

**MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
October 12, 2022**

The regular meeting of the Public Service Board was held in person, Wednesday, October 12, 2022.

PSB MEMBERS PRESENT

Dr. Kristina D. Mena, Chair
Lisa Saenz, Member
Dr. Ivonne Santiago, Vice Chair
Charlie Intebi, Member
Bryan Morris, Secretary-Treasurer
Stefanie Block Uribarri, Member

PSB MEMBERS ABSENT

Mayor Oscar Leeser

PSB EMPLOYEES PRESENT

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

EPWATER EMPLOYEES PRESENT

Marcela Navarrete, Vice President
Art Duran, Chief Financial Officer
Claudia Duran, Executive Assistant to the President/CEO
Sol Cortez, Deputy General Counsel
Irazema Rojas, Interim Chief Technical Officer
Lisa Rosendorf, Chief Communications & Government Affairs Officer
Martin Noriega, Chief Operations Officer
Gisela Dagnino, Chief Operations Officer
Jesus Garcia, PC/LAN Specialist II
Ciara Grier, Support Services I
Luz Holguin, Assistant Chief Financial Officer
Geoffrey Espineli, Engineering Division Manager
Veronica Galindo, Water Production Manager
Angel Bustamante, Water Systems Division Manager
David Ornelas, Wastewater Systems Division Manager
Jeff Tepsick, Assistant Chief Financial Officer
Becky Hart, Property and Treasury Manager
Adriana Castillo, Engineering Division Manager
Christina Montoya, Marketing and Communications Manager
Ivan Hernandez, Engineering Division Manager
Gustavo Hurtado, Fiscal Operations Manager
Art Vega, Wastewater Plant Assistant Superintendent
Eric Dubrule, Wastewater Lift Station Superintendent
Fredy Sansom, Instrumentation Control Assistant Superintendent
Teresa Alcala, Laboratory Services Manager

GUESTS

MEDIA

The Public Service Board meeting was called to order by Dr. Mena at 8:00 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Gilbert Trejo in reciting the Pledge of Allegiance.

CONSENT AGENDA

On a motion made by Ms. Saenz, seconded by Mr. Morris and unanimously carried, the Board moved item number 4 from the consent agenda into the regular agenda.

4. CONSIDER AND APPROVE A MASTER CONTRACT FOR MAINTENANCE, REPAIR, AND OPERATIONAL (MRO) EQUIPMENT, SUPPLIES, MATERIALS, AND SERVICES TO TRANE U.S. INC., THROUGH THE ESC REGION 19 COOPERATIVE CONTRACT NUMBER 22-7434, FOR THE JOHN T. HICKERSON WATER RECLAMATION FACILITY HEATING VENTILATION AND AIR CONDITIONING UNITS REHABILITATION PROJECT IN THE ESTIMATED AMOUNT OF \$2,338,410 AND AUTHORIZE THE FUTURE INCREASE OF SUCH MASTER CONTRACT BY AN ADDITIONAL \$300,000 FOR ADDITIONAL UNFORESEEN WORK TO COMPLETE THE PROJECT, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

On a single motion made by Dr. Santiago, seconded by Ms. Saenz and unanimously carried, the Board took action on the following consent agenda items:

1. CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON SEPTEMBER 14, 2022.

2. CONSIDERED AND APPROVED A RESOLUTION AUTHORIZING THE PRESIDENT/CEO'S SUBMISSION OF A GRANT APPLICATION TO THE U.S. ECONOMIC DEVELOPMENT ADMINISTRATION UNDER FUNDING OPPORTUNITY NUMBER PWEAA2020 "FY2020 EDA PUBLIC WORKS AND ECONOMIC ADJUSTMENT ASSISTANCE PROGRAMS INCLUDING CARES ACT FUNDING" IN THE ESTIMATED AMOUNT OF \$2,000,000 IN GRANT FUNDS TO FUND THE PLANNED WATER, WASTEWATER AND STORMWATER INFRASTRUCTURE IN THE RIVERSIDE INDUSTRIAL COMPLEX – PHASE III; AUTHORIZE EL PASO WATER'S FUNDING COMMITMENT TO ALLOCATE UP TO \$3,200,000 AND FURTHER AUTHORIZED THE PRESIDENT/CEO TO PROVIDE AND SIGN ANY DOCUMENTS NECESSARY IN CONNECTION WITH THE GRANT APPLICATION, GRANT AGREEMENT AND ACCEPTANCE OF THE FUNDS FOR THIS PROJECT.

3. CONSIDERED AND APPROVED AN INCREASE IN CAPACITY OF THE MASTER CONTRACT MC0000163 ISSUED TO NATIONAL AUTO FLEET GROUP FOR THE PURCHASE OF NEW CARS, TRUCKS, VANS, SUVs, AND OTHER VEHICLES THROUGH SOURCEWELL PURCHASING COOPERATIVE CONTRACT NO. 091521-NAF BY AN ADDITIONAL \$800,000, TO INCREASE THE MASTER CONTRACT CUMULATIVE AMOUNT TO \$1,300,000.

5. CONSIDERED AND AWARDED BID NUMBER 60-22, ANTISCALANT AND CLEAN-IN-PLACE CHEMICALS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, KING LEE CHEMICAL COMPANY, IN THE ESTIMATED ANNUAL AMOUNT OF \$77,268.15 AND AUTHORIZED AN ADDITIONAL ANNUAL ESTIMATED AMOUNT OF \$75,000 FOR THE PURCHASE OF ADDITIONAL SUPPLIES IF NEEDED, FOR A TERM OF ONE YEAR WITH FOUR ONE-YEAR EXTENSIONS PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.

6. CONSIDERED AND AWARDED BID NUMBER 99-22 POWDERED ACTIVATED CARBON TO NORIT AMERICAS, INC., THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, IN THE ESTIMATED ANNUAL AMOUNT OF \$300,000 FOR A TERM OF ONE YEAR WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.

7. CONSIDERED AND AWARDED BID NUMBER 86-22, TECHNICAL GRADE METHANOL, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SOUTHERN CHEMICAL

CORPORATION, IN THE ESTIMATED ANNUAL AMOUNT OF \$205,350 AND AUTHORIZED AN ADDITIONAL ANNUAL AMOUNT OF \$100,000 FOR ADDITIONAL SUPPLY IF NEEDED, FOR A TERM OF ONE YEAR WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.

8. CONSIDERED AND APPROVED A SOLE SOURCE PURCHASE PURSUANT TO SECTION 252.022(A)(7)(A) OF THE TEXAS LOCAL GOVERNMENT CODE WITH FIALAB INSTRUMENTS, INC. FOR THE PURCHASE OF A FIALYZER-2000 INSTRUMENT IN THE ESTIMATED AMOUNT OF \$52,448.

9. CONSIDERED AND APPROVED CHANGE ORDER NUMBER 2 – BID NUMBER 06-22, REHABILITATION OF HIGH CHAPARRAL RESERVOIR TO SMITHCO CONSTRUCTION, INC., INCREASING THE CONTRACT PRICE BY \$249,699.93.

10. CONSIDERED AND APPROVED CHANGE ORDER NUMBER 2 - BID NUMBER 46-21, KBH SOURCE WATER AUGMENTATION PARALLEL PIPELINE TO CMD ENDEAVORS, INC., INCREASING THE CONTRACT AMOUNT BY AN ESTIMATED AMOUNT OF \$224,866.

11. CONSIDERED AND APPROVED CHANGE ORDER NUMBER 4 – BID NUMBER 46-20, PUMPING SYSTEMS FURNISH, INSTALLATION AND MAINTENANCE PHASE II TO ALPHA SOUTHWEST, INC., INCREASING THE CONTRACT AMOUNT BY \$749,243.

12. CONSIDERED AND APPROVED CHANGE ORDER NUMBER 2 – BID NUMBER 31-21, DONIPHAN COLLECTOR TO CANUTILLO BOSQUE LIFT STATION TO BAIN CONSTRUCTION, INC., INCREASING THE CONTRACT PRICE BY \$233,815.79.

REGULAR AGENDA

4. CONSIDERED AND APPROVED A MASTER CONTRACT FOR MAINTENANCE, REPAIR, AND OPERATIONAL (MRO) EQUIPMENT, SUPPLIES, MATERIALS, AND SERVICES TO TRANE U.S. INC., THROUGH THE ESC REGION 19 COOPERATIVE CONTRACT NUMBER 22-7434, FOR THE JOHN T. HICKERSON WATER RECLAMATION FACILITY HEATING VENTILATION AND AIR CONDITIONING UNITS REHABILITATION PROJECT IN THE ESTIMATED AMOUNT OF \$2,338,410 AND AUTHORIZED THE FUTURE INCREASE OF SUCH MASTER CONTRACT BY AN ADDITIONAL \$300,000 FOR ADDITIONAL UNFORESEEN WORK TO COMPLETE THE PROJECT, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Geoffrey Espineli, Engineering Division Manager, provided a presentation to the Board regarding this item. Trane U.S. Inc. provides a variety of MRO Equipment, Supplies, Materials, and Services through the ESC Region 19 Allied States Cooperative Contract No. 22-7434. This contract will allow for work to be performed and purchased for the John T. Hickerson Water Reclamation Facility (JTHWRF). There are seven Trane-brand air handling units at the facility that filtrate and control the quality of the air as well as regulate the air temperature for several buildings. These units are at the end of their useful life based on the condition assessment completed for the project and need to be replaced.

On a motion made by Dr. Santiago, seconded by Ms. Saenz and unanimously carried, the Board approved a Master Contract for Maintenance, Repair, and Operational (MRO) Equipment, Supplies, Materials, and Services to Trane U.S. Inc., through the ESC Region 19 Cooperative Contract Number 22-7434, for the John T. Hickerson Water Reclamation Facility Heating Ventilation and Air Conditioning Units Rehabilitation project in the estimated amount of \$2,338,410 and authorized the future increase of such master contract by an additional \$300,000 for additional unforeseen work to complete the project, provided that funding is available in the approved budget, and authorized the use of commercial paper.

13. SAFEST SECTION OF THE QUARTER AWARDS- SECOND 2ND QUARTER 2022.

Christina Montoya, Communications and Marketing Manager, provided a presentation to the Board regarding this item. The safest section of the quarter plaques were received by Fred Murillo from section 640- John T. Hickerson Water Reclamation Facility, Eric Dubrule from section 620- Waste Water Lift Stations, Severo Borrego from section 825- SCADA and Teresa Alcalá from section 525- Laboratory Services.

14. CONSIDERED AND AWARDED BID NUMBER 80-22 LIQUID FERRIC CHLORIDE, TO KEMIRA WATER SOLUTIONS, INC., THE SOLE, RESPONSIVE, RESPONSIBLE BIDDER, IN THE ESTIMATED ANNUAL AMOUNT OF \$1,465,230 FOR A TERM OF ONE YEAR WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.

Angel Bustamante, Water Systems Division Manager, provided a presentation to the Board regarding this item. The liquid ferric chloride is used for the coagulation of suspended matter in water production throughout the water treatment plants. The previous bid was awarded on May 8, 2019. The overall price did not increase from the current price. Mr. Bustamante answered questions from the Board on this item.

On a motion made by Dr. Santiago, seconded by Mr. Morris and unanimously carried, the Board awarded Bid Number 80-22 Liquid Ferric Chloride, to Kemira Water Solutions, Inc., the sole, responsive, responsible bidder, in the estimated annual amount of \$1,465,230 for a term of one year with the option for two one-year extensions, provided that funding is available in the approved budget.

15. RATIFIED THE PURCHASE OF QUICKLIME IN THE AMOUNT OF \$55,993.03 AND AUTHORIZED THE ADDITIONAL PURCHASE OF QUICKLIME FROM AUSTIN WHITE LIME COMPANY, LTD. IN THE ESTIMATED AMOUNT OF \$35,000 PURSUANT TO SECTION 252.022(A)(2) OF THE TEXAS LOCAL GOVERNMENT CODE, PROCUREMENT NECESSARY TO PRESERVE OR PROTECT THE PUBLIC HEALTH OR SAFETY OF THE MUNICIPALITY'S RESIDENTS.

David Ornelas, Wastewater Systems Division Manager, provided a presentation to the Board regarding this item. Quicklime is a chemical used for the high-lime treatment process and dewatered sludge stabilization at the Fred Hervey Water Reclamation Plant and the John T. Hickerson Water Reclamation Facility. The current contract expired on September 8, 2022. Bids for this chemical were received in March 2022; however, only one unresponsive bid was received and was rejected at the May 2022 PSB meeting. The chemical was then procured via an RFP and one sole proposal was received in response to RFP79-22, Quicklime, on August 26, 2022, and is recommended for award at the October 12, 2022, PSB Board meeting. This chemical is required for pH adjustment and is necessary to meet permit requirements at these facilities. Plant staff continued to order this chemical after the expiration of the contract in order to meet treatment requirements. The total quicklime purchased after the expiration of the contract is in the amount of \$55,993.03. The amount requiring ratification by the Public Service Board is \$55,993.03. In addition, staff is requesting authorization to purchase an additional estimated amount of \$35,000 of quicklime while a new contract is approved and executed. Mr. Ornelas answered questions from the Board on this item.

On a motion made by Ms. Saenz, seconded by Dr. Santiago and unanimously carried, the Board ratified the purchase of quicklime in the amount of \$55,993.03 and authorized the additional purchase of quicklime from Austin White Lime Company, Ltd. in the estimated amount of \$35,000 pursuant to Section 252.022(a)(2) of the Texas Local Government Code, procurement necessary to preserve or protect the public health or safety of the municipality's residents.

16. CONSIDERED AND AWARDED RFP79-22, QUICKLIME, TO AUSTIN WHITE LIME COMPANY, LTD., THE SOLE PROPOSER IN THE ESTIMATED ANNUAL AMOUNT OF \$864,375 FOR A TERM OF ONE YEAR, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.

David Ornelas, Wastewater Systems Division Manager, provided a presentation to the Board regarding this item. Quicklime is a chemical used for the high-lime treatment process and dewatered sludge stabilization at the Fred Hervey Water Reclamation Plant and the John T. Hickerson Water Reclamation Facility. The previous bid was awarded on February 13, 2019, and the new bid is 11% higher from the current price. Mr. Ornelas answered questions from the Board on this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board awarded RFP79-22, Quicklime, to Austin White Lime Company, Ltd., the sole proposer in the estimated annual amount of \$864,375 for a term of one year, with the option for two one-year extensions provided that funding is available in the approved budget.

17. CONSIDERED AND AWARDED BID NUMBER 98-22, GROUSE STREET FORCE MAIN REHABILITATION PHASE VI PART 2 TO SPIESS CONSTRUCTION CO., INC. AS THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER IN THE AMOUNT OF \$7,792,970.

Ivan Hernandez, Engineering Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) This project is the final phase of a multi-phase project to replace dual parallel force mains from the Grouse Street Lift Station to the Fred Hervey Water Reclamation Plant that began in 2003. Phase VI was designed in May 2016 but was put on hold due to funding. Once funding was secured, the project was advertised, and a Notice to Proceed for construction of Phase VI was issued on July 18, 2019. This final phase was to replace the second parallel sewer force main; however, during construction, the contractor encountered high-pressure gas lines that were installed after the original design was completed. The new gas lines interfered with the proposed alignment of the required trenchless installation method – therefore, an alternative bore alignment was required. This alignment change triggered an engineering design review by Union Pacific Railroad (UPRR). Coordination with UPRR began late 2020, and EPWater received UPRR’s consent to the re-design in January 2022. Because of the long duration of the coordination with UPRR, EPWater removed the portion of the re-designed scope of work from the contract with the intent to re bid at a later date. This project is to complete the re-designed alignment to complete the Grouse Street Force Main Rehabilitation project. Mr. Hernandez answered questions from the Board on this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board awarded Bid Number 98-22, Grouse Street Force Main Rehabilitation Phase VI Part 2 to Spiess Construction Co., Inc. as the lowest responsive, responsible bidder in the amount of \$7,792,970.

18. CONSIDERED AND AWARDED A PRECONSTRUCTION SERVICES AGREEMENT FOR THE CONSTRUCTION MANAGER AT-RISK ADVANCED WATER PURIFICATION FACILITY – RFP 88-22 PROJECT TO PCL CONSTRUCTION/SUNDT, A JOINT VENTURE IN THE ESTIMATED AMOUNT OF \$800,000; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL PRECONSTRUCTION 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.

Geoffrey Espineli, Engineering Division Manager, 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 design for the plant expansion is at 90% design. Construction is scheduled to begin in the Fall of 2023 and completion in late 2026, with an estimated construction cost of \$150,000,000. The project will be delivered using the alternative delivery method - CMAR. Under this contract, the CMAR shall collaborate and cooperate with the owner and design engineer to finalize the design, perform field investigations, prepare a construction cost estimate, develop the project schedule, and advise on project constructability and sequencing of the work to provide for seamless integration into the existing wastewater treatment plant. The CMAR contractor, at the 95% design submittal, will procure the trade bid packages for construction and develop a Guaranteed Maximum Price (GMP) proposal to construct the project. If the Initial GMP proposal is acceptable to EPWater, an award of the construction contract will be presented to the Public Service Board for approval. Multiple GMPs are anticipated for this project. Mr. Espineli answered questions from the Board on this item.

On a motion made by Dr. Santiago, seconded by Mr. Morris and unanimously carried, the Board awarded a Preconstruction Services Agreement for the Construction Manager At-Risk Advanced Water Purification Facility – RFP 88-22 project to PCL Construction/Sundt, a joint venture in the estimated amount of \$800,000; authorized

future task orders or amendments to be issued under this contract for additional preconstruction 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.

19. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE ON-CALL PROFESSIONAL ENGINEERING SERVICES FOR WATER, WASTEWATER, RECLAIMED WATER, AND STORMWATER PIPELINES 24-INCHES AND SMALLER – RFQ 78-22 TO BROCK & BUSTILLOS, INC., BROWN AND CALDWELL DBA BROWN AND CALDWELL, INC., CEA ENGINEERING GROUP, INC., CONSOR ENGINEERS, LLC, FREESE AND NICHOLS, INC., H2O TERRA, LLC, HUITT-ZOLLARS, INC., MOLZEN-CORBIN & ASSOCIATES, INC., PARKHILL, SMITH & COOPER, INC., AND WESTON SOLUTIONS, INC., FOR AN AMOUNT NOT TO EXCEED \$1,000,000 FOR EACH FIRM WITH A TERM OF THREE YEARS AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Geoffrey Espineli, Engineering Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) EPWater has approximately 5,500 miles of water, wastewater, reclaimed water, and stormwater pipelines throughout the city. The Utility staff plans and schedules capital improvement projects every year to rehabilitate and extend these pipelines as these pipeline systems age and expand. EPWater has been using on-call contracts for professional services to implement most of these projects. Mr. Espineli answered questions from the Board on this item.

On a motion made by Ms. Saenz, seconded by Dr. Santiago unanimously carried, the Board awarded a professional engineering services contract for the On-Call Professional Engineering Services for Water, Wastewater, Reclaimed Water, and Stormwater Pipelines 24-Inches and Smaller – RFQ 78-22 to Brock & Bustillos, Inc., Brown and Caldwell dba Brown and Caldwell, Inc., CEA Engineering Group, Inc., Consor Engineers, LLC, Freese and Nichols, Inc., H2O Terra, LLC, Huitt-Zollars, Inc., Molzen-Corbin & Associates, Inc., Parkhill, Smith & Cooper, Inc., and Weston Solutions, Inc., for an amount not to exceed \$1,000,000 for each firm with a term of three years and authorized the use of commercial paper.

20. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT TO ECM INTERNATIONAL, INC. FOR PRECONSTRUCTION AND CONSTRUCTION MANAGEMENT SERVICES FOR THE NEW MAIN ADMINISTRATION BUILDING – RFS 82-22 PROJECT, IN THE AMOUNT OF \$2,351,923.

Laura Foster, Chief Architect, provided a presentation to the Board regarding this item (copy on file in Central Files.) EPWater began planning for a new headquarters building on four acres at 1154 Hawkins Boulevard in 2018. Presently, the design team is nearing the completion of the project's design development phase. A Construction Manager-at-Risk (CMAR) method of project delivery will be used for achieving project milestones. In June 2022, a CMAR was selected to provide preconstruction services and three Guaranteed Maximum Prices (GMPs). The occupancy of the new building is projected for December 2024. In addition to the team members already assembled, it is recommended that EPWater use a construction management consultant to enhance the team's success in delivering a cost-effective project which also meets the occupancy schedule. Thus, an RFS for professional construction management services for the new Main Administration Building was issued on June 23, 2022. Ms. Foster answered questions from the Board on this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board awarded a professional engineering services contract to ECM International, Inc. for Preconstruction and Construction Management Services for the New Main Administration Building – RFS 82-22 project, in the amount of \$2,351,923.

21. CONSIDERED AND AWARDED AN EMERGENCY CONSTRUCTION CONTRACT TO CSA CONSTRUCTORS FOR THE URGENT PUBLIC NECESSITY TO REPAIR, REHABILITATE, AND REPLACE A PORTION OF THE LAFAYETTE CHANNEL IN THE ESTIMATED AMOUNT OF \$159,600 AND ANY FUTURE CHANGE ORDERS, IN ACCORDANCE WITH THE EXEMPTIONS TO THE BIDDING STATUTE UNDER TEXAS LOCAL GOVERNMENT CODE SECTIONS 252.022(A)(2), PROCUREMENT NECESSARY TO PRESERVE OR PROTECT THE PUBLIC HEALTH AND SAFETY OR THE MUNICIPALITY'S RESIDENTS AND 252.022(A)(3),

PROCUREMENT NECESSARY BECAUSE OF UNFORESEEN DAMAGE TO PUBLIC MACHINERY, EQUIPMENT OR OTHER PROPERTY.

Gisela Dagnino, Stormwater Chief Operations Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Lafayette Channel is located along the center of Lafayette Drive. It is an open, trapezoidal concrete-lined channel approximately 1,400 linear feet in length and 5 feet deep. Some of the concrete panels lining the channel have failed and washed away. EPWater proposes to replace approximately 290 linear feet of the channel between Gilbert Drive and Glendale Avenue. An urgent public necessity exists to complete the construction repairs to the inlet without bidding the project as allowed through the bid exemptions of Section 252.022(a) of the Texas Local Government Code. Ms. Dagnino answered questions from the Board on this item.

On a motion made by Dr. Santiago, seconded by Ms. Saenz and unanimously carried, the Board awarded an emergency construction contract to CSA Constructors for the urgent public necessity to repair, rehabilitate, and replace a portion of the Lafayette Channel in the estimated amount of \$159,600 and any future change orders, in accordance with the exemptions to the bidding statute under Texas Local Government Code Sections 252.022(a)(2), procurement necessary to preserve or protect the public health and safety or the municipality's residents and 252.022(a)(3), procurement necessary because of unforeseen damage to public machinery, equipment or other property.

22. CONSIDER AND AWARD AN EMERGENCY CONSTRUCTION CONTRACT TO CSA CONSTRUCTORS FOR THE URGENT PUBLIC NECESSITY TO REPAIR, REHABILITATE, AND REPLACE THE INLET ON RESLER DRIVE AND ITS CLOSEST INTERSECTION, RAMADA DRIVE, IN THE ESTIMATED AMOUNT OF \$69,455.10 AND ANY FUTURE CHANGE ORDERS IN ACCORDANCE WITH THE EXEMPTIONS TO THE BIDDING STATUTE UNDER TEXAS LOCAL GOVERNMENT CODE SECTIONS 252.022(A)(2), PROCUREMENT NECESSARY TO PRESERVE OR PROTECT THE PUBLIC HEALTH AND SAFETY OR THE MUNICIPALITY'S RESIDENTS AND 252.022(A)(3), PROCUREMENT NECESSARY BECAUSE OF UNFORESEEN DAMAGE TO PUBLIC MACHINERY, EQUIPMENT, OR OTHER PROPERTY.

Gisela Dagnino, Stormwater Chief Operations Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Consider and award an emergency construction contract to CSA Constructors for the urgent public necessity to repair, rehabilitate, and replace the inlet on Resler Drive and its closest intersection, Ramada Drive, in the estimated amount of \$69,455.10 and any future change orders in accordance with the exemptions to the bidding statute under Texas Local Government Code Sections 252.022(a)(2), procurement necessary to preserve or protect the public health and safety or the municipality's residents and 252.022(a)(3), procurement necessary because of unforeseen damage to public machinery, equipment, or other property. Ms. Dagnino answered questions from the Board on this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board awarded an emergency construction contract to CSA Constructors for the urgent public necessity to repair, rehabilitate, and replace the inlet on Resler Drive and its closest intersection, Ramada Drive, in the estimated amount of \$69,455.10 and any future change orders in accordance with the exemptions to the bidding statute under Texas Local Government Code Sections 252.022(a)(2), procurement necessary to preserve or protect the public health and safety or the municipality's residents and 252.022(a)(3), procurement necessary because of unforeseen damage to public machinery, equipment, or other property.

23. CONSIDERED AND APPROVED AN INTERLOCAL AND SUBRECIPIENT AGREEMENT FOR THE PROVISION OF FIRST-TIME WATER AND WASTEWATER SERVICES BETWEEN EL PASO WATER UTILITIES – PUBLIC SERVICE BOARD AND THE COUNTY OF EL PASO, FOR AN ESTIMATED AMOUNT OF \$11,015,540, WHICH WILL BE REIMBURSED TO EPWATER BY THE COUNTY OF EL PASO THROUGH ARPA GRANT FUNDS.

Adriana Castillo, Engineering Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) The County of El Paso was a recipient of the American Plan Rescue Act (ARPA) federal funds to improve infrastructure for water and wastewater services within El Paso County. The County of El Paso desires for EPWater to assist in managing the procurement of construction, provide contract management, and accept the new system(s) as part of EPWater's system upon completion of the project(s). EPWater will comply

with all applicable state and federal laws, procure, manage, accept ownership of, maintain and operate the completed water and wastewater systems in the project areas as described in the Interlocal and Sub-Recipient Agreement. Ms. Castillo 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 an Interlocal and Subrecipient Agreement for the Provision of First-Time Water and Wastewater Services between El Paso Water Utilities – Public Service Board and the County of El Paso, for an estimated amount of \$11,015,540, which will be reimbursed to EPWater by the County of El Paso through ARPA grant funds.

24. CONSIDERED AND ACCEPTED THE EPWATER'S SECOND QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING AUGUST 31, 2022.

Gustavo Hurtado, Fiscal Operations Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Public Service Board requires regular financial reporting from the President/CEO and staff on the financial condition of the Utility. Mr. Hurtado answered questions from the Board on this item.

On a motion made by Dr. Santiago, seconded by Ms. Saenz and unanimously carried, the Board accepted the EPWater's Second Quarter Financial and Performance Measures Report for period ending August 31, 2022.

25. CONSIDERED AND ACCEPT EPWATER'S SECOND QUARTER INVESTMENT REPORT FY 22-23 FOR THE PERIOD ENDING AUGUST 31, 2022.

Luz Holguin, 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 investment report to be submitted.

On a motion made by Ms. Saenz, seconded by Dr. Santiago and unanimously carried, the Board accepted EPWater's Second Quarter Investment Report FY 22-23 for the period ending August 31, 2022.

26. CONSIDERED AND APPROVED THE PROPOSED MEETINGS SCHEDULE FOR THE STORMWATER AND WATER, WASTEWATER, AND RECLAIMED WATER ANNUAL BUDGET FOR FISCAL YEAR 2023-2024, AND RULES AND REGULATION CHANGES.

Claudia Duran, Executive Assistant to President/CEO, provided a presentation to the Board regarding this item (copy on file in Central Files.) A budget workshop open to the public is proposed for November 29, 2022 to review the proposed capital and operations annual budgets for Stormwater and the Water, Wastewater, and Reclaimed Water for Fiscal Year 2023-2024, and proposed Rules and Regulation changes. In addition, an optional budget workshop is proposed for December 5, 2022 if further discussion is needed. Budget approval and adoption and changes to Rules and Regulation is scheduled during the regular board meeting of January 11, 2023. Ms. Duran 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 proposed meetings schedule, with the change from Monday, December 2nd to Monday, December 5th, for the Stormwater and Water, Wastewater, and Reclaimed Water Annual Budget for Fiscal Year 2023-2024, and Rules and Regulation changes.

27. MANAGEMENT REPORT:

• **CONSTRUCTION CONTRACTS UPDATE**

Irazema Rojas, Interim Chief Technical Officer, provided the Board with a presentation on this item (copy on file in Central Files.) Bid 77-22 Sunset Reservoir No. 1 Rehabilitation is for the rehabilitation of the 4MG concrete ground storage tank. The project bid date was August 4, 2022 and the project duration is 240 days. Eight bids were received and the bid was awarded to The Truesdell Corporation for a total amount of \$2,697,697. Bid 84-22 Power Meter Implementation for Wastewater Treatment Plants is for the installation of power monitoring equipment at wastewater plants. The project bid date was August 8, 2022 and the project duration is 280 days. Two bids were received and the bid was awarded to Longhorn Electric for a total amount of \$1,900,000. Bid 89-22 Haskell R. Street Wastewater Plant Chlorine Scrubber and Wash Press Replacement Projects is to replace existing wash press and caustic scrubber at the Haskell Wastewater Plant. The project bid date was August 16, 2022 and the project duration is 210 days. Two

bids were received and the bid was awarded to Smithco Construction, Inc. for a total of \$2,390,000. Total awarded construction contracts under \$6 million since March 2022 total 16 for a total of \$46,759,298.30. Ms. Rojas answered questions from the Board on this item.

- **UPDATE TO ADMIN BUILDING**

Laura Foster, Chief Architect, provided the board with a presentation on this item (copy on file in Central Files.) I Planning took place from 2018-2020. Two requests for proposals explored sites, multiple proposals and letters of interest were considered, feasibility studies were performed and in 2018, the cost opinion was \$397 per square foot with no parking structure. II Design took place from 2020 to present. Architect was awarded in November 2021, the CMAR was awarded in June 2022, Construction Manager was selected in August 2022, and inflation was at a 40-year high. The challenge was evident in the CMAR team's cost estimate. The current design investment is at \$1.75 million. The 2020 construction cost opinion was \$30 million. The new construction cost estimate is at \$47 million. The design improvements from EPWater value engineering sessions included workspaces totaling 300 with a minimum of 8x8, multi-use spaces including the PSB board room, the employee break room, lobby, bridges, courtyards, meeting rooms and landscape. The square footage is approximately 57,000 SF. The new main building guiding principles include a campus that is rooted, masters of utilization, embody EPWater's legacy, safe and accessible, and health and wellness. Ms. Foster showed the Board renderings of the ideas for the new building. Ms. Foster answered questions from the Board on this item.

- **CIP REPORT**

Irazema Rojas, Interim Chief Technical Officer, provided the Board with a presentation on this item (copy on file in Central Files.) Leading priorities for improved infrastructure include reliability, growth, flood control and modernization. The anticipated infrastructure investment by end of fiscal year is \$301 million. For infrastructure reliability, expanding well capacity for drought resilience was done, upgraded pumping system to transfer large amounts of water and wastewater, improved pipeline integrity that ensures service continuity, upgraded water treatment plants and provided rehabilitation at wastewater treatment plants. For growth, water storage was added to meet new demand, new pumping systems for growing areas installed and wastewater pipes were installed to reach growth areas. For flood control, stormwater structures were improved. For modernization, the new plant equipment maintenance shop was built and new technologies transforming utility operations were made. Capital expenditures and contracts for water and wastewater- completed to date total \$82.32 million, work in progress total \$489.15 million, and estimated to bid in FY22/23 total \$25.3 million. For stormwater, completed to date is \$9.94 million, work in progress is \$29.58 million and estimated to bid in FY22/23 is \$13.55 million. Ms. Rojas answered questions from the Board on this item.

28. 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.

29. CONSIDERED THE PRESENTATION OF ARIZONA TRADERS COMPANY REGARDING THE TERMINATION OF EPWATER SERVICES AT THEIR PROPERTY ON APRIL 19, 2022 AND DELIBERATED ON THE APPEAL PURSUANT TO EL PASO WATER'S RULES AND REGULATIONS NO.8.

On a motion made by Mr. Morris and seconded by Dr. Santiago that the El Paso Water President/CEO's decision to terminate EPWater services at the Arizona Traders Company (ATC) property located at 1104 E. San Antonio on April 19, 2022, be affirmed and require that ATC take specific actions, pay connection costs and pay a penalty in the manner directed by the Board, in order to have EPWater reinstate water and sewer services.

EXECUTIVE SESSION

Ms. Stefanie Block-Urbarri left the meeting at 10:00 a.m. and was not present for Executive Session. A quorum of its members was present. On a motion made by Mr. Morris, seconded by Ms. Saenz and unanimously carried, the Board retired into Executive Session 10:00 a.m., October 12, 2022, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Section 551.071 through 551.089 to discuss the following:

Section 551.071	Consultation with Attorney
Section 551.072	Deliberation Regarding Real Property
Section 551.073	Deliberation Regarding Prospective Gift
Section 551.074	Personnel Matters
Section 551.076	Deliberations Regarding Security Devices or Security Audits
Section 551.087	Deliberation Regarding Economic Development Negotiations
Section 551.089	Deliberation Regarding Security Devices or Security Audits

Discussion and action on the following:

- a. Annual Performance Review and Employment Agreement of the President/CEO, John E. Balliew.
(551.071) (551.074)
- b. Consultation with attorney regarding compliance and regulatory considerations of the 2021 Frontera Force Main discharge (551.071)

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board reconvened in open session at 11:42 a.m., October 12, 2022.

a. **ANNUAL PERFORMANCE REVIEW AND EMPLOYMENT AGREEMENT OF THE PRESIDENT/CEO, JOHN E. BALLIEW. (551.071) (551.074)**

Motion made by Mr. Morris seconded by Dr. Santiago that the Public Service Board has 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.

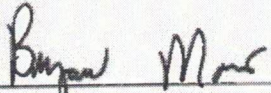
b. **CONSULTATION WITH ATTORNEY REGARDING COMPLIANCE AND REGULATORY CONSIDERATIONS OF THE 2021 FRONTERA FORCE MAIN DISCHARGE (551.071)**

Motion made by Mr. Morris and seconded by Dr. Santiago that the President/CEO or designee, in conjunction with the General Counsel's Office, be authorized to participate in settlement communications regarding compliance and regulatory actions of the 2021 Frontera Force Main Discharge in accordance with the direction of the Board.

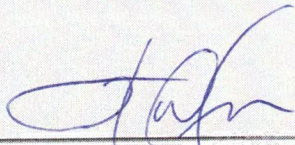
ADJOURNMENT

On a motion made by Dr. Santiago, seconded by Ms. Saenz and unanimously carried, the meeting adjourned at 11:44 a.m., October 12, 2022.

ATTEST:



Bryan Morris, Vice-Chair



Charlie Intebi, Secretary-Treasurer