

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
July 8, 2020

The regular meeting of the Public Service Board was held via telephonic, Monday, July 8, 2020.

PSB MEMBERS PRESENT

Christopher A. Antcliff, Chair
Dr. Kristina D. Mena, Vice-Chair
Bryan Morris, Member
Terri Garcia, Member
Dee Margo, Ex-Officio Member
Henry Gallardo, Member
Dr. Ivonne Santiago, Secretary-Treasurer

PSB MEMBERS ABSENT

PSB EMPLOYEES PRESENT

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

EPWATER EMPLOYEES PRESENT

Alan Shubert, Vice President
Marcela Navarrete, Vice President
Juan S. Gonzalez, Assistant General Counsel
Art Duran, Chief Financial Officer
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Alfredo Solano, Chief Information Officer
Jillian Shipp, Executive Assistant
Jeannette Cordero, Assistant Chief Financial Officer
Gilbert Trejo, Chief Technical Officer
Israel Chavez, Senior Network Administrator
Diana Ortega, Utility Purchasing & Contract Manager
Rose Guevara, Senior Purchasing Agent
Edgar Campos, Utility Information Systems Manager
Gladis De Santiago, Database Administrator
Daniel Ortiz, Assistant General Counsel
Alma De Anda, Utility Land & Water Rights Manager
James Wolff, Real Estate Manager
Angel Bustamante, Water Systems Division Manager
Jessica Romo, Database Administrator
Mark Boldoc, Utility Business & Customer Service Manager

GUESTS

Craig Gibson
Maria Urbina
Steven Weller
Joanna Gil

MEDIA

The Public Service Board meeting was called to order by Mr. Antcliff at 10:02 a.m. A quorum of its members was present after doing a roll call.

CONSENT AGENDA

Mr. Morris requested to have item number 1 moved from consent agenda to regular agenda. On a motion made by Mr. Morris, seconded by Ms. Garcia and unanimously carried, the moved item number 1 to regular agenda.

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

2. CONSIDERED AND APPROVED A PURCHASE FROM MYTHICS, INC. FOR THE ORACLE DATABASE APPLIANCE SOFTWARE AND HARDWARE, WITH A ONE-YEAR MAINTENANCE AGREEMENT, THROUGH TEXAS DIR CONTRACT NUMBER DIR-TSO-4158; US-GMA-1889764, IN THE ESTIMATED AMOUNT OF \$59,733.11.

The Board approved a purchase from Mythics, Inc. for the Oracle Database Appliance Software and Hardware, with a one-year Maintenance Agreement, through Texas DIR Contract Number DIR-TSO-4158; US-GMA-1889764, in the estimated amount of \$59,733.11.

3. CONSIDERED AND APPROVED AN INCREASE OF \$20,000 TO THE CURRENT MASTER CONTRACT FOR SUPPLIES AND MATERIALS FOR OPERATIONS WITH SPECTRUM PAPER CO. THROUGH ESC REGION 19 CONTRACT NUMBER 15-7147, FOR A REVISED ESTIMATED ANNUAL AMOUNT OF \$65,000, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS IN THE ESTIMATED ANNUAL AMOUNT OF \$100,000.

The Board approved an increase of \$20,000 to the current Master Contract for supplies and materials for operations with Spectrum Paper Co. through ESC Region 19 Contract Number 15-7147, for a revised estimated annual amount of \$65,000, with the option for two, one-year extensions in the estimated annual amount of \$100,000.

REGULAR AGENDA

1. CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON JUNE 15, 2020 AND SELECTION COMMITTEE MEETING HELD ON JUNE 11, 2020.

Mr. Morris informed the Board there were some corrections that needed to be made on the minutes regarding item number 15 and number 20 on the regular PSB meeting, as well as PSB member listed on the Selection Committee minutes. All items were reviewed, addressed, and corrected.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board approved the minutes of the regularly scheduled meeting held on June 15, 2020 and Selection Committee Meeting held on June 11, 2020.

4. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE UPPER VALLEY – STRAHAN WATER TRANSMISSION MAIN – PHASE 2A TO CDM SMITH, INC. FOR PRELIMINARY ENGINEERING AND 30% DESIGN SERVICES IN THE AMOUNT OF \$383,626; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR 100% DESIGN AND CONSTRUCTION PHASE SERVICES IN AN ESTIMATED AMOUNT OF \$900,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET 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 Upper Valley Strahan Road Water Transmission Main project is a 36-inch water line that will increase service reliability in El Paso's upper valley. Construction will allow for water to be provided from the Canutillo Well Field to the central part of town in the winter and from Canal Water Treatment Plant to west El Paso during irrigation season. This transmission line will also provide water to underserved areas currently without access to potable water. The U.S. Army Corps of Engineers (Corps) has provided a 75% federal cost match for the first two construction phases of this project. Staff is working with the Corps to obtain funding for the construction of this third phase. This project consists of the installation of approximately 10,000 linear feet of 36-inch water transmission main from West Borderland Road and Strahan Road to the intersection at Clayton Drive and Montoya Drive. The project also includes a 2,000-foot long segment of 36-inch water transmission main from West Borderland Road to Arce Drive. The project will require coordination between the IBWC, TXDOT, and BNSF Railroad Company due to crossing a TXDOT right-of-way, the Rio Grande river, and BNSF Railroad. The Architectural/Engineering Selection Advisory Committee met on May 13, 2020 to review and recommend selection of an engineering firm. The committee consisted of Ivonne Santiago, Kristina Mena, Bryan Morris, Marcela Navarrete, Alan Shubert, Felipe Lopez, and Gilbert Trejo. Proposals were scored for technical competence, project approach, team organization and availability, and project management and quality control. The Committee determined that CDM Smith, Inc. meets the needs of the Utility for these services and has demonstrated excellent abilities in all evaluated categories. This firm is the most qualified. Staff worked with the Consultant to develop the scope of services required for the project. A fee proposal was submitted, reviewed, and negotiated with the consultant for the defined work scope. The negotiated fees are in line with the level of effort required to complete the task and consistent with similar recent work completed.

On a motion made by Mr. Gallardo, seconded by Dr. Mena and unanimously carried, the Board awarded a professional engineering services contract for the Upper Valley – Strahan Water Transmission Main – Phase 2A to CDM Smith, Inc. for preliminary engineering and 30% design services in the amount of \$383,626; authorized future task orders or amendments to be issued under this contract for 100% design and construction phase services in an estimated amount of \$900,000, provided that funding is available in the approved budget and authorized the use of commercial paper.

5. CONSIDERED AND APPROVED TASK ORDER NUMBER 3 – OPERATIONS PROCEDURES DEVELOPMENT FOR TERTIARY TREATMENT AT FRED HERVEY WATER RECLAMATION PLANT TO THE PROFESSIONAL ENGINEERING SERVICES CONTRACT WITH ARCADIS U.S., INC. FOR THE WASTEWATER FACILITIES OPERATIONS SUPPORT SERVICES IN THE AMOUNT OF \$89,224.51; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL PROFESSIONAL ENGINEERING SERVICES IN THE ESTIMATED AMOUNT OF \$600,000; PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files). The Fred Hervey Water Reclamation Plant (FHWRP) began operation in 1985 as the first in the nation to treat reclaimed water to drinking water standards and has a rated capacity of 12 million gallons per day (MGD). This treatment plant remains unique nationwide as it is both a wastewater and water treatment plant. This project will improve on standard operating procedures that have been in place for decades, maintaining operational consistencies

between operators. An engineering consultant will work with staff to develop standard operating procedures for plant operators to follow during their plant rounds. These procedures will consist of practical, usable tools and a recordkeeping system that can easily be referenced and eventually digitized into the SCADA system. In March 2020, EPWater President/CEO approved a professional engineering contract with Arcadis for the development of the framework for these standard operating procedures solely for the wastewater side of the FHWRP. Task Order Number 1 and Task Order Number 2 were issued for the consultant to visit the facility and develop an initial draft of the procedures and tools to be utilized by Utility operators. The procedures were developed and implemented jointly by EPWater and the Arcadis. Plant operations experts utilized the procedures and tools; adjusting them as necessary. EPWater has now permanently adapted these procedures for use during Utility operations at the existing wastewater treatment portion of the facility. Plant staff and operations management have seen the improved consistency in operator input and communication records. This Task Order Number 3 is necessary to complete the standard operating procedures development and tools for the water treatment portion of the facility. Future Task Orders will include conducting the same assessments and development of procedures for the three other wastewater treatment plants, including developing plans and specifications to implement and integrate these checklists into the SCADA system. Arcadis has developed a checklist based on the firm's unique experience in operation optimization and national support program addressing the key aspects of the FHWRP consistent operations. They spent a considerable amount of time with staff developing the framework, procedures, and tools to ensure optimal operational and process control. The knowledge gained during these assessments make them the most qualified firm for this project. Staff worked with Arcadis to develop the scope of services required for this phase of the project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the Consultant for the defined scope of work. The negotiated fees are in line with the level of effort required to complete the task and consistent with similar work completed. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board approved Task Order Number 3 – Operations Procedures Development for Tertiary Treatment at Fred Hervey Water Reclamation Plant to the Professional Engineering Services Contract with Arcadis U.S., Inc. for the Wastewater Facilities Operations Support Services in the amount of \$89,224.51; authorized future task orders or amendments to be issued under this contract for additional professional engineering services in the estimated amount of \$600,000; provided that funding is available in the approved budget for the task orders or amendments.

6. CONSIDERED COMPETITIVE SEALED PROPOSAL NUMBER SWCSP 32-20, DONIPHAN AND FRONTERA JUNCTION BOX REHABILITATION, DECLARED CUBIC WATER, LLC AS NOT-RESPONSIBLE AND AWARDED TO THE HIGHEST RANKED OFFEROR, SPIESS CONSTRUCTION COMPANY IN THE ESTIMATED AMOUNT OF \$3,801,168.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files). The existing junction box located at the intersection of Doniphan Avenue and Frontera Road has experienced settlement; the sidewalk above the box has started to collapse and it is considered a safety issue for the public. The purpose of this project is to replace the junction box, using a jet grouting retention system, as well as the rehabilitation of +/- 1,050 linear feet of conduit through a spiral wound steel-reinforced HDPE liner along with the reconstruction of the street pavement, sidewalk and curb. On June 24, 2020, two proposals were received for SWCSP 32-20, Doniphan and Frontera Junction Box Rehabilitation. The offerors were Spiess Construction

Company, Inc. and Cubic Water, LLC. Staff evaluated the qualifications of both offerors and determined that the information submitted by Cubic Water, LLC did not meet the minimum general and project specific experience requirements. Spiess Construction Co., Inc., does meet the minimum general requirements as well as the minimum project specific criteria as specified in the bid documents. The Architectural/Engineering Selection Committee consisting of Bryan Morris, Kristina Mena, Alan Shubert, Gilbert Trejo, Martin Noriega, met on June 26, 2020 and evaluated both proposals. The selection committee agreed with staff's evaluation that Cubic Water, LLC did not submit experience documentation that satisfied the minimum general and the project specific experience criteria and recommended their proposal be deemed not-responsible. The selection committee reviewed the proposal from Spiess Construction Company, Inc and found them to be qualified for this project and scored them as the highest ranked offeror. Further, staff worked jointly with Spiess Construction Company to identify value engineering and cost savings in the project and negotiated a lower price than originally submitted. This resulted in a \$358,992 savings for EPWater. While Mr. Trejo addressed questions from the Board, Mr. Alan Shubert made additional comments.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board considered Competitive Sealed Proposal Number SWCSP 32-20, Doniphan and Frontera Junction Box Rehabilitation, declare Cubic Water, LLC as not-responsible and awarded to the highest ranked offeror, Spiess Construction Company in the estimated amount of \$3,801,168.

7. CONSIDERED AND AWARDED RFP 19-20, CONSTRUCTION MANAGER AT-RISK PRE-CONSTRUCTION SERVICES FOR THE ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT HEADWORKS IMPROVEMENTS, TO MGC CONTRACTORS, INC. IN THE AMOUNT OF \$1,722,616; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL PRE-CONSTRUCTION SERVICES IN THE ESTIMATED AMOUNT OF \$500,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE ADDITIONAL TASK ORDERS OR AMENDMENTS, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files). The Construction Manager At-Risk (CMAR) procurement method can be a two-step process in the State of Texas. First step asks that prospective offerors submit a Statement of Qualifications for evaluation and short-listing. In step two, the short-listed offerors submit a proposal that outlines the details of their technical project approach and an estimated cost proposal to execute the work. Once a CMAR is selected, they work jointly with the design engineer (Designer) to complete the design, and develop the Guaranteed Maximum Price (GMP), which signifies the actual price to complete the project as defined by the Designer and the CMAR. In November 2019, submittals were received for RFQ 114-19, Statement of Qualifications for Construction Manager At-Risk for the Roberto R. Bustamante Wastewater Treatment Plant Headworks Improvements project. Four submittals were received from Kiewitt Water Facilities South Company, Sundt Construction, PLC Construction, and MGC Contractors. In December 2019, the Architectural/Engineering Selection committee met to review these statements of qualifications, and ranked both Sundt Construction and MGC Contractors and the two highest ranked offerors, thus short-listing them for the next step in the procurement process: the development of a cost proposal and project approach. The two offerors were notified, and they developed and submitted proposals for RFP 19-20 in March 2020. This contract is for the CMAR to provide the following pre-construction services jointly with Carollo Engineers. The pre-construction services to be provided include: design development, field investigations, construction cost estimating, project value, integrated project schedule, advice on construction means and methods, and sequencing of the work to provide for a seamless integration into the existing

wastewater treatment infrastructure. The CMAR contractor, at or before the 80% design submittal, will develop a Guaranteed Maximum Price (GMP) proposal to construct the work in accordance with the construction agreement. The GMP requires PSB approval before the project moves into the construction phase. On May 13, 2020, the Architectural/Engineering Selection committee met to review the two proposals from Sundt Construction and MGC Contractors. Interviews were also held on May 13, 2020 and the proposals were scored on the information provided in their proposal and in the interview. This process resulted in the selection of MGC Contractors, Inc as the highest ranked offeror based on their technical project approach, answers provide in their interview, and the cost proposal. Negotiations were conducted with the MGC Contractors for the defined scope of work and the approached they described in their proposal. The negotiated fees are in line with the level of effort required to complete the task and consistent with similar work completed. 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 awarded RFP 19-20, Construction Manager At-Risk Pre-Construction Services for the Roberto R. Bustamante Wastewater Treatment Plant Headworks Improvements, to MGC Contractors, Inc. in the amount of \$1,722,616; authorized future task orders or amendments to be issued under this contract for additional pre-construction services in the estimated amount of \$500,000, provided that funding is available in the approved budget for the additional task orders or amendments, and authorized the use of commercial paper..

8. CONSIDERED AND AWARDED AN EMERGENCY CONTRACT TO OSCAR RENDA CONTRACTING FOR THE URGENT PUBLIC NECESSITY TO INSTALL A LINE STOP AND REPLACE A SEGMENT OF THE BOONE INTERCEPTOR WASTEWATER MAIN IN THE ESTIMATED AMOUNT OF \$700,000 INCLUSIVE OF AN 25% CONTINGENCY FOR CHANGE ORDERS, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files). Three existing sewer lines: 36-inch, 25-inch, and 21-inch in diameter respectively have been conveying a major portion of the flow from Fort Bliss and Central El Paso to the Haskell Street Wastewater Treatment Plant (WWTP). A segment of these three pipelines operate using a siphon to convey water under IH-10 and back up to the Haskell Street WWTP headworks. On June 25, 2020, the 36-inch pressurized wastewater main within the siphon was damaged while our crews were installing a tie-in, leading to a rupture in the pipeline. Because this segment was under the influence of the downstream water pressure from Haskell Street WWTP, a line stop was needed to isolate the pipeline and replace the damaged pipe. A line stop is a valve that is installed on a pressurized pipe segment. Oscar Renda Contracting (ORC) was selected to perform the replacement and rehabilitation of this pipeline. ORC was already mobilized in El Paso working on the Frontera Force mains project. Staff contacted them and through their national resources, located a line stop, the same day we notified them, and shipped it to El Paso the next day. Further, they had the necessary equipment and crews already in El Paso to install the line stop. This is specialty work our crews do not perform. Aside from their immediate availability, ORC was selected and called upon based on their qualifications to expedite and successfully complete large diameter pipeline work. Oscar Renda Contracting is a national construction company specializing in large diameter pipeline installations and repairs. Their portfolio includes installation of pipeline as large as 144-inches as well as smaller diameter pipelines such as our 48-inch Paisano Valley water line and the 60-inch Magnolia force main. In 2016 they completed the emergency replacement of valves and pipeline repairs on the Frontera Force mains and are currently working on installing a replacement pipeline for the Frontera Force mains. They are a company qualified to complete this work. The procurement falls within the exemptions found in 252.022(a) (3) of the

Texas Local Government Code, which allows for a procurement necessary because of unforeseen damage to public machinery, equipment, or other property and 252.022(a)(2) Preservation of Public Health and Safety. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago seconded by Ms. Garcia and unanimously carried, the Board awarded an emergency contract to Oscar Renda Contracting for the urgent public necessity to install a line stop and replace a segment of the Boone Interceptor Wastewater Main in the estimated amount of \$700,000 inclusive of an 25% contingency for change orders, and authorized the use of commercial paper.

9. CONSIDERED AND APPROVED THE PURCHASE OF COVID-19 (SARS-COV-2) IGM/IGG ANTIBODY DETECTION TEST KITS FROM NIRMIDAS BIOTECH, INC. IN THE ESTIMATED, ANNUAL AMOUNT OF \$250,000.

Mr. John Balliew, President/CEO, provided a presentation to the Board regarding this item (copy on file in Central Files). In order to comply with the First Amendment to Local Emergency Directive dated April 1, 2020 addressing the COVID-19 pandemic; EPWater is required to conduct regular health screenings of its employees. EPWater has offered COVID 19 (SARS-CoV-2) IgM/IgG Antibody Testing to Utility personnel in order to monitor the presence of COVID-19 antibodies in our workplace. The results of the tests assist the Department of Health with key information and data on the presence of antibodies in the EPWater community. EPWater will continue to provide the COVID-19 antibody testing to employees through at least April 2021. Nirmidas Biotech, Inc. (Nirmidas) produces their test kits in America. Nirmidas test kits have the lowest rate of false positive results and provide readings of both IgG and IgM antibodies. The Nirmidas test kits are being evaluated by the FDA and are readily available within the required timeframe requested by EPWater. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Mr. Morris and unanimously carried, the Board approved the purchase of COVID-19 (SARS-CoV-2) IgM/IgG Antibody Detection Test Kits from Nirmidas Biotech, Inc. in the estimated, annual amount of \$250,000.

10. CONSIDERED AND APPROVED A PROFESSIONAL SERVICES CONTRACT WITH PROACTION EMERGENCY SERVICES INSTITUTE FOR COVID 19 HEALTH SCREENINGS AND TESTING IN THE ESTIMATED ANNUAL AMOUNT OF \$650,000.

Mr. Balliew provided a presentation to the Board regarding this item (copy on file in Central Files). In order to comply with the First Amendment to Local Emergency Directive dated April 1, 2020 addressing the COVID-19 pandemic; EPWater is required to conduct regular health screenings of its employees. EPWater contracted with ProAction Emergency Services Institute (ProAction) to provide the equipment needed for temperature screenings at multiple EPWater sites; rapid response Antibody Testing for EPWater personnel; and COVID-19 nasal swab testing. In addition, EPWater retained ProAction's medical professionals to administer the above-listed evaluations, create an appointment database, draft consent forms, perform laboratory analysis, and communicate with EPWater personnel regarding test results. Given the on-going nature of the COVID-19 pandemic; EPWater will continue COVID-19 health screenings through April 2021. ProAction Emergency Services Institute is a local 501(c)3 non-profit organization and currently provides COVID-19-related health screenings to the El Paso Electric Company and the El Paso International Airport. They have all the resources and expertise to meet the needs the testing and health screening initiatives of EPWater.

On a motion made by Ms. Garcia, seconded by Dr. Santiago and unanimously carried, the Board approved a professional services contract with ProAction Emergency Services Institute for COVID 19 health screenings and testing in the estimated annual amount of \$650,000.

11. CONSIDERED AND APPROVED A RESOLUTION AUTHORIZING EPWATER STAFF TO WORK WITH THE COUNTY OF EL PASO TO EXPLORE THE COUNTY'S REQUEST TO ENTER INTO AGREEMENTS FOR EPWATER TO ANALYZE AND MAKE RECOMMENDATIONS PERTAINING TO THE OPERATION AND MAINTENANCE OF THE EAST MONTANA WATER SYSTEM.

Mr. Balliew provided a presentation to the Board regarding this item (copy on file in Central Files). On July 11, 2018, the Public Service Board authorized staff to work with the County of El Paso to explore the County's request to consider transferring the ownership of the County's Water and Wastewater Systems (East Montana Water System) to EPWater. The County has determined that it is beneficial for the County to maintain ownership of the East Montana Water System. The parties have decided to evaluate the County's transferring the maintenance and operation of the East Montana Water system and, if appropriate, other existing and future water and wastewater systems. Staff will be tasked to determine what is the best interest of the parties via the assessment of the technical, operational, managerial, financial, and legal requirements and obligations required for the parties to enter into future agreements pertaining to the County's water and wastewater systems including, but not limited to wholesale, operation, and maintenance agreements. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago seconded by Ms. Garcia and unanimously carried, the Board approved a Resolution authorizing EPWater staff to work with the County of El Paso to explore the County's request to enter into agreements for EPWater to analyze and make recommendations pertaining to the operation and maintenance of the East Montana Water System.

12. CONSIDERED AND AWARDED BID NUMBER 29-20, GRANULAR ACTIVATED CARBON TO THE SOLE RESPONSIVE, RESPONSIBLE BIDDER, CALGON CARBON CORPORATION, IN THE ESTIMATED ANNUAL AMOUNT OF \$2,442,960, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS

Mr. Art Duran, Chief Financial Officer, provided information to the Board regarding this item. Granular Activated Carbon (GAC) is used in filters at water treatment plants to polish the water by turbidity removal and for taste and odor breakthrough prevention. GAC effectiveness is reduced over time by filter loading and run time. Periodic replacement of GAC is necessary for health and safety reasons. An estimated annual replacement of 1,404,000 pounds of GAC is scheduled for replacement at our water treatment plants. The previous bid from Calgon Carbon was \$1.47 per pound, the current bid is \$1.74 per pound an 18.37% increase from the previous price. One bid and a no bid were received. Staff evaluated the bid and determined that the bidder met all the specifications as defined within the bid proposal. Staff recommends award to Calgon Carbon Corporation, in the estimated annual amount of \$2,442,960.

On a motion made by Dr. Santiago, seconded by Mr. Morris and unanimously carried, the Board awarded Bid Number 29-20, Granular Activated Carbon to the sole responsive, responsible bidder, Calgon Carbon Corporation, in the estimated annual amount of \$2,442,960, with the option for two one-year extensions.

13. CONSIDERED AND ADOPTED A RESOLUTION REQUESTING CITY COUNCIL AND AUTHORIZED THE ISSUANCE OF UP TO \$40,525,000 OF CITY OF EL PASO WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS SERIES 2020 TO PAY OFF \$40,000,000 IN COMMERCIAL PAPER NOTES AND UP TO \$63,250,000 OF CITY OF EL PASO WATER AND SEWER SYSTEM REVENUE TAXABLE REFUNDING BONDS SERIES 2020A TO REFUND \$58,565,000 OF EXISTING BONDS AND FUND INTEREST AND RELATED TRANSACTION COSTS; PROVIDED THAT CERTAIN PARAMETERS APPROVED BY THE BOARD ARE MET.

Ms. Maria Urbina with Hillco Partners provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater currently has a Revolving Credit Agreement with Bank of America N.A. for the Water

and Sewer Commercial Paper Notes Program in the amount of \$40,000,000. The Commercial Paper Program is a short-term variable rate financing tool utilized by the Utility to finance a portion of its Capital Improvement Program. Series 2020 will pay off \$40,000,000 of Commercial Paper Notes. In addition, due to favorable market conditions, the Utility is requesting to issue bonds Series 2020A up to \$63,250,000 to refund Series 2012 and 2012A in the par amount of \$58,565,000, this transaction will create an estimated present value interest savings of \$2,700,000. EPWater's Audit, Finance and Investment Committee met on July 2, 2020, to review the bond issues proposals and request City Council to approve the following parameters as recommended. Series 2020 (Commercial Paper Refunding) Maximum True Interest Cost – 3.90%, Aggregate Principal Amount of Issue - \$40,525,000, Final Maturity Date – December 31, 2040, Expiration of Delegated Authority – 6 months. Series 2020A (Taxable Economic Refunding), Maximum True Interest Cost – 2.50%, Aggregate Principal Amount of Issue - \$63,250,000, Minimum Present Value Savings Percentage – 3.00%, Expiration of Delegated Authority – 6 months. Ms. Urbina addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo seconded by Mr. Morris and unanimously carried, the Board adopted a Resolution requesting City Council to authorize the issuance of up to \$40,525,000 of City of El Paso Water and Sewer System Revenue Refunding Bonds Series 2020 to pay off \$40,000,000 in commercial paper notes and up to \$63,250,000 of City of El Paso Water and Sewer System Revenue Taxable Refunding Bonds Series 2020A to refund \$58,565,000 of existing bonds and fund interest and related transaction costs; provided that certain parameters approved by the Board are met.

14. CONSIDERED AND ACCEPTED THE EL PASO WATER UTILITIES/PUBLIC SERVICE BOARD COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING FEBRUARY 29, 2020.

Mr. Craig Gibson with Gibson, Ruddock, Patterson LLC, provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater. City of El Paso Bond Ordinance 752, as amended, requires that an annual audit of EPWater be performed by independent certified public accountants. The CAFR includes the Water and Wastewater Utility and the Municipal Drainage Utility. Gibson, Ruddock, Patterson LLC performed the independent audit for the Public Service Board. The firm, led by partner Craig Gibson, has done an excellent job in assisting staff in ensuring compliance with all Federal, State, and other accounting reporting requirements.

On a motion made by Dr. Mena seconded by Mr. Morris and unanimously carried, the Board accepted the El Paso Water Utilities/Public Service Board Comprehensive Annual Financial Report for Fiscal Year ending February 29, 2020.

15. CONSIDERED AND ACCEPTED THE EL PASO WATER'S FIRST QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING MAY 31, 2020.

Mr. Duran provided a presentation to the Board regarding this item (copy on file in Central Files). Mr. Duran began his presentation with a slide showing the Water and Wastewater Utility Fund Trend Analysis of Capital Assets from 2011 thru current. In 2020 our capital assets reached almost \$1.8 million dollars and our net position was at a little over a \$1 million. In addition, Mr. Duran also explained our bonds payable has been steady over the last three years. Mr. Duran then showed the same slide in regard to the Municipal Drainage Analysis, from 2011 to current. In 2020 the capital assets reached \$175 million, with the net position at \$100 million, and the bonds payable steady over the past three years as well. Mr. Duran went on to discuss the Water and Sewer Fund Debt Service Coverage. For FY2019 the debt service coverage board target was at 2.22 and for FY 2020 it was at 2.21. In regard to the Stormwater Utility Fund Debt Service Coverage, the debt service coverage bond target was 2.88 for FY2019, and for FY2020 it was 1.87. In regard to bond ordinance in FY2019 we came in at 1.3, and for FY2020 was at 1.8. Mr. Duran went on to discuss Water and Wastewater Revenues for FY 19-20 with a budgeted amount of \$254,602. For FY18-19 it was \$238,483 million, and for FY 19-20 it was \$250,028 million. In regard to the Water and Wastewater Utility Operating & Maintenance Expense, the budgeted amount of

FY19-20 was \$102,448 million, and coming in at \$100,101 million, versus coming in at \$100,299 million in FY18-19. Mr. Duran went on to discuss Water and Wastewater Capital Projects Expenditures, the budgeted amount for FY19-20 was \$181,505 million with the actual coming in at \$139,240 million and \$183,740 million for FY18-19. Next was discussed Stormwater Operating Expenses, budgeted amount for FY19-20 was \$6,932 million, with the actual coming in at \$6,870 million compared to the \$6,603 million from FY18-19. Mr. Duran went on to discuss Stormwater Utility Operating Revenues. The budgeted about for FY19-20 was \$24,098 million, with an actual coming in at \$24,522 million, compared to FY18-19 coming in at \$24,061 million. Lastly, Mr. Durn discussed Stormwater Capital Projects Expenditures, budgeted amount for FY 19-20 was \$30,920 million with the actual coming in at \$19,800 million, while in FY 18-19 coming in at \$23,560. Mr. Duran began his presentation by showing a chart of comparison of water billed FY 2019-20 & 2020-21. For FY20-21 the amount billed was 3.2 billion gallons of water, which was similar to last year. Mr. Duran shared with the Board that there was a decrease on the commercial side of water consumption, but there was increase on the residential side due to the COVID-19 Pandemic. In regard to customer paying their bills, there has been a slight increase in accounts 60 days past due, but nothing that is alarming or concerning. Financially, EPWater is doing very well in the first quarter. Mr. Duran then went on to discuss Water and Wastewater Operating Revenues, the budgeted amount was \$264,921 million for FY20-21, with the actual coming in at \$61,297 million whereas in FY19-20 the actual was \$57,925 million. Next, Mr. Duran discussed Water and Wastewater Utility Operating Expenses, the budgeted amount for FY20-21 was \$111,755 million with the actual coming in at \$20,045 million, and \$18,422 million for FY19-20. Water and Wastewater Capital Project Expenditures were discussed next, total budgeted amount was \$237,624 million for FY20-21, with the actual being \$16,680 million, compared to \$25,761 million in FY19-20. Mr. Duran went over Water and Wastewater Debt Service Coverage, the goal was 2.33, with a goal ordinance of 1.50. The actual for FY20-21 was 2.52, in FY19-20 it was at 2.41. Next, Stormwater Utility Operating Revenues was discussed, the budget amount for FY20-21 was \$24,602 million, with the actual at \$6,111 million, and in FY19-20 coming in at \$6,114 million. Regarding the Stormwater Operating Expenses, the budgeted amount for FY20-21 was \$7,437 million, with the actual coming in at \$1,517 million, compared to FY19-20 coming in at \$1,417 million. Mr. Duran then went on to discuss Stormwater Capital Expenditures, budgeted amount was \$26,011 million for FY20-21, the actual being \$1,123 million, compared to \$1,316 million in FY19-20. The lower total is due to many projects being delayed in result of COVID-19. Stormwater Debt Service Coverage, budgeted for FY20-21 was 1.82, with a bond ordinance of 1.25. EPWater came in at 1.98 for FY20-21 and 2.10 in FY19-20. Mr. Duran addressed questions from Board regarding this item.

On a motion made by Mr. Gallardo seconded by Mr. Morris and unanimously carried, the Board accepted the El Paso Water's First Quarter Financial and Performance Measures Report for period ending May 31, 2020.

16. CONSIDERED AND ACCEPTED EL PASO WATER'S 1ST QUARTER INVESTMENT REPORT FOR THE PERIOD ENDING MAY 31, 2020.

Mr. Duran provided a presentation to the Board regarding this item (copy on file in Central Files). Mr. Duran began his presentation by showing a chart in with the U.S. Fed Funds Rate where there has been a steady down trend, ending Jun 2020 at 0.25%, which is the lowest reporting rate. Next M. Duran shared the Portfolio Composition as of May 31, 2020. Securities took up 37%, CD's at 29%, Texpool Prime at 12%, Texpool and TexStar both at 11%, and Money Market Funds taking up the rest at 0%. Mr. Duran then went on to discuss Investment Maturities Snapshot, a bar graph of where our portfolio stands. Next, he went over the 1st Quarter Portfolio comparison, in FY2020 the Portfolio Value was \$212,780,715 compared to \$210,792,566 in FY2019. Purchases came in at \$35.3 million in FY2020, where as in FY2019 they were at \$51.5 million. Weighted Average Maturity was 168 days for FY2020, and in FY2019 was 39 days, and lastly the Weighted Yield was 1.12% in FY2020, and 2.49% in FY2019. Dr. Duran then went on to show the Benchmark Analysis, for a 3-month T-Bill it is 0.14%, for 6 months it is 0.18%, 1 year is 0.17%, 2 years is 0.16% and EPWater total is 1.12 %. Mr. Duran ended by discussing Interest Earned Comparison, in FY2018 we were at just under \$500,000, in FY2019 we were at 1,000,000, for FY2020 we were at \$1,250,000 and in FY2021 we were at \$750,000.

On a motion made by Dr. Mena, seconded by Ms. Garcia and unanimously carried, the Board accepted El Paso Water's 1st Quarter Investment Report for the period ending May 31, 2020.

17. MANAGEMENT REPORT:

- COVID-19 Customer Recovery Project-Ms. Lisa Rosendorf by reminding the Board that at the last Board meeting, they approved for EPWater to submit an application for the CARES ACT for government funding due to COVID-19. EPWater received a grant of \$500,000 to assist low-income customers who have been impacted by COVID-19. With this grant, EPWater expects to help 2000+ customers. Those who qualify will receive a credit of up to three months of unpaid balances with a maximum benefit to any one customer of \$500. The program is expected to launch in July with a robust publicity and outreach. Customers call submit applications by mail, email or fax. Once the applications are received, they will be reviewed internally, with an approval process. We will also report to the City on monthly reimbursement.

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.

The Board heard comments from Mr. Ever Ramirez and Mr. Greg Overman.

EXECUTIVE SESSION

On a motion made by Mr. Gallardo, seconded by Ms. Garcia, and unanimously carried, the Board retired into Executive Session at 12:24 p.m., July 8, 2020, 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 property can be declared inexpedient to the water system: Property along Holstein Rd. in the County of El Paso, legally described as a portion of Tract 13, O.A. Danielson Survey 310, Abstract 10026, consisting of approximately 1.2 acres.

b. Section 551.071 Consultation with Attorney

The Board will consult with its attorneys regarding Cause No. 2017DCV 1076, ROP Artcraft, LLC. v. The City of El Paso.

On a motion made by Ms. Garcia, seconded by Mr. Morris and unanimously carried, the Board reconvened in open session at 12:48 p.m.

DELIBERATED REGARDING WHETHER THE FOLLOWING PROPERTY CAN BE DECLARED INEXPEDIENT TO THE WATER SYSTEM: PROPERTY ALONG HOLSTEIN RD. IN THE COUNTY OF EL PASO, LEGALLY DESCRIBED AS A PORTION OF TRACT 13, O.A. DANIELSON SURVEY 310, ABSTRACT 10026, CONSISTING OF APPROXIMATELY 1.2 ACRES.

Motion made by Dr. Santiago and seconded by Dr. Mena that the El Paso Water Utilities President and CEO be authorized to proceed with the acquisition of land in the manner approved by the Board and in accordance with the terms and conditions specified by the Board and sign any and all documents necessary to complete the purchases

**CONSULTED WITH ITS ATTORNEYS REGARDING CAUSE NO. 2017DCV 1076, ROP
ARTCRAFT, LLC. V. THE CITY OF EL PASO**

Motion made by Dr. Santiago and seconded by Dr. Mena, that the Board find the land identified in the above agenda item to be inexpedient the needs of the System and authorizes the President/CEO to take all necessary actions to put the land out of public bid and sale in accordance with Texas law.

ADJOURNMENT

On a motion made by Mr. Gallardo, seconded by Dr. Santiago and unanimously carried, the meeting adjourned at 12:51 p.m., July 8, 2020.

ATTEST:



Secretary-Treasurer



Kristina Mena-Chair