

**MINUTES  
PUBLIC SERVICE BOARD  
CITY OF EL PASO  
April 14, 2021**

The regular meeting of the Public Service Board was held via video conference, Wednesday, April 14, 2021.

**PSB MEMBERS PRESENT**

Dr. Kristina D. Mena, Chair  
Dr. Ivonne Santiago, Vice Chair  
Christopher A. Antcliff, Secretary-Treasurer  
Charlie Intebi, Member  
Lisa Saenz, Member  
Bryan Morris, Member  
Mayor Oscar Leeser, Ex-Officio Member

**PSB MEMBERS ABSENT**

**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  
Alfredo Solano, Chief Information Officer  
Zulema Jamis, Secretary  
Claudia Duran, Executive Assistant to the President/CEO  
Gilbert Trejo, Chief Technical Officer  
Israel Chavez, Senior Network Administrator  
Diana Velazquez, Utility Purchasing & Contract Manager  
Edgar Campos, Utility Information Systems Manager  
Felipe Lopez, Utility Chief Operations Officer  
Sol Cortez, Deputy General Counsel  
Michaela Grambling, Assistant General Counsel  
Angel Bustamante, Water Systems Division Manager  
Jeff Tepsick, Utility Assistant Chief Financial Officer  
Ivan Ibarra, Fleet & Building Maintenance Superintendent  
Keith Newbill, External Business Operations Manager  
Martin Noriega, Utility Chief Operations Officer  
Joey Paz, Stormwater Superintendent  
Teresa Alcalá, Utility Laboratory Services Manager

**GUESTS**

Laura Prine, City of El Paso City Clerk

**MEDIA**

None

The Public Service Board meeting was called to order by Dr. Mena at 9:00 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Dr. Mena, in reciting the Pledge of Allegiance.

## REGULAR AGENDA

### **1. ADMINISTERED THE OATH TO LISA SAENZ, NEW BOARD MEMBER**

Ms. Laura Prine, City Clerk, administered the Oath of Office to new PSB member, Ms. Lisa Saenz.

### **2. ELECTED THE PUBLIC SERVICE BOARD SECRETARY-TREASURER OFFICER**

On a motion made by Dr. Santiago, seconded by Mayor Leeser and unanimously carried, the Board elected Mr. Christopher Antcliff as the Public Service Board Secretary-Treasurer Officer.

## CONSENT AGENDA

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

### **3. CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON MARCH 10, 2021**

### **4. APPOINTED BOARD MEMBERS TO THE FOLLOWING COMMITTEES:**

**(1) ARCHITECT/ENGINEER SELECTION ADVISORY COMMITTEE: IVONNE SANTIAGO, BRYAN MORRIS, CHARLIE INTEBI**

**(2) COMMUNICATIONS COMMITTEE: CHRISTOPHER ANTCLIFF, KRISTINA MENA, IVONNE SANTIAGO**

**(3) AUDIT, FINANCE AND INVESTMENT COMMITTEE: CHRISTOPHER ANTCLIFF, KRISTINA MENA, LISA SAENZ**

**(4) DEVELOPMENT COMMITTEE: IVONNE SANTIAGO, BRYAN MORRIS, KRISTINA MENA**

### **5. CONSIDERED AND AWARDED BID NUMBER 21-21, CARTRIDGE FILTERS – 5-MICRON, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, HARRINGTON INDUSTRIAL PLASTICS, LLC., IN THE ESTIMATED ANNUAL AMOUNT OF \$67,230 FOR A ONE-YEAR TERM WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

## REGULAR AGENDA

### **6. CONSIDERED AND REJECTED ALL BIDS RECEIVED FROM SOUTHWEST TRUCK SALES, RANDALL REED'S PRESTIGE FORD AND RJ BORDER INTERNATIONAL LP FOR BID NUMBER 03-21 UTILITY VEHICLES DUE TO BIDDERS NOT MEETING SPECIFICATIONS AS NOTED.**

Diana Velazquez, Utility Purchasing & Contract Manager, provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater is in need of ten new one-ton trucks for vehicle fleet. On January 20, 2021, three bids were received for Bid Number 03-21 Utility Trucks from Southwest Truck Sales, Randall Reed's Prestige Ford, and RJ Border International LP. Staff evaluated the bids and determined that all bids did not meet specifications. Southwest Truck Sales and Randall Reed's Prestige Ford could not meet the delivery requirements of 150 days and could not guarantee any delivery date on the specifications for all line items. RJ Border International LP did not meet the specifications for lines 2, 3 and 4 as they bid a higher capacity truck and not a one-ton as specified in the bid. Staff is recommending the rejection of all bids and procurement through available Purchasing Cooperatives buyboards.

On a motion made by Mr. Antcliff seconded by Mayor Leeser and unanimously carried, the Board rejected all bids received from Southwest Truck Sales, Randall Reed's Prestige Ford and RJ Border International LP for Bid Number 03-21 Utility Vehicles due to bidders not meeting specifications as noted.

**7. CONSIDERED AND AWARDED RFP 10-21 LABORATORY SERVICES CONTRACT, TO PACE ANALYTICAL SERVICES, LLC AND EUROFINS XENCO, ON AN AS NEEDED BASIS FOR A TERM OF ONE-YEAR, WITH THE OPTION FOR FIVE, ONE-YEAR EXTENSIONS, FOR AN ESTIMATED ANNUAL AMOUNT OF \$350,000 FOR THE TWO LABORATORIES BASED ON THE PER TESTING RATES OF EACH LABORATORY.**

Diana Velazquez, Utility Purchasing & Contract Manager, provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater solicited proposals for Laboratory Services to analyze samples to meet the requirement of the Safe Drinking Water Act, Clean Water Act, Resource Conservation and Recovery Act, and Clean Air Act. The requirements include, but are not limited to, state regulations/permits for water and wastewater, Texas Pollutant Discharge Elimination Systems (TPDES), Environmental Protection Agency (EPA), and Texas Commission on Environmental Quality (TCEQ) requests/orders for information and monitoring requirements. The International Water Quality Laboratory will utilize these contract laboratories' services to support and meet these requirements. The contracts will be awarded to two laboratories to ensure timely delivery of services. Ms. Velazquez, addressed questions from the Board on this item.

On a motion made by Mr. Antcliff seconded by Dr. Santiago and unanimously carried, the Board awarded RFP 10-21 Laboratory Services Contract, to Pace Analytical Services, LLC and Eurofins Xenco, on an as needed basis for a term of one-year, with the option for five, one-year extensions, for an estimated annual amount of \$350,000 for the two laboratories based on the per testing rates of each laboratory.

**8. CONSIDERED AND APPROVED THE ISSUANCE OF MASTER CONTRACTS TO AWARDED VENDORS PARTICIPATING IN APPROVED COOPERATIVE PURCHASING PROGRAMS, IN THE ESTIMATED ANNUAL AMOUNT OF \$1,000,000 PER INDIVIDUAL MASTER CONTRACT FOR THE FOLLOWING COOPERATIVE PURCHASING PROGRAM VENDORS: CL NORTH; CLOWE AND COWAN OF EL PASO; PHOENIX GENERAL CONTRACTORS; PHOENIX PUMPS, INC; VMP INDUSTRIAL SALES AND AN ESTIMATED ANNUAL AMOUNT OF \$1,300,000 FOR A MASTER CONTRACT WITH MO'MIX SOLUTIONS INC.**

Mr. Alan Shubert, Vice President, provided a presentation to the Board regarding this item (copy on file in Central Files). On November 4, 2020, the Board approved a resolution authorizing the President/CEO or designee to issue master contracts with awarded vendors participating in approved Cooperative Purchasing Programs for an estimated annual contract amount of \$500,000 per individual master contract without further Board approval. At this time additional capacity beyond the delegated authority is needed for six master contracts from preapproved cooperative programs in high demand by Operations to continue maintenance at EPWater facilities and one contract for IT upgrades and systems maintenance. Mr. Shubert answered questions from the Board on this item.

On a motion made by Dr. Santiago, seconded by Mr. Morris, and unanimously carried, the Board approved the issuance of master contracts to awarded vendors participating in approved Cooperative Purchasing Programs, in the estimated annual amount of \$1,000,000 per individual master contract for the following cooperative purchasing program vendors: CL North; Clowe and Cowan of El Paso; Phoenix General Contractors; Phoenix Pumps, Inc; VMP Industrial Sales and an estimated annual amount of \$1,300,000 for a master contract with Mo'mix Solutions Inc.

**9. CONSIDERED AND AWARDED BID NUMBER 04-21, FRED HERVEY WATER RECLAMATION PLANT BLOWER BUILDING AND AERATION SYSTEM IMPROVEMENTS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, CUBIC WATER, LLC, IN THE AMOUNT OF \$4,960,000 AND AUTHORIZED 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). The Fred Hervey Water Reclamation Plant (WRP) was constructed in 1982. It was determined by EPWater that two additional blowers and upgrades to the aeration system were needed to maintain current operations and in anticipation of future plant loads. The scope of work will include installation of HVAC system for both buildings, tie-in and repairs to aeration system, installation of electrical and instrumentation equipment including all ancillary items to complete the blower installation, SCADA, and all other items necessary to complete the work. Mr. Trejo answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Dr. Santiago and unanimously carried, the Board awarded Bid Number 04-21, Fred Hervey Water Reclamation Plant Blower Building and Aeration System Improvements, to the lowest responsive, responsible bidder, Cubic Water, LLC, in the amount of \$4,960,000 and authorized the use of commercial paper.

**10. AUTHORIZED THE PRESIDENT/CEO TO SIGN AN ADVANCED FUNDING AGREEMENT AND RELATED AGREEMENTS, INCLUDING THE FORTHCOMING STANDARD UTILITY AGREEMENT, WITH THE TEXAS DEPARTMENT OF TRANSPORTATION TO RELOCATE WATER INFRASTRUCTURE, PER TXDOT'S REQUEST, FOR THEIR LOOP 375 EXPANSION PROJECT FROM MONTANA AVENUE TO SPUR 601 ("PROJECT"), THAT HAS A TOTAL ESTIMATED PROJECT COST OF \$15,826,316.73, WITH AN ESTIMATED EPWATER CONTRIBUTION OF \$15,408,501.96, TO BE PAID IN THREE ANNUAL INSTALLMENTS OF \$5,136,167.32 BEGINNING MARCH 1, 2022.**

Mr. Gilbert Trejo, Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Texas Department of Transportation (TXDOT) will widen the right-of-way and install storm drains on Loop 375 (Purple Heart Highway). Existing 18-inch, 36-inch, and 48-inch water lines must be relocated to accommodate the improvements. The existing pipelines are permitted and reside inside TXDOT right-of-way, except for a small segment which is in an EPWater easement. TXDOT will bid the project in September 2021. Mr. Trejo answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Dr. Santiago and unanimously carried, the Board authorized the President/CEO to sign an Advanced Funding Agreement and related agreements, including the forthcoming Standard Utility Agreement, with the Texas Department of Transportation to relocate water infrastructure, per TXDOT's request, for their Loop 375 expansion project from Montana Avenue to Spur 601 ("Project"), that has a total estimated project cost of \$15,826,316.73, with an estimated EPWater contribution of \$15,408,501.96, to be paid in three annual installments of \$5,136,167.32 beginning March 1, 2022.

**11. AUTHORIZED THE PRESIDENT/CEO TO SIGN AN INTERLOCAL AGREEMENT BY AND BETWEEN THE COUNTY OF EL PASO AND THE EL PASO WATER UTILITIES-PUBLIC SERVICE BOARD FOR THE COMPLETION OF THE MONTANA VISTA PROJECT PAVEMENT IMPROVEMENTS AND THAT THE COUNTY OF EL PASO WILL REIMBURSE EPWATER FIFTY-PERCENT OF CERTAIN PROJECTS COSTS IN THE ESTIMATED REIMBURSEMENT AMOUNT OF \$176,200.**

Mr. Gilbert Trejo, Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) EPWater is in the final stages of construction of the Montana Vista Wastewater Collection System Phase I project, and the County of El Paso (EPCounty) has completed paving sections of an adjacent area on the Vista Del Este Water Distribution Project. Due to the close proximity of both these projects and overlapping of work needed at several street intersections, coordination of the pavement restoration was necessary. Through several coordination meetings with EPCounty, it was determined it would be more efficient to have EPWater's contractor perform the pavement repairs related to both projects and that EPCounty and EPWater would share in the costs at fifty-percent each. EPWater's contractor has agreed to complete the repairs, and a change order will be issued to amend the contract. Mr. Trejo answered questions from the Board on this item.

On a motion made by Mayor Leaser, seconded by Dr. Santiago and unanimously carried, the Board authorized the President/CEO to sign an Interlocal Agreement by and between the County of El Paso and the El Paso Water Utilities-Public Service Board for the completion of the Montana Vista project pavement improvements and that the County of El Paso will reimburse EPWater fifty-percent of certain projects costs in the estimated reimbursement amount of \$176,200.

**12. CONSIDERED AND APPROVED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE ADVANCED WATER PURIFICATION FACILITY – PART 2 PROJECT TO CAROLLO ENGINEERS, INC. FOR DESIGN PHASE SERVICES IN THE AMOUNT OF \$524,341.97; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN, BID, AND CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$1,000,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.**

Mr. Gilbert Trejo, Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Advanced Water Purification Facility (AWPF) will be a new 10 MGD direct potable water reuse facility that will treat secondary clarifier effluent from the Roberto R. Bustamante Wastewater Treatment Plant (RRBWWTP) for conveyance directly to the potable water distribution system. The new facility will be located adjacent to the Jonathan Rogers Water Treatment Plant and the RRBWWTP. The project is currently in the design phase and scheduled to begin construction in 2025. The project is approaching 90% design. During this design phase, it was determined that Carollo Engineers needed to perform additional tasks identified during this design stage in coordination with TCEQ. These tasks include design of a groundwater treatment system for final water quality stabilization, additional subsurface utility engineering, additional topographic survey, update the design for corrosion control, complete a surge analysis for the tie-in to the transmission main, and update the preliminary design report as required by TCEQ. A new contract will be issued order to complete this work and future task orders. Mr. Trejo answered questions from the Board on this item.

On a motion made by Mr. Antcliff, seconded by Mr. Morris and unanimously carried, the Board approved a Professional Engineering Services Contract for the Advanced Water Purification Facility – Part 2 project to Carollo Engineers, Inc. for design phase services in the amount of \$524,341.97; authorized future task orders or amendments to be issued under this contract for additional design, bid, and construction phase services in the estimated amount of \$1,000,000, provided that funding is available in the approved budget for the task orders or amendments.

**13. CONSIDERED AND APPROVED FIRST AMENDMENT TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO HAZEN AND SAWYER, P.C. TO INCREASE THE CONTRACT AMOUNT TO ISSUE TASK ORDER NUMBER 2 FOR THE PRELIMINARY DESIGN PHASE SERVICES FOR THE ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT EXPANSION AND UPGRADES PROJECT IN THE AMOUNT OF \$5,621,350; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$1,000,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS AND AUTHORIZED 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.) The Roberto R. Bustamante Wastewater Treatment Plant (RRBWWTP) was designed for a treatment flow capacity of 39 MGD in 1991. The Texas Commission on Environmental Quality (TCEQ) requires planning of an expansion of a wastewater treatment plant once 75% of the plant's flow capacity is exceeded for three consecutive months. RRBWWTP Expansion Alternatives Study project determined that the plants flows are nearing the 75% of the permitted flow capacity requiring EPWater to start design for increased capacity. On August 14, 2019, the Public Service Board (PSB) approved a professional services contract with Hazen and Sawyer for the preliminary engineering, planning, development of Construction Manager at Risk (CMAR) documents, and design services for the RRBWWTP Expansion and Upgrades. Task Order Number 1 was issued on November 12, 2019, to perform the plant condition assessment and planning phase services and

was completed in December 2020 presenting alternatives. This First Amendment to the Professional Services contract will increase the contract amount to issue Task Order Number 2 for preliminary design phase services of the 12 million gallons per day plant capacity expansion to handle increased flows for the next 30 years. Mr. Trejo answered questions from the Board on this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board approved the First Amendment to the Professional Services Contract awarded to Hazen and Sawyer, P.C. to increase the contract amount to issue Task Order Number 2 for the preliminary design phase services for the Roberto R. Bustamante Wastewater Treatment Plant Expansion and Upgrades project in the amount of \$5,621,350; authorized future task orders or amendments to be issued under this contract for additional design and construction phase services in the estimated amount of \$1,000,000, provided that funding is available in the approved budget for the task orders or amendments and authorized use of commercial paper.

**14. CONSIDERED AND ACCEPTED THE EL PASO WATER'S "PRELIMINARY" FOURTH QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING FEBRUARY 28, 2021.**

Mr. Jeff Tepsick, Utility Assistant Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Mr. Tepsick explained the comparison of water billed for FY2019-20 & FY2020-21. Both years were comparable with a slight increase this fiscal year due to more consumers staying home, residential consumption increased almost 8% from FY2019-20 to FY2020-21. He then went on to explain the budget amount for Water and Wastewater Operating Revenues for FY20-21 was \$278,745 million, the Utility came in at \$285,812 million, compared to FY19-20, which came in at \$260,406 million. The Water and Wastewater Utility Operating Expenses for FY20-21 was budgeted at \$119,005 million, with the actual coming in at \$111,545 million for FY20-21 and for FY19-20 at \$104,031 million. Mr. Tepsick went on to discuss Water and Wastewater Capital Projects Expenditures. Total budget amount was \$237,624 million for FY20-21 with the actual coming in at \$132,662 and for FY19-20 total amount coming in at \$139,244 million. Next, Mr. Tepsick discussed Water and Wastewater Debt Service Coverage. Budget for FY20-21 at 2.33 times, actual for FY20-21 was 2.58 times and actual for FY2019-20 was 2.26 times. Stormwater Utility Operating Revenues was budgeted for \$24,602 million for FY20-21, actual FY20-21 was \$24,539 million compared to \$24,478 million in FY19-20. The Stormwater Operating Expenses budget for FY20-21 was \$7,437 million with the actual at \$6,261, compared to the \$6,866 for FY19-20. Mr. Tepsick then went over Stormwater Capital Expenditures. The budgeted amount for FY20-21 was \$26,011 million, with the actual amount at \$14,042 million compared to the \$19,729 million for FY19-20. Lastly, Mr. Tepsick discussed Stormwater Debt Service Coverage. The budgeted for FY20-21 is 1.82 times, and it came in at 1.96 times, remaining the same at 1.96 times in FY19-20.

On a motion made by Dr. Santiago, seconded by Ms. Saenz and unanimously carried, the Board accepted the El Paso Water's "Preliminary" Fourth Quarter Financial and Performance Measures Report for period ending February 28, 2021.

**15. CONSIDERED AND ACCEPTED THE 4TH QUARTER AND FISCAL YEAR-ENDING INVESTMENT REPORT FOR THE PERIOD ENDING FEBRUARY 28, 2021 AND APPROVED REVISIONS TO THE PSB RULES AND REGULATIONS NUMBER 10, ESTABLISHING THE INVESTMENT POLICY.**

Mr. Jeff Tepsick, Utility Assistant Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Public Funds Investment Act (PFIA) requires a quarterly report to be submitted and an annual review of the entity's Investment Policy.

Mr. Jeff Tepsick, Utility Assistant Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Mr. Tepsick began by informing the Board that the US Fed Funds Rate have been slowing decreasing and are currently at .25%. He then went on to discuss the Portfolio Composition as of February 28, 2021. CD's were at 38%, Mutual Funds at 27%, Texpool and TexStar Prime at 18%, Municipal Bonds at 6%, Federal Agency Securities at 9% and lastly Treasury Coupon Securities at 2%. Mr. Tepsick explained the Investment Maturities Snapshot and the current interest rate environment and EPWater's strategy to keep

investments shorter, around 3 to 12 months maturities. EPWater uses an investment strategy known as laddering or layering investments, which provides a steady stream of cash flow to fund operations and capital expenditures, and protects against large swings in interest rate spreads. EPWater currently holds \$44.4 million in overnight pools to fund operations, \$63.3 million in Mutual Funds for debt service payments due March 1, 2021 and various other maturities. Mr. Tepsick moved on to the 4<sup>th</sup> Quarter Portfolio Comparison. The portfolio value decreased roughly \$25 million as compared to last year. EPWater made a conscious effort to move more funds into its bank depository where the Utility is earning 25 bps to offset bank charges. Currently, the overnight pools have a yield ranging from 2 to 6 bps. This has allowed the Utility to pick up roughly 20 bps. EPWater purchased \$37.8 million in investments during the quarter, highlighted by \$13.0 million in CDs from a local bank. Total WAM has decreased by 58 days, as compared to last quarter. Weighted Yield of 63 bps is almost 100 basis points less than last year as a direct result of the Federal Open Markets Committee monetary policy. Mr. Tepsick went on to discuss benchmark analysis for the quarter ending February 28, 2021. The 3-month t-bill (treasury bill) was 0.04, 6-month t-bill was 0.05, the 1-year t-bill was 0.05, 2-year t-bill was 0.14, and EPWater was 0.63. The interest earned comparison from fiscal year to date beginning in FY2018 was \$2,747,468 million, in FY2019 it was \$4,937,457, in FY2020 it was \$5,254,426 and in FY2021 it was \$2,081,946. Mr. Tepsick informed the Board of the changes to be made to Rules and Regulations number 10 to establish primary guidelines for investment objectives of EPWater, which include preservation of capital, safety, liquidity, diversification, and maximization of return with acceptable risk. The changes also establish how EPWater's funds can be invested and by whom. In another slide, Mr. Tepsick discussed that EPWater is governed by the Public Funds Act of the State of Texas, which requires the Utility to review its policy at least once annually and lay the groundwork for EPWater's investment policy and strategies. While there are no legislative changes to report this year, staff and legal reviewed the policy to correct grammatical and formatting in the policy. One change to the Policy that was added was the "Effect of Loss of Required Rating", which requires the Utility to periodically review investments to ensure that the ratings have not fallen below allowable ratings per the policy. This ensures preservation of capital and would require the Utility to liquidate those investments as prudently as possible if this were to occur.

On a motion made by Mr. Morris, seconded by Mr. Antcliff and unanimously carried, the Board accepted the 4<sup>th</sup> Quarter and Fiscal Year-Ending Investment Report for the period ending February 28, 2021 and approved revisions to the PSB Rules and Regulations Number 10, establishing the Investment Policy.

## **16. MANAGEMENT REPORT:**

### **•PROVIDED UPDATE ON PRICING RESULTS OF DRAINAGE UTILITY REFUNDING BONDS SERIES 2021 AND 2021A AND WATER AND SEWER REVENUE REFUNDING BONDS SERIES 2021 AND 2021A.**

Ms. Marcela Navarrete, Vice President, provided a presentation to the Board regarding this item (copy on file in Central Files.) Regarding 2021 and 2021A stormwater bond results: on March 4, 2021, private placement bid opened for taxable refunding series 2021. Results were received for pricing for tax exempt refunding series 2021A on March 11, 2021. City Council to approve parameters for the Series 2021 (Taxable Economic Refunding) as recommended by PSB, such as Maximum True Interest Cost – 2.75% ACTUAL:1.61%, Principal Amount of Issue - \$9,100,000 ACTUAL: \$8,945,000, Minimum Present Value Savings Percentage – 3.00% ACTUAL: 7.88%. For Series 2021A (Tax Exempt Stormwater Revolving Note Refunding), Maximum True Interest Cost – 3.25% ACTUAL: 2.02% and Principal Amount of Issue - \$15,250,000 ACTUAL: \$13,330,000. There was a Net Present Value Savings of \$674,000, an additional \$119,000 more than presented on February 10, 2021. For the 2021 and 2021A water and wastewater bond results, pricing for taxable refunding series 2021A was March 10, 2021 and on March 11, 2021, pricing for tax exempt refunding series 2021. Council to approve parameters as recommended by PSB for Series 2021 (Commercial Paper Refunding) the Maximum True Interest Cost – 3.25% ACTUAL:2.11% and the Principal Amount of Issue - \$40,655,000 ACTUAL: \$35,490,000. For the series 2021A (economic refunding) the Maximum True Interest Cost – 2.85% ACTUAL: 1.77%, Principal Amount of Issue - \$78,000,000 ACTUAL: \$76,310,000, and Minimum Present Value Savings Percentage – 3.00% ACTUAL: 7.25%. Net Present Value Savings of \$4.8 Million an additional \$997,000 more than presented on February 10, 2021. The 2019 through 2021 bond issue savings is \$674,000 for

the Drainage Utility Refunding and \$4.8M for the Water and Sewer Refunding. In the last three years the Utility has had four successful refunding bond issues with Present Value Savings of \$15.4M.

**18. CONSIDERED AND TOOK ACTION TO AUTHORIZE THE PRESIDENT/CEO TO SIGN A BRINE WATER TREATMENT SERVICES AND SALES AGREEMENT BETWEEN UW CMC, LLC, AND THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD.**

John E. Balliew, P.E., President and Chief Executive Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) In 2015, El Paso Water Utilities (EPWater) and Enviro Water Minerals Company, Incorporated (EWM) entered into an agreement under which EWM would construct and operate a brine water treatment facility next to the Kay Bailey Hutchinson Desalination Plant (KBH). The purpose of the agreement was to accept and treat brine water (a waste product from our KBH plant) and raw brackish well water and selling treated water back to us. EWM never successfully operationalized the brine water treatment process before the contractual deadline to commence services in the fall of 2020. EWM's bank took possession of the EWM plant and sold ownership of the facility to Critical Materials Corporation (CMC). CMC has approached us to provide brine water treatment services to us. As a result, CMC has exclusive ownership and operation of the facility that can uniquely provide brine water treatment services next to the KBH. This meets the sole source exception under Texas Local Government Code Section 252.022(a)(7). Mr. Balliew answered questions from the Board on this item.

On a motion made by Mr. Antcliff, seconded by Mayor Leeser and unanimously carried, the Board took action to authorize the President/CEO to sign a Brine Water Treatment Services and Sales Agreement between UW CMC, LLC, and the El Paso Water Utilities Public Service Board.

**18. 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**

**ADJOURNMENT**

On a motion made by Mayor Leeser, seconded by Dr. Santiago and unanimously carried, the meeting adjourned at 10:24 a.m., April 14, 2021.

ATTEST:

  
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Kristina Mena, Chair

  
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Christopher Antcliff, Secretary-Treasurer