stormwater projects that are set to bid in FY2021-22 are the Eads Place – Bywood to Pebble Hills at an estimated cost of \$4.8m, Coors Channel Improvements at an estimated cost of \$2.9m, Fort Bliss Diversion Access Boxes at an estimated cost of \$2.6m, Monsoonal Emerging Projects at an estimated cost of \$1.9m, Carolina CMP Replacement at an estimated cost of \$1.5m, Channel Joint Sealing at an estimated cost of \$1.0m and other projects at an estimated cost of \$8m. Mr. Balliew addressed questions from the Board regarding this item.

b. ADOPTION OF A RESOLUTION AMENDING PUBLIC SERVICE BOARD RULES AND REGULATIONS NO. 3, RATES FOR STORMWATER SERVICE, TO AMEND THE FEES

Mr. Balliew provided a presentation to the Board regarding this item (copy on file in Central Files). Mr. Balliew showed the Board a chart comparing El Paso to other Texas cities for stormwater fees, which includes the current fee for El Paso of \$4.25 and a proposed fee for El Paso of \$4.51. Both fees would have El Paso ranked fourth (from least costly fee to most costly fee.) Mr. Balliew showed the Board a chart with the proposed bill impact. For Residential, the current rate is \$4.25 and the proposed rate is \$4.51, which is a difference of \$0.26 for a total annual stormwater bill of \$54.12. For Commercial up to 11,123 sq. ft., the current rate is \$24.14 and the proposed rate of \$25.58, which is a difference of \$1.44 for a total annual stormwater bill of \$306.96. For Commercial up to 176,068 sq. ft., the current rate is \$382.07 and the proposed rate is \$404.96, which is a difference of \$22.89 for a total annual stormwater bill of \$4,859.52. Mr. Balliew also discussed the budget summary. There is a total Stormwater budget of \$48.7m. The Operating and Maintenance budget has been increased by \$180,000 and the Capital budget is \$30m, with a new funding request of \$35.1m. The Board recommends a \$0.26 monthly fee increase next fiscal year. Mr. Balliew addressed questions from the Board regarding this item.

Ms. Jamis addressed the Board that there was nobody from the public signed up or on the phone to speak on these items.

On a motion made by Mr. Morris seconded by Mr. Gallardo, and unanimously carried, the Board made a motion to close the public hearing for the Municipal Drainage Utility Systems Governing Board to consider a Stormwater fee increase for fiscal year 2021-2022.

On a motion made by Mr. Antcliff, seconded by Mr. Gallardo and unanimously carried, the Board considered and took action on the Annual Stormwater Budget in the amount of \$48.676 million for Fiscal Year 2021-2022.:

On a motion made by Mr. Antcliff, seconded by Mr. Gallardo and opposed by Mayor Leeser, the Board considered and took action on the adoption of a Resolution amending Public Service Board Rules and Regulations No. 3, Rates for Stormwater Service, to amend the fees.

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

- a. Adoption of the Annual Water, Wastewater and Reclaimed Water Budget in the amount of \$459.592m for Fiscal Year 2021-2022.
- b. Adoption of a Resolution amending Public Service Board Rules and Regulations No. 1 Furnishing and Control of Water and/or Sewer Service Within the Corporate Limits of the City of El Paso, to revise frontage charges
- c. Adoption of a Resolution amending Public Service Board Rules and Regulations No. 5, Rates for Water Service, to amend the Rates
- d. Adoption of a Resolution amending Public Service Board Rules and Regulations No. 6, Rates for Sewer service, to amend the Rates
- e. Adoption of a Resolution amending Public Service Board Rules and Regulations No. 7, Various Deposits and Charges, to revise or remove: frontage charges; public fire hydrants; fire hydrant meters; line extension charges; promissory notes; refunds; fees associated with cross-connection; backflow prevention; premises with private wells; and customer account fee
- f. Adoption a Resolution amending Public Service Board Rules and Regulations No. 11, Furnishing and Control of Water and/or Sewer Service Outside the Corporate Limits of the City of El Paso, to amend the language concerning availability of funds

Mr. Balliew provided a presentation to the Board regarding this item (copy on file in Central Files). Mr. Balliew began his presentation by a summary to the Water & Wastewater. Total water, wastewater and reclaimed water budget is \$459.6 million, capital budget is \$242 million with a new funding request of \$165.9 million. The debt service expense increased by \$1.4 million over previous year due to additional Commercial paper debt and offset by restructuring and 2020 refunding savings, and the \$116.2 million operating budget increased by \$4.4 million over previous year. The reason for the increase is due to personnel going up 2%, materials & supplies going down by 21%, maintenance going up by 9%, and utilities increasing by 21%. Mr. Balliew then went on to show the areas that was spent beginning with FY2020-21, total amount was \$448.9 million, of that \$111.8 million was on operating, \$237.6 million went towards capital, \$72.2 million towards debt service and \$27.3 million for other. As far as the budget for FY2021-22, total amount budgeted is \$459.6 million, of that, \$116.2 million is for operating, \$242 million towards capital, \$73.6 million for debt service and \$27.8 million for other. Mr. Balliew presented on the specifics of Other Miscellaneous Expenses, which total \$27.8 million. \$24.23 million of the total budget is for payments to the City, \$2.91 million goes to operating contingencies and \$0.65 million goes to farm lease expenses. Mr. Balliew went over the Water and Wastewater Operating Budget. For FY2020-21, the total budget was \$111.8 million. \$44.9 million was for personnel service, \$16.8 million was for materials and supplies, \$18 million for maintenance, \$14.6 million for utilities and \$17.5 million for miscellaneous. The projected FY2021-22 budget is \$116.2 million. Of the total budget, \$45.6 million for personnel service, \$13.2 million for materials and supplies, \$19.7 million for maintenance, \$17.6 million for utilities and \$20.1 million for miscellaneous. Mr. Balliew informed the Board of water projects that are currently underway, which include Source Water Augmentation Parallel Pipeline, Sunset Heights Water and Wastewater Line Rehabilitation, North Two Pump Station and New Well Equipping.

Mr. Balliew informed the Board of water projects that are to be completed in FY2021-22. The Source Water Augmentation – Parallel Pipeline at a total cost of \$7.5 million, Pellicano Drive at \$7.3 million, Sunset Tank Rehabilitation at \$7.1 million, New Well Equipping at \$5.5 million, North Two Pump Station at \$5.4 million, Canal Water Treatment Plant Chemical Handling Improvements at \$4.7 million, Northwest Water Distribution Mains- High Plains at \$4.5 million, On-Call Waterline Construction Phase 1 at \$3.8 million and Vinton Water Tank at \$3.5 million, Montana East Water Extension at \$3.2 million, Franklin East 1 Transmission Line at \$1.9 million, Dyer/Railroad Water Transmission Main Phase 1 at \$1.7 million, Dell City Farming Operations Improvements at \$1.5 million, Sunset Heights Waterline Replacement at \$1.1 million, Montwood Waterline

Extension at \$1 million and other projects at \$24.8 million,

He went to on discuss Water Projects to bid in FY2021-22, which include- Riverside International Industrial Center Improvements at \$16.5 million, Enhanced Arroyo Phase 1 at \$13.9 million, Northeast Franklin Water Main Extension Phase 2 at \$6.6 million, Airport Well Field Electrical Improvements Corridor C at \$3.9 million, Redd Road Reservoir Rehabilitation at \$3.8 million, Polyorthophosphate Treatment Units at \$3.3 million, Jonathan Rogers Water Treatment Plant SCADA Upgrades at \$3.2 million, On-Call Waterline Construction Services at \$2.8 million, Leak Detection Logger Rehabilitation at \$1.8 million, Plant Equipment Maintenance Shop at \$1.8 million, Sean Haggerty Water Main Extension Phase 1 at \$1.5 million, Granular Activated Carbon at \$1.5 million, Canal Water Treatment Plan Flocculator Replacement at \$1.3 million, Well Upgrades at \$1.1 million, Radio Frequency Meter Upgrades at \$1 million and other projects at \$11.6 million.

Mr. Balliew discussed and showed photographs of the Montoya Lift Station Rehabilitation project, the Navarrette Lift Station project and the Frontera Force Main Rehabilitation project.

Mr. Balliew went on to discuss the Wastewater Projects to be completed in FY2021-22, which are the Frontera Force Main Rehabilitation at \$18.5 million, Montana Vista Wastewater Collection System Phase 1 at \$13.3 million, Northeast Dyer/Railroad Interceptors at \$3.5 million, Grouse Street Force Main at \$2.4 million, Loop 375 Montana to Spur 601 at \$2.1 million, Montoya II, Carolina, Navarrette Lift Stations at \$2 million, Air Relief Valve Rehabilitation Phase 1 at \$2 million, On-Call Sanitary Sewer Construction Phase 1 at \$1.9 million, Plant Power Upgrades and Rehabilitation at \$1.8 million, Sunset Heights Sewer Main at \$1.7 million, Zaragosa Sewer Line at \$1.6 million, Bird Avenue Sanitary Sewer Line Replacement at \$1.5 million, Fred Hervey Water Reclamation Plant Virgin Carbon Feed Upgrade at \$1.5 million, Haskell Wastewater Treatment Plant Secondary Clarifiers Junction Box Gate Replacement at \$1.2 million, Northwest Development Extension at \$1.1 million, and other projects totaling \$8.8 million.

Mr. Balliew discussed Wastewater Projects to bid in FY2021-22, which include Roberto Bustamante Wastewater Treatment Plant Grit System Upgrades at \$15 million, Northeast Dyer/Railroad Lift Station at \$6.6 million, Northeast Interceptor System at \$3.6 million, Hickerson Reclamation Plant UV System Upgrade at \$3.3 million, Doniphan Collector to Canutillo Bosque Lift Station at \$3.2 million, Sunland Lift Station Rehabilitation at \$3.1 million, On-Call Sanitary Sewer Construction at \$2.8 million, Upper Valley Outfall Relocation Phase 2 at \$2.2 million, Luckett Court Wastewater Line Upgrade at \$1.9 million, Zaragosa Sanitary Sewer Line at \$1.7 million, Fred Hervey Water Reclamation Plant Blowers are \$1.6 million, Bird Avenue Sanitary Sewer Line Replacement at \$1.5 million, Sean Haggerty Phase 1 at \$1.5 million, Sunland Lift Station Generator Replacement at \$1.1 million, Northwest Development Extension at \$1.1 million and other projects at \$16.4 million.

Mr. Balliew discussed the rates summary for FY2021-22 Water and Wastewater. The staff recommends a 2% increase to water and wastewater rates, which is less than last year's 5% projected in the Five-Year Financial Plan. The rate increase was reduced as a result of the PSB guidance to limit impact to customers during the pandemic along with staff efforts to prioritize necessary expenditures and cut the planned budget to minimize the increase. The proposed FY 2021-22 rate changes are as follows- Minimum Water Charge is currently at \$7.82 with a proposed rate of \$7.98, which has a difference of \$0.16. The Water Supply Replacement Charge (4 ccfs or more) is currently at the rate of \$11.59 with a proposed rate of \$11.82, which is a difference of \$0.23. The Minimum Wastewater Charge is currently at \$17.17 and has a proposed rate of \$17.52, which is a difference of \$0.34. The volume rate for Residential Water Volume Charge for Block 1 is currently at \$2.35 with a proposed rate change of \$2.40, which is a difference of \$0.05. Block 2 has a current rate of \$5.58 with a proposed change to \$5.69, which is a difference of \$0.11. Block 3 has a current rate of \$7.97 with a proposed change of \$8.13, which is a difference of \$0.16. The Wastewater Volume Charge (\$ per CCF) has a current rate of \$2.16 with a proposed rate of \$2.20, which is a difference of \$0.04. Mr. Balliew discussed the Residential and Commercial Proposed Bill Impact $\frac{3}{4}$ " Meter. The Monthly Water and Wastewater Bill for Residential (10 ccfs) has a current rate of \$55 with a proposed rate of \$56.11, which is a difference of \$1.11 and an annual amount of \$673 and Commercial (14 ccfs) has a current rate of \$88.92 with a proposed rate of \$90.71, which is a difference of \$1.79 and an annual amount of \$1,089. Mr. Balliew showed a graph to compare the Total Proposed Residential Bill

for the current fiscal year of 2020-21 and the proposed amount for FY21-22. The current rate is at \$33.51 for Water, \$21.49 for Wastewater and \$4.25 for Stormwater for a total of \$59.25. The proposed YF21-22 rates are \$34.20 for Water, \$21.91 for Wastewater and \$4.51 for Stormwater. Mr. Balliew showed a graph with the total Residential Bill Including the City's Charges. For the current FY20-21, the amount for Solid Waste is \$52.55 and \$59.25 for the Water Bill for a total of \$111.80. The proposed amounts for FY21-22 are \$52.55 for Solid Waste and \$60.62 for Water Bill for a total of \$113.17. In a graph depicting the Average Residential Water/Wastewater Bills from the ten largest cities survey 2020 in Texas, El Paso's current combination rates of Water and Wastewater are shown to be the least costly of the ten cities at the current rate of \$55.00. Laredo is showing as the second with a total rate of \$55.46 and Corpus Christi is shown as the costliest of the cities with a total rate of \$107.54 and Austin is shown as the second costliest at a total rate of \$97.14. With the proposed change for FY21-22, El Paso would be the second least costly, behind Laredo, by \$0.65.

For FY2021-22, the Proposed Changes for the Rules and Regulations are for No. 1: Water and/or Sewer Services, No. 3: Rate of Stormwater Service, No. 5: Water Service Rates, No. 6: Sewer Service Rates, No. 7: Deposits and Charges, and No. 11: Water and/or Sewer Service Outside the Corporate Limits. Mr. Balliew went on to discuss the City Franchise Fee Increase. On September 1, 2014, City Council established a franchise fee to be paid by EPWater in the amount of \$3.55M. The fee was adjusted by City Council to \$6.55M effective March 1, 2020. The franchise fee is charged based on meter size to all customers inside the city. Monthly customer fee increase are as follows: for a 3/4" residential meter the fee increased by \$0.09 to \$1.33, for a 3/4" commercial meter the fee increased \$0.11 to \$1.69, and for a 6" standby fire line the fee increased by \$3.09 to \$47.25. Mr. Balliew addressed questions from the board regarding this item.

On a motion made by Mr. Gallardo, seconded by Ms. Garcia and opposed by Mayor Leeser, the Board considered and took action on the Water, Wastewater and Reclaimed Water Budget to include but not limited to the following actions:

- a. Adoption of the Annual Water, Wastewater and Reclaimed Water Budget in the amount of \$448.938 million for Fiscal Year 2020-2021.
- b. Adoption of a Resolution amending Public Service Board Rules and Regulations No.1 Furnishing and Control of Water and/or Sewer Service Within the Corporate Limits of the City of El Paso, to amend the language concerning water meter location.
- c. Adoption of a Resolution amending Public Service Board Rules and Regulations No. 5, Rates for Water Service, to amend the Rates.
- d. Adoption of a Resolution amending Public Service Board Rules and Regulations No. 6, Rates for Sewer service, to amend the Rates.
- e. Adoption of a Resolution amending Public Service Board Rules and Regulations No. 7, Various Deposits and Charges, to amend definitions, charges for meters, yard meters, remote frequency meters, fire lines and standpipe services, fire hydrant meter water loss, and other miscellaneous changes.
- f. Adoption a Resolution amending Public Service Board Rules and Regulations No. 11, Furnishing and Control of Water and/or Sewer Service Outside the Corporate Limits of the City of El Paso, to amend the language concerning water meter location.

8. CONSIDERED AND AWARDED BID NUMBER 67-20 EPWATER TRANSPORTATION OF GASOLINE AND DIESEL FUEL, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER C & R DISTRIBUTING, LLC., FOR THE OFFERED TOTAL AVERAGE ESTIMATED DISCOUNT OF -\$3,838.89, FOR AN ESTIMATED ANNUAL AMOUNT OF \$800,000 FOR A ONE-YEAR TERM, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Diana Velazquez, Utility Purchasing & Contract Manager, provided a presentation to the Board regarding this item (copy on file in Central Files) gasoline and diesel fuel are major components for the efficient and economical supply chain to fleet transportation mobility and continuous operation supporting all service activities for EPWater. Previous Bid Awarded on November 8, 2017, was a total discount average of -\$4,202.08. This new bid is -\$363.19 less than the previous bid.

On a motion made by Mr. Antcliff seconded by Mr. Morris, and unanimously carried, the board awarded Bid Number 67-20 EPWater Transportation of Gasoline and Diesel Fuel, to the lowest responsive, responsible bidder C & R Distributing, LLC., for the offered total average estimated discount of -\$3,838.89, for an estimated annual amount of \$800,000 for a one-year term, with the option for two, one-year extensions.

9. CONSIDERED AND APPROVED AWARDING BID NUMBER 74-20, CARTRIDGE FILTERS, TO AMERICAN MELT BLOWN & FILTRATION, INC. IN THE ESTIMATED ANNUAL AMOUNT OF \$300,315.20 FOR A ONE-YEAR TERM WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Velazquez, provided a presentation to the Board regarding this item (copy on file in Central Files) Cartridge filters are used to remove solids, dirt and other debris from the raw water supply prior to treatment and/or entering the distribution system. Water Production uses the 1 and 5 Micron cartridge filters at each well site to filter the water prior to entering the distribution system. The Kay Bailey Hutchison Desalination Plant utilizes the 10 and 15 Micron Filters to pretreat the supply water prior to entering the reverse osmosis (RO) units for treatment. These filters are a critical part of plant operations as they provide extra protection to the membrane elements in the RO units. The previous bid was awarded on January 10, 2018, and three additional line items were added to the current bid. Ms. Velazquez addressed questions from the Board regarding this item.

On a motion made by Mr. Morris seconded by Mr. Antcliff, and unanimously carried, the board approved Bid Number 74-20, Cartridge Filters, to American Melt Blown & Filtration, Inc. in the estimated annual amount of \$300,315.20 for a one-year term with the option for two, one-year extensions.

10. CONSIDERED AND AWARDED THE SOLE SOURCE PURCHASE FOR TRIPLEX LINERS FOR SANITARY SEWER MANHOLES, WITH INFRASTRUCTURE REHABILITATION USA, INC., IN THE ESTIMATED AMOUNT OF \$357,627 AND AUTHORIZE THE USE OF COMMERCIAL PAPER.

Mr. Felipe Lopez, Utility Chief Operations Officer provided a presentation to the Board regarding this item (copy on file in Central Files) Hydrogen sulfide, excess stormwater, and traffic can deteriorate sanitary sewer manholes, sometimes causing manholes to collapse. A program was created to identify and prioritize for the rehabilitation or replacement of manholes. Mr. Lopez addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia seconded by Mr. Morris, and unanimously carried, the board awarded the sole source purchase for Triplex Liners for sanitary sewer manholes, with Infrastructure Rehabilitation USA, Inc., in the estimated amount of \$357,627 and authorize the use of commercial paper.

11. CONSIDERED AND AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL LANDSCAPE ARCHITECTURE SERVICES TO GREENWAY STUDIO LLC. AND SITES SOUTHWEST LLC., EACH CONTRACT IN THE MAXIMUM AMOUNT OF \$300,000, FOR A TWO-YEAR TERM AND AUTHORIZE THE USE OF COMMERCIAL PAPER.

Mr. Gilbert Trejo, Chief Technical Officer provided a presentation to the Board regarding this item (copy on file in Central Files) EPWater intends to use On-Call Landscape Architects to implement functional, safety, aesthetic, maintenance, and conservation goals via all phases of design and construction administration or management at numerous Utility properties. The firms may be used for singular tasks at existing sites or paired with design teams on new projects. This selection will also be used to assist EPWater in developing a plan and establishing best practices and standards for sustainable, low-maintenance landscapes throughout the EPWater portfolio. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo seconded by Mr. Antcliff, and unanimously carried, the board awarded professional services contracts for On-Call Landscape Architecture Services to Greenway Studio LLC. and Sites Southwest LLC., each contract in the maximum amount of \$300,000, for a two-year term and authorize the use of commercial paper.

12. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE HASKELL R. STREET WASTEWATER TREATMENT PLANT GRIT

SYSTEM IMPROVEMENTS TO GARVER, LLC. FOR PRELIMINARY ENGINEERING SERVICES IN THE AMOUNT OF \$249,347; AUTHORIZE FUTURE TASK ORDERS TO BE ISSUED UNDER THIS CONTRACT FOR PRELIMINARY DESIGN SERVICES IN AN ESTIMATED AMOUNT OF \$200,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET AND AUTHORIZE THE USE OF COMMERCIAL PAPER.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files) The Haskell R. Street Wastewater Treatment Plant is the oldest wastewater facility in El Paso - built in 1923 and has undergone several expansions and modifications. Major modifications to the existing aerated grit system were completed in 1995, and a series of odor control improvements began in 2015. The existing grit system has been difficult to maintain and operate for the last five years and is currently not in use. A 60-inch bypass is currently under construction to bypass the grit removal system along with preparation for future grit system connection. The grit system needs to be rehabilitated or replaced to provide grit removal for the entire facility. A structural assessment of the grit facility is currently underway. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Mr. Morris seconded by Mr. Antcliff, and unanimously carried, the board awarded a professional Engineering Services Contract for the Haskell R. Street Wastewater Treatment Plant Grit System Improvements to Garver, LLC. for preliminary engineering services in the amount of \$249,347; authorize future task orders to be issued under this contract for preliminary design services in an estimated amount of \$200,000, provided that funding is available in the approved budget and authorize the use of commercial paper.

13. CONSIDERED AND APPROVED CHANGE ORDER NUMBER 4 – BID NUMBER 30-19, CANUTILLO BOSQUE LIFT STATION AND FORCE MAIN RE-BID TO SMITHCO CONSTRUCTION, INC., INCREASING THE CONTRACT AMOUNT BY \$113,059.61; EXTENDING THE CONTRACT DURATION BY 68 DAYS; AND AUTHORIZE THE USE OF COMMERCIAL PAPER.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files) The Canutillo Bosque Lift Station and Force Main (Re-Bid) project is adding a lift station and force main that will be completed and soon serve properties in the Canutillo and Vinton areas of west El Paso County. The notice to proceed for this project was issued to Smithco Construction, Inc. on August 23, 2019. This change order covers the following changes in the work: Increased asphalt thickness along Los Mochis Road, additional cost = \$111,231.79 and additional time = 7 days; Increased foundation for the installation of a jib crane, additional cost = \$1,827.82 and additional time = 1 day; Time delay for having El Paso Electric install the electric meter needed to start-up the lift station, 60 days. This change order brings the total increase in the contract price (all change orders to date) of 5.36% or \$234,118.77. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia seconded by Mr. Morris, and unanimously carried, the board approved Change Order Number 4 – Bid Number 30-19, Canutillo Bosque Lift Station and Force Main Re-Bid to Smithco Construction, Inc., increasing the contract amount by \$113,059.61; extending the contract duration by 68 days; and authorize the use of commercial paper.

14. CONSIDERED AND AWARDED BID NUMBER 27-20, MONTANA EAST 24-INCH WATER MAIN EXTENSION IMPROVEMENTS (EAST TO WEST BRANCH – PHASE I) AND EDGEMERE WATER LINE EXTENSION PHASE II (GREG STREET), TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SPIESS CONSTRUCTION, CO., INC., IN THE AMOUNT OF \$2,867,290 AND AUTHORIZE THE USE OF COMMERCIAL PAPER.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files) EPWater has provided water to the East Montana area via a 24-inch diameter transmission main that extends along Montana Avenue and supplies two elevated storage tanks. This existing main continues to be the main water supply source to the area and any downtime of the main greatly impacts EPWater's ability to provide continuous water service. Several projects have been recently completed aimed at providing service redundancy and reliability to the area. As the area continues to experience growth, this project will provide a second water feed to the service

area allow us to provide service, more reliably, to the area. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Mr. Morris seconded by Ms. Garcia, and unanimously carried, the board awarded Bid Number 27-20, Montana East 24-Inch Water Main Extension Improvements (East to West Branch – Phase I) and Edgemere Water Line Extension Phase II (Greg Street), to the lowest responsive, responsible bidder, Spiess Construction, Co., Inc., in the amount of \$2,867,290 and authorize the use of commercial paper.

15. CONSIDERED AND AWARDED BID NUMBER 59-20, ON-CALL MANHOLE REHABILITATION FOR WASTEWATER FACILITIES CONSTRUCTION CONTRACT TO CUBIC WATER, LLC, THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, IN THE ESTIMATED AMOUNT OF \$841,000 FOR A ONE-YEAR TERM WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS, AND THAT SKYRIDGE CONSTRUCTION BE DEEMED NON-RESPONSIBLE.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files) Manholes in our collection system continuously deteriorate over time. The corrosive environment inside our manholes causes the concrete to spall and corrode steel reinforcement that eventually will result in manhole failure. This unit price contract will be used on a task order basis to implement the annual manhole rehabilitation program in our collection system.

On a motion made by Ms. Garcia seconded by Mr. Antcliff, and unanimously carried, the board awarded Bid Number 59-20, On-Call Manhole Rehabilitation for Wastewater Facilities Construction Contract to Cubic Water, LLC, the lowest responsive, responsible bidder, in the estimated amount of \$841,000 for a one-year term with the option for two, one-year extensions, and that Skyridge Construction be deemed non-responsible.

16. CONSIDERED AND AUTHORIZED THE PRESIDENT/CEO TO ENTER INTO THE FOLLOWING CONTRACTS RELATED TO THE REPAIRS TO THE FILTER BACKWASH PIPE AND ROAD AT CANAL WATER TREATMENT PLANT: 1) A PROFESSIONAL ENGINEERING SERVICES AGREEMENT WITH THE MOST QUALIFIED FIRM PURSUANT TO THE REQUIREMENTS OF CHAPTER 2254 OF THE GOVERNMENT CODE FOR AN ESTIMATED AMOUNT OF \$150,000; 2) AND AUTHORIZATION TO ENTER INTO A CONSTRUCTION CONTRACT, FOR AN ESTIMATED AMOUNT OF \$850,000, PURSUANT TO SECTION 252.022(A)(2) OF THE TEXAS LOCAL GOVERNMENT CODE, PROCUREMENT NECESSARY TO PRESERVE AND PROTECT THE PUBLIC HEALTH AND SECTION 252.022(A)(3) OF THE TEXAS LOCAL GOVERNMENT CODE, PROCUREMENT NECESSARY BECAUSE OF UNFORESEEN DAMAGE TO PUBLIC MACHINERY, EQUIPMENT OR OTHER PROPERTY.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files) On December 31, 2020, during the inspection of the filter backwash discharge pipeline, operations staff at the Canal Water Treatment Plant discovered a large void that had developed under the main, and only, road that leads into the treatment plant. The void also extends into the adjacent parking areas used by chemical delivery trucks. Preliminary visual inspection of the void shows a section of pipe has corroded away, causing the void. Sections of this pipeline away from the void also seem to have separated joints. Operations staff have secured the area to avoid vehicular and pedestrian travel over the top of the void. Currently insufficient information is available to establish a budget or estimate for these repairs as additional engineering analysis must be completed. A preliminary budget is proposed to get started with the needed analysis and site work to further secure the site. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia seconded by Mr. Gallardo, and unanimously carried, the board authorized the President/CEO to enter into the following contracts related to the Repairs to the Filter Backwash Pipe and Road at Canal Water Treatment Plant: 1) a Professional Engineering Services Agreement with the most qualified firm pursuant to the requirements of Chapter 2254 of the Government Code for an estimated amount of \$150,000; 2) and authorization to enter into a construction contract, for an estimated amount of \$850,000, pursuant to Section 252.022(a)(2) of the Texas Local Government Code, procurement necessary to preserve

and protect the public health and Section 252.022(a)(3) of the Texas Local Government Code, procurement necessary because of unforeseen damage to public machinery, equipment or other property.

17. CONSIDERED AND APPROVED AN AMENDMENT TO THE PRECONSTRUCTION SERVICES AGREEMENT TO AUTHORIZE EARLY WORK PACKAGE CONSTRUCTION FOR THE DESIGN-BUILD OF THE JOHN T. HICKERSON WATER RECLAMATION FACILITY REHABILITATION PROJECT TO R.M. WRIGHT CONSTRUCTION COMPANY IN THE AMOUNT OF \$4,795,068 AND AUTHORIZE THE USE OF COMMERCIAL PAPER

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files) The John T. Hickerson (JTH) Water Reclamation Facility treats wastewater from the Westside of El Paso. The plant was originally designed with a 5 million gallon daily (MGD) treatment capacity and later expanded with a second process train increasing the plant's treatment capacity to 17.5 MGD. Currently, the 12.5 MGD process train is operational and the plant's original 5 MGD treatment train is off-line and needs to be rehabilitated to be operational. Increased wastewater flow to the JTH facility is the driver for bringing the original 5 MGD treatment train back on-line. this project is using the design-build project delivery model. Through a Request for Qualifications (RFQ 108-19) and Request for Proposals (RFP 04-20), the team of R.M. Wright Construction Company (R.M. Wright) and H2O Terra was selected and awarded the Design-Build Contract for the JTH Water Reclamation Facility Rehabilitation Project. In May 2020, the Public Service Board approved preconstruction services through a Preconstruction Services Agreement to R.M. Wright and H2O Terra Design-Build Team to design the rehabilitation of the plant. The Preconstruction Services Agreement allows the authorization of the performance of construction activity prior to the Lump Sum Cost through an Early Work Packages. The proposed Early Work Package for this project will include demolition of existing facilities and begin the rehabilitation at the following processes: headworks splitter box, blower building, aeration basin, final clarifiers, and the return activated sludge building. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff seconded by Mr. Gallardo, and unanimously carried, the board approved an Amendment to the Preconstruction Services Agreement to authorize Early Work Package construction for the Design-Build of the John T. Hickerson Water Reclamation Facility Rehabilitation Project to R.M. Wright Construction Company in the amount of \$4,795,068 and authorize the use of commercial paper

18. CONSIDERED AND ADOPTED A RESOLUTION AWARDED BID NUMBER 73-20, SALE OF REAL ESTATE, APPROXIMATELY 1.1921 ACRES, AND LEGALLY DESCRIBED AS A PORTION OF TRACT 13, O.A. DANIELSON SURVEY NO. 310, CITY OF EL PASO AND EL PASO COUNTY, TEXAS, TO THE SOLE RESPONSIVE, RESPONSIBLE BIDDER JORGE SANCHEZ IN THE AMOUNT OF \$155,784, AND AUTHORIZE THE PRESIDENT AND CEO TO FORWARD THE RECOMMENDATION TO CITY COUNCIL TO SELL THE LAND, AND TO SIGN ANY AND ALL DOCUMENTS NECESSARY TO COMPLETE THE SALE.

Ms. Rocio Alvarado, Senior Land & Contract Administrator, provided a presentation to the Board regarding this item (copy on file in Central Files) On July 8, 2020, the Board determined the land totaling approximately 1.1921 acres, and legally described as portion of Tract 13, O.A. Danielson Survey No. 310, City of El Paso, El Paso County, Texas, to be inexpedient to the system. This land is located in East El Paso, south of Pellicano and west of Zaragoza.

On a motion made by Ms. Garcia seconded by Mr. Antcliff, and unanimously carried, the board adopted Bid Number 73-20, Sale of Real Estate, approximately 1.1921 acres, and legally described as a portion of Tract 13, O.A. Danielson Survey No. 310, City of El Paso and El Paso County, Texas, to the sole responsive, responsible bidder Jorge Sanchez in the amount of \$155,784, and authorize the President and CEO to forward the recommendation to City Council to sell the land, and to sign any and all documents necessary to complete the sale.

19. CONSIDERED AND ACCEPTED THE EL PASO WATER'S 3RD QUARTER INVESTMENT REPORT FOR THE PERIOD ENDING NOVEMBER 30, 2020.

Jeff Tepsick, Utility Assistant Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) During 2019 there was 3 rate decreases to stimulate economy due to fears of a trade war and at the end of 2019 the rate was 175bps. In 2020 with the fear from COVID 19 the fed reduced the rate by 150bps to its current rate of 25. There are no projected rate increases through the next couple of years as the economy attempts to get back on track.

When comparing the 3rd quarter of FY 2021 to 2020, there was a decrease in the portfolio balance of around \$30 million, as the Utility made a conscious decision to move funds from the overnights to the Depository Wells Fargo as the rates dropped to around 11 bps. The Utility Earns 25 bps on funds bank which offset Bank Charges netting operation savings. The Utility Made 19 investments totaling \$61 Million dollars and was highlighted by \$24 bank CDS from a local Bank. The WAM at the end of the 3rd quarter was 141 days. The weighted yield of 79 bps is about 100 bps less than last year. Mr. Tepsick showed a graph demonstrating the Utility's diversification, which is key to the safety and preservation of Capital. As of November 30, 2020 24% was invested in the overnight funds, 36% in CDS from local Banks and Credit Unions, And 40% in mix of other securities. Mr. Tepsick showed three bar graphs- one demonstrating the Utility investment strategy is to ladder investments by different maturities to produce steady cashflow for operation and capital needs and to protect against interest rate risk and the other that shows the Investment Officers at EPWater looking for ways to maximize yield while making decisions to ultimately safeguard capital and liquidity when needed. With 141 days WAM EPWater benchmarks against a 6-month T bill currently yielding 9 bps. With a Weighted yield of 79 bps EPWater was able to pick up almost 70 bps. The third graph shows a total interest of \$1.66 million is \$2.4 million less than the same period last year due to the decrease in the Fed Funds rate and also due to the utility utilizing its short-term financing from Commercial Paper and Direct Fund Revolving Loan, which allows EPWater to issue debt when needed and as expenditures are incurred.

On a motion made by Mr. Antcliff seconded by Ms. Garcia, and unanimously carried, the board accepted the El Paso Water's 3rd Quarter Investment Report for the period ending November 30, 2020.

20. CONSIDERED AND ACCEPTED THE EL PASO WATER'S 3RD QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING NOVEMBER 30, 2020.

Mr. Tepsick provided a presentation to the Board regarding this item (copy on file in Central Files). Mr. Tepsick made a presentation on the following: 29.00 billion gallons (a 4.2 % increase,) due to less rainfall and higher temperatures and highlighted by an 8 percent increase in Residential consumption as more customers worked from home due to the pandemic. Operating Revenues for Water and Sewer Utility of \$227.5 million is 10 percent more than last year due to increased consumption, normal customer growth and rate increase. Operating expenses of 75 million are 3.5 million more than last year due to increased maintenance expense and increased expenses for Water purchased for resale and associated increases in utilities and chemicals. Capital Expenditures of 83 million include 4 million for water rights and 6million for the New CIS Utility Billing System. Due to the increased revenues the debt service coverage is very healthy at 2.9 times which is above 2.33m budgeted and will come in closer to budgeted as revenue decreases in the last quarter. Maintain AA+. Stormwater Revenues of \$18 million is pretty much the same as last year we did have an increase due to normal customer growth which was offset in a decrease in miscellaneous revenues due to the temporary suspension of disconnections. Operating expenses of 4.5 million decreased by \$250k due to decrease in maintenance expense. Stormwater Capital expenditures of \$7.7 million include \$1.3 million for Clardy Fox and \$1.4 million for Sam Snead system improvements. Debt service Coverage 1.96 times above 1.82 times and also very healthy. Mr. Tepsick, Mr. Arturo Duran, Mr. John Balliew and Ms. Lisa Rosendorf addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia seconded by Mr. Antcliff, and unanimously carried, the board accepted the El Paso Water's 3rd Quarter Financial and Performance Measures Report for period ending November 30, 2020.

21. 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 comments from the public.

EXECUTIVE SESSION

On a motion made by Mr. Antcliff, seconded by Mr. Morris, and unanimously carried, the Board retired into Executive Session at 11:39 a.m., January 13, 2021, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Section 551.071 through 551.076 to discuss the following:

Section 551.071 Consultation with Attorney
Section 551.072 Deliberation Regarding Real Property
Section 551.074 Personnel Matters

a. Section 551.072. Deliberation regarding Real Property

The Board will deliberate regarding whether the following properties can be declared inexpedient to the water system: two parcels of land located in Northeast El Paso east of U.S. 54 Patriot Freeway, City of El Paso, El Paso, County, Texas, legally described as portion of Tract 2, Section 9, Block 80, Township 1, T&P Surveys, consisting of approximately 45 acres and portion of Tract 1, Section 16, Block 80, Township 1, T&P Surveys, consisting of approximately 65 acres.

b. Section 551.072. Deliberation regarding Real Property

The Board will deliberate regarding whether the following property can be declared inexpedient to the water system: Property located in Northeast El Paso west of U.S. 54 Patriot Freeway, City of El Paso, El Paso, County, Texas, legally described as portion of Tract 1A, Section 16, Block 80, Township 1, T&P Surveys, consisting of approximately 57 acres.

c. Section 551.072. Deliberation regarding Real Property

The Board will deliberate regarding whether the following parcels legally described as a portion out Tracts 25A and 25B, now known as Tract 25-C and 25-B-1, Block 17, Upper Valley Surveys, in El Paso County, Texas; Lot 1, Block 22, Paseos Del Sol Unit Two Amending Plat, an addition to the City of El Paso, El Paso County, Texas; Lot 2, less NE portion of Block 4, Pecan Grove Subdivision, an Addition to the City of El Paso, El Paso County, Texas; Lot 25, Block 3, Colonia Miramonte Addition Unit One, an addition to the City of El Paso, El Paso County, Texas; a tract of land located in Tract 1B-1D-2, Block 2 of the Upper Valley Surveys of the City of El Paso, El Paso County, Texas; being the north 40' of Lots 12 to 16, Map No. 3, Block 99, Bassett Addition, which is more commonly known as 1016 Maple in the City and County of El Paso, Texas; a portion of Section 32, Block 80, TSP 1, El Paso County, Texas, now known as Lot 52-A, Block 14, Shearman Addition Unit 4, Replat "A"; Lot 3, Block 5, Mesquite Trails #2, an addition to the City of El Paso, El Paso County, Texas; Lot 38, Block 1, Alexander Addition to Ysleta, an addition to the City of El Paso, El Paso County, Texas; a portion of Tract 2, Block 6, Ascarate Grant, El Paso County, Texas; Lots 22, 23, 24, 25, 26, 27, 28, and 29, Block D, Montoya Townsite in El Paso County, Texas; Lot 1, Block 13 of Ponderosa Mobile Homes Subdivision to the City of El Paso, El Paso County Texas, can be declared inexpedient to the water system.

d. Section 551.074. Personnel Matters

Annual Performance Review and Employment Agreement of the President/CEO, John E. Balliew.

On a motion made by Mr. Antcliff seconded by Mr. Gallardo and unanimously carried, the Board reconvened in open session at 12:40 p.m.

THE BOARD DELIBERATED REGARDING WHETHER THE FOLLOWING PROPERTIES CAN BE DECLARED INEXPEDIENT TO THE WATER SYSTEM: TWO PARCELS OF LAND

LOCATED IN NORTHEAST EL PASO EAST OF U.S. 54 PATRIOT FREEWAY, CITY OF EL PASO, EL PASO, COUNTY, TEXAS, LEGALLY DESCRIBED AS PORTION OF TRACT 2, SECTION 9, BLOCK 80, TOWNSHIP 1, T&P SURVEYS, CONSISTING OF APPROXIMATELY 45 ACRES AND PORTION OF TRACT 1, SECTION 16, BLOCK 80, TOWNSHIP 1, T&P SURVEYS, CONSISTING OF APPROXIMATELY 65 ACRES.

Motion made by Ms. Garcia and seconded by Mr. Antcliff and carried that the described land be declared inexpedient to the water system and that the President and CEO be authorized to proceed in the manner approved by the Board and in accordance with the terms and conditions specified by the Board, and thereafter to forward to City of El Paso a recommendation to sell the properties, and to sign any and all documents necessary to complete the sale of the properties.

THE BOARD DELIBERATED REGARDING WHETHER THE FOLLOWING PROPERTY CAN BE DECLARED INEXPEDIENT TO THE WATER SYSTEM: PROPERTY LOCATED IN NORTHEAST EL PASO WEST OF U.S. 54 PATRIOT FREEWAY, CITY OF EL PASO, EL PASO, COUNTY, TEXAS, LEGALLY DESCRIBED AS PORTION OF TRACT 1A, SECTION 16, BLOCK 80, TOWNSHIP 1, T&P SURVEYS, CONSISTING OF APPROXIMATELY 57 ACRES.

Motion made by Ms. Garcia and seconded by Mr. Antcliff and carried that the described land be declared inexpedient to the water system and that the President and CEO be authorized to proceed in the manner approved by the Board and in accordance with the terms and conditions specified by the Board, and thereafter to forward to City of El Paso a recommendation to sell the properties, and to sign any and all documents necessary to complete the sale of the properties

THE BOARD DELIBERATED REGARDING WHETHER THE FOLLOWING PARCELS LEGALLY DESCRIBED AS A PORTION OUT TRACTS 25A AND 25B, NOW KNOWN AS TRACT 25-C AND 25-B-1, BLOCK 17, UPPER VALLEY SURVEYS, IN EL PASO COUNTY, TEXAS; LOT 1, BLOCK 22, PASEOS DEL SOL UNIT TWO AMENDING PLAT, AN ADDITION TO THE CITY OF EL PASO, EL PASO COUNTY, TEXAS; LOT 2, LESS NE PORTION OF BLOCK 4, PECAN GROVE SUBDIVISION, AN ADDITION TO THE CITY OF EL PASO, EL PASO COUNTY, TEXAS; LOT 25, BLOCK 3, COLONIA MIRAMONTE ADDITION UNIT ONE, AN ADDITION TO THE CITY OF EL PASO, EL PASO COUNTY, TEXAS; A TRACT OF LAND LOCATED IN TRACT 1B-1D-2, BLOCK 2 OF THE UPPER VALLEY SURVEYS OF THE CITY OF EL PASO, EL PASO COUNTY, TEXAS; BEING THE NORTH 40' OF LOTS 12 TO 16, MAP NO. 3, BLOCK 99, BASSETT ADDITION, WHICH IS MORE COMMONLY KNOWN AS 1016 MAPLE IN THE CITY AND COUNTY OF EL PASO, TEXAS; A PORTION OF SECTION 32, BLOCK 80, TSP 1, EL PASO COUNTY, TEXAS, NOW KNOWN AS LOT 52-A, BLOCK 14, SHEARMAN ADDITION UNIT 4, REPLAT "A"; LOT 3, BLOCK 5, MESQUITE TRAILS #2, AN ADDITION TO THE CITY OF EL PASO, EL PASO COUNTY, TEXAS; LOT 38, BLOCK 1, ALEXANDER ADDITION TO YSLETA, AN ADDITION TO THE CITY OF EL PASO, EL PASO COUNTY, TEXAS; A PORTION OF TRACT 2, BLOCK 6, ASCARATE GRANT, EL PASO COUNTY, TEXAS; LOTS 22, 23, 24, 25, 26, 27, 28, AND 29, BLOCK D, MONTOYA TOWNSITE IN EL PASO COUNTY, TEXAS; LOT 1, BLOCK 13 OF PONDEROSA MOBILE HOMES SUBDIVISION TO THE CITY OF EL PASO, EL PASO COUNTY TEXAS, CAN BE DECLARED INEXPEDIENT TO THE WATER SYSTEM.

Motion made by Ms. Garcia and seconded by Mr. Antcliff and carried that the described land be declared inexpedient to the water system and that the President and CEO be authorized to proceed in the manner approved by the Board and in accordance with the terms and conditions specified by the Board, and thereafter to forward to City of El Paso a recommendation to sell the properties, and to sign any and all documents necessary to complete the sale of the properties

ANNUAL PERFORMANCE REVIEW AND EMPLOYMENT AGREEMENT OF THE PRESIDENT/CEO, JOHN E. BALLIEW.

Motion made by Ms. Garcia seconded by Mr. Gallardo, Mayor Oscar Leeser abstained and carried that the El Paso Water Utilities – Public Service Board deliberated on the performance of the President/CEO and determined that the President/CEO has performed above average and exceeded the Board's expectations, and

hereby authorizes a 9 percent increase to the President/CEO's current annual salary and further authorizes an amendment to the employment agreement to increase contributions to the 401(a) Defined Contribution Plan to match the maximum allowable under the IRS regulations for calendar year 2021 and for subsequent years remaining in the term of the employment agreement.


ADJOURNMENT

On a motion made by Mr. Gallardo, seconded by Ms. Garcia and unanimously carried, the meeting adjourned at 12:44 p.m., January 13, 2021.

ATTEST:



Kristina Mena-Chair



Secretary-Treasurer

**SPECIAL MEETING MINUTES OF THE
PUBLIC SERVICE BOARD
AND THE
PUBLIC SERVICE BOARD SELECTION COMMITTEE
CITY OF EL PASO**

January 28, 2021

A special meeting of the Public Service Board and the Public Service Board Selection Committee was held via video conference Thursday, January 28, 2021.

PSB SELECTION COMMITTEE MEMBERS PRESENT

Mayor Oscar Leeser, Committee Chair
Dr. Kristina D. Mena, PSB Chair
Dr. Ivonne Santiago, PSB Vice-Chair
Christopher A. Antcliff, Member
Bryan Morris, PSB Member
Joe Cardenas, Representing District 2
Richard Castro, Representing District 3
Nicholas Costanzo, Representing District 4
Deborah Torres, Representing District 6
Richard Martinez, Representing District 7

PSB SELECTION COMMITTEE MEMBERS ABSENT

Terri Garcia, PSB Secretary-Treasurer
Henry Gallardo, PSB Member
Dr. Richard Teschner, Representing District 1
Vacant, Representing District 5
Angie Rosales, Representing District 8

PSB EMPLOYEES PRESENT

John E. Balliew, P.E., President and Chief Executive Officer
Daniel Ortiz, General Counsel

EPWU EMPLOYEES PRESENT

Zulema Jamis, Secretary
Claudia Duan, Executive Assistant
Marcela Navarrete, Vice President
Lisa Rosendorf, Chief Communication & Government Affairs Officer
Israel Chavez, Senior Network Administrator
Edgar Campos, Utility Information Systems Manager
Alfredo Solano, Chief Information Officer

MEDIA

None

GUESTS

None

The special meeting was called to order by Mayor Leeser at 5:30 p.m. A quorum of the Public Service Board and the Public Service Board Selection Committee, (here therefore known as the "Committee") was present.

AGENDA

1. CONSIDERED AND TOOK ACTION REGARDING PUBLIC SERVICE BOARD APPLICATIONS, IF ANY, RECEIVED AFTER THE POSTED DEADLINE.

Ms. Zulema Jamis, Secretary, informed the Committee that no additional applications were received after the established deadline. Therefore, no action was taken. Ms. Jamis, informed the Committee that Ms. Leila Melendez withdrew her application from consideration. No further action was taken.

2. CONSIDERED AND TOOK ACTION, TO INCLUDE SELECTION OF THE TOP THREE CANDIDATES, RANKING OF THE TOP CANDIDATES AND ADOPTION OF A RESOLUTION MAKING A RECOMMENDATION TO CITY COUNCIL IN REGARD TO THE APPLICATIONS THAT MEET THE SELECTION CRITERIA OF HAVING EXPERTISE IN THE AREA OF GENERAL BUSINESS MANAGEMENT.

Ms. Jamis informed the Committee of five applications received for the Financial Management position. Ms. Torres asked whether a candidate had a conflict of interest because he had performed real estate work. Mr. Daniel Ortiz, General Counsel, addressed the Committee that real estate work alone does not prohibit a candidate for consideration by the Committee but that it could weigh either for or against selection. Mr. Ortiz reminded the Committee that all members of the PSB have a duty to identify and disclose conflicts of interest and recuse themselves from voting if that occurred. Ms. Jamis read the voting instructions for round 1 and asked each Committee member to identify the top three candidates. The points were tallied for each of the five candidates with the following results:

James A. Easley	9 points
John T. Hjalmquist	3 points
Armando Moreno	2 points
Lisa J. Saenz	10 points
Michael J. White	6 points

Ms. Jamis read the voting instructions for round 2 and asked each Committee member to rank the top three candidates with the highest scores in order of personal preference using the following method: 1st preference = 3 points; 2nd preference = 2 points; 3rd preference = 1 point. Once each Committee member ranked the top three candidates by personal preference, the points were tallied for each of the three candidates with the following results:

James A. Easley	15 points
Lisa J. Saenz	30 points
Michael J. White	14 points

The candidates were ordered, and ranked 1st, 2nd and 3rd based on the total preference points received:

1 st	Lisa J. Saenz	30 points
2 nd	James A. Easley	15 points
3 rd	Michael J. White	14 points

Mayor Leeser requested a motion to approve a resolution to submit the candidates to City Council for consideration and selection. Mr. Antcliff commented to the Mayor if discussion is needed. The Mayor asked if there was any discussion but there was none. On a motion made by Dr. Ivonne Santiago, seconded by Mr. Chris Antcliff, and unanimously carried, the Committee approved the following candidates to be submitted to

City Council for review and consideration, in the ranking preference noted below, for the Financial Management position on the Public Services Board (Resolution attached):

1 st	Lisa J. Saenz	30 points
2 nd	James A. Easley	15 points
3 rd	Michael T. White	14 points

3. CONSIDERED A TIMELINE FOR THE PROPOSED PUBLIC SERVICE BOARD APPOINTMENT.

A timeline for appointment was presented and discussed.

This considered when the list of candidates for the Financial Management vacant position would be provided to City Council. Ms. Jamis informed the Committee she would send the information to the City Manager and City Clerk on February 1, 2021. City Council will consider and decide whether to select a candidate for the position or reject all candidates and request the Committee to begin the selection process again. If a candidate is selected for the Financial Management position, City Council will consider and select the member at their meeting on February 16, 2021. The new member will be sworn in at the PSB Meeting on March, 10, 2021.

Mayor Leeser requested a motion to approve the timeline. On a motion made by Ms. Torres, seconded by Dr. Santiago, and unanimously carried, the Committee approved the timeline for the proposed Public Service Board Appointment.

4. PUBLIC COMMENT: THE PUBLIC SERVICE BOARD SELECTION COMMITTEE CHAIR WILL PERMIT PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA. THE CHAIR MAY IMPOSE REASONABLE TIME LIMITS FOR EACH SPEAKER.

No member of the public signed up or requested to speak. There were no comments from the public.

ADJOURNMENT

On a motion made by Mr. Chris Antcliff, seconded by Mr. Morris the meeting adjourned at 5:54p.m., January 28, 2021.

ATTEST:



Secretary-Treasurer



Chair, PSB Selection Committee



Chair, PSB