

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
August 9, 2023

The regular meeting of the Public Service Board was held in person, Wednesday, August 9, 2023

PSB MEMBERS PRESENT

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

PSB MEMBERS ABSENT

PSB EMPLOYEES PRESENT

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

EPWATER EMPLOYEES PRESENT

Ana Sanchez, Vice President
Gilbert Trejo, Vice President
Art Duran, Chief Financial Officer
Claudia Duran, Executive Assistant to the President/CEO
Sol Cortez, Deputy General Counsel
Irazema Rojas, Chief Technical Officer
Gisela Dagnino, Chief Operations Officer
Martin Noriega, Chief Operations Officer
Ciara Grier, Support Services I
Rose Guevara, Purchasing and Contracts Manager
Luz Holguin, Assistant Chief Financial Officer
Christina Montoya, Communications and Marketing Manager
Michaela Ainsa, Senior Assistant General Counsel
Alma De Anda, Land and Water Rights Manager
Alex Vidales, Real Estate Manager
Ruben Rodriguez, Environmental Compliance Manager
Scott Reinert, Water Resources Manager
Edgar Campos, Assistant Chief Information Officer
Alfredo Solano, Chief Information Officer
Osvaldo Palacios, Utility Applications Manager
Patricia Borschow, Assistant General Counsel

GUESTS

Eddie Solis, HillCo

MEDIA

None

The Public Service Board meeting was called to order by Dr. Santiago at 8:04 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Ana Sanchez in reciting the Pledge of Allegiance.

CONSENT AGENDA

On a single motion made by Mayor Leiser and seconded by Dr. Mena 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 JULY 12, 2023.

2. CONSIDERED AND AWARDED BID NUMBER 24-23 TRASH COLLECTION SERVICES TO THE SOLE BIDDER EL PASO DISPOSAL, LP IN THE ESTIMATED ANNUAL AMOUNT OF \$245,090.20 FOR A TERM OF ONE YEAR WITH FOUR ONE-YEAR OPTIONS TO EXTEND, AND AUTHORIZED THE PRESIDENT/CEO OR DESIGNEE TO APPROVE CHANGE ORDERS, PROVIDED THAT THE AMOUNT OF THE CHANGE ORDER DOES NOT EXCEED \$50,000 AND THE CUMULATIVE AMOUNT OF ALL CHANGE ORDERS DOES NOT EXCEED THE 25 PERCENT OF THE ORIGINAL ESTIMATED ANNUAL AMOUNT, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.

3. CONSIDERED AND APPROVED AN INCREASE IN CAPACITY OF MASTER CONTRACT MC00000360 ISSUED TO MELLOY BROTHERS ENTERPRISES INC. FOR THE PURCHASE OF NEW REPLACEMENT FLEET TRUCKS CLASS 2 - 5 FOR THE BUDGETED REPLACEMENT OF AGING FLEET VEHICLES THROUGH REGION 16 TEXBUY PURCHASING COOPERATIVE AEPA IFB CONTRACT NO. 020-G BY AN ADDITIONAL \$500,000 TO INCREASE THE EXISTING MASTER CONTRACT CUMULATIVE AMOUNT TO \$1,000,000 AND AUTHORIZED THE ISSUANCE OF FUTURE ANNUAL MASTER CONTRACTS IN THE AMOUNT OF \$1,000,000 FOR THE TERM OF REGION 16 TEXBUY AEPA IFB NO. 020-G PURCHASING COOPERATIVE CONTRACT NO. 020-G PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.

4. CONSIDERED AND AWARDED A PROFESSIONAL SERVICES CONTRACT FOR INTERNAL AUDIT SERVICES PURSUANT TO CHAPTER 2254 OF THE TEXAS GOVERNMENT CODE TO PORCH & ASSOCIATES, LLC, IN THE ESTIMATED ANNUAL AMOUNT OF \$100,000 FOR A TERM OF ONE YEAR WITH THREE ONE-YEAR OPTIONS TO EXTEND.

5. CONSIDERED AND APPROVED CHANGE ORDER NUMBER 2 - BID NUMBER 18-22, COUNTRY CLUB AND SUNSET LIFT STATION REHABILITATION IMPROVEMENTS TO SMITHCO CONSTRUCTION, INC., INCREASING THE CONTRACT PRICE BY \$213,808.81 AND EXTENDING THE CONTRACT DURATION BY 45 DAYS; AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

REGULAR AGENDA

6. CEO MONTHLY UPDATE REGARDING UTILITY MANAGEMENT AND/OR OPERATIONS.

John Balliew, President/CEO, provided a presentation to the Board regarding this item (copy on file in Central Files.) Mr. Balliew discussed the Western Tech training program, which addresses staffing challenges at our plants and candidates can be evaluated for EPWater positions. Three conferences will be hosted in El Paso to include Texas Desalination 2023 in September, Leadership Texas Class of 2023 in September and Texas Association of Clean Water Agencies in January 2024. EPWater partnered with Howdy Ice Cream and sponsored a flavor, Blue Paradise, for the month of August. A portion of the proceeds will go to the Boys & Girls Club of El Paso.

7. 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.

No one was signed up for public comment.

8. CONSIDERED AND REJECTED THE PROPOSALS RECEIVED FOR BID NUMBER RFP58-23, MISCELLANEOUS CHEMICALS, AND SUPPLIES FOR IWQL AND AUTHORIZED STAFF TO REBID. CONSIDERED AND APPROVED AN EMERGENCY CONTRACT WITH MIDLAND SCIENTIFIC, INC. IN THE ESTIMATED AMOUNT OF \$200,000 UNTIL THE NEW BID IS AWARDED, 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, PROVIDED FUNDING IS AVAILABLE IN THE APPROVED BUDGET.

Mirtha Solis, Senior Purchasing Agent, provided a presentation to the Board regarding this item (copy on file in Central Files.) On May 10, 2023, the Public Service Board approved the Miscellaneous Chemicals and Supplies re-bid. Staff advertised replacement Bid Number RFP58-23 on May 26, 2023. During the evaluation process, it was discovered that the line-item estimated quantities were omitted from the RFP, which is required by state law. This item seeks to reject all proposals for Bid Number RFP58-23 Miscellaneous Chemicals and Supplies for IWQL and approve an emergency contract in the estimated amount of \$200,000 with Midland Scientific, Inc. until a new bid is awarded. Midland Scientific, Inc.'s currently provides chemicals and supplies through a contract under \$50,000 authorized through the administrative delegated authority.

On a motion made by Mayor Leeser, seconded by Ms. Saenz, and unanimously carried, the Board rejected the proposals received for Bid Number RFP58-23, Miscellaneous Chemicals, and Supplies for IWQL and authorized staff to rebid. The Board approved an emergency contract with Midland Scientific, Inc. in the estimated amount of \$200,000 until the new bid is awarded, 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, provided funding is available in the approved budget.

9. CONSIDERED AND APPROVED A CONSTRUCTION MANAGER AT-RISK CONSTRUCTION CONTRACT WITH SMITHCO CONSTRUCTION, INC. FOR THE BACK-UP POWER GENERATORS AND DIESEL FUEL STORAGE AND DISPENSING SYSTEMS PROJECT AND ACCEPTED THE GUARANTEED MAXIMUM PRICE (GMP1) IN THE AMOUNT OF \$29,884,016.18 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 a capital improvement program to install new backup power generators at the following critical facilities: Fred Hervey Water Reclamation Plant (Fred Hervey Plant), John T. Hickerson Water Reclamation Facility (Hickerson Plant), Haskell R. Street Wastewater Treatment Plant (Haskell Plant) and Jonathan Rogers Water Treatment Plant (Rogers Plant). In addition, Senate Bill 3, enacted by the State of Texas during the 87th legislative session, required EPWater to submit an Emergency Preparedness Plan (EPP) to the Texas Commission on Environmental Quality (TCEQ) requiring that water pressure be maintained indefinitely during extreme events. To meet this requirement, the EPP identified that generators are needed at two pump stations and sixteen well sites. Further, to maintain the operation of the generators, two 50,000-gallon above-ground diesel fuel storage tanks with fuel unloading and dispensing systems will be installed at two different sites. These projects are being delivered using the CMAR method in order to begin procurement of long lead time generators and equipment, initiate construction activities while designs are completed and to minimize the impact on annual CIP budgets. In February 2023, the Public Service Board approved a Preconstruction Services Agreement with Smithco Construction, Inc. (Smithco). Smithco and the project team proposed to implement the project with multiple Guaranteed Maximum Prices (GMP) as follows: 1. GMP 1 - Early Procurement Package 1 includes the procurement of diesel generators and switchgear equipment for the Fred Hervey Plant, Hickerson Plant, Haskell Plant, and Rogers Plant. 2. GMP 2 – Early Procurement Package 2 includes the procurement of generator sets and switchgear equipment for 16 well sites and two pump station sites. 3. GMP 3 – Work Package 3 will include a construction package for electrical and site work for the installation of the generators and diesel tanks. Mr. Espineli answered questions from the Board on this item.

On a motion made by Mr. Morris, seconded by Ms. Saenz, and unanimously carried, the Board approved a Construction Manager At-Risk construction contract with Smithco Construction, Inc. for the Back-up Power Generators and Diesel Fuel Storage and Dispensing Systems project and accepted the Guaranteed Maximum Price (GMP1) in the amount of \$29,884,016.18 and authorized the use of commercial paper.

10. CONSIDERED AND APPROVED AMENDMENT 1 TO THE AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES WITH ECM INTERNATIONAL, INC. FOR THE PRECONSTRUCTION AND CONSTRUCTION MANAGEMENT SERVICES FOR THE NEW MAIN ADMINISTRATION BUILDING PROJECT FOR ADDITIONAL CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$112,166.

Laura Foster, Chief Architect, provided a presentation to the Board regarding this item (copy on file in Central Files.) In October 2022, the Public Service Board (PSB) approved the award of RFS 82-22, Preconstruction and Construction Management Services for the New Main Administration Building project. Due to design changes related to an increase in building size, the completion date for the entire campus is now October 2025. This amendment is for an additional construction phase services to complete the project. Ms. Foster answered questions from the Board on this item.

On a motion made by Mr. Morris, seconded by Mr. Intebi, and unanimously carried, the Board approved Amendment 1 to the Agreement for Professional Engineering Services with ECM International, Inc. for the Preconstruction and Construction Management Services for the New Main Administration Building project for additional construction phase services in the estimated amount of \$112,166.

11. CONSIDERED AND APPROVED AMENDMENT 1 TO THE AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES FOR THE EMERGENCY BACKUP POWER AT WASTEWATER TREATMENT PLANTS – PART 2 PROJECT WITH BATH GROUP, INC. FOR CONSTRUCTION PHASE SERVICES IN THE AMOUNT OF \$1,514,963 AND 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 \$500,000 PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE 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.) In May 2021, the Public Service Board approved a professional engineering services agreement with Bath Group, Inc. (Bath) for additional design services for the Emergency Backup Power at Wastewater Treatment Plants - Part 2 project. Bath is the engineer of record for the backup power generator project at Haskell R. Street Wastewater Treatment Plant and the Fred Hervey Water Reclamation Plant. Bath is also the engineer of record for the backup power generator project for the Jonathan Rogers Water Treatment Plant through their On-Call contract for Mechanical, Electrical, and Plumbing services. These projects are part of the Construction Manager At-Risk program for the Back-Up Power Generator Project and the construction phase is scheduled to begin in September 2023, with an estimated completion in the spring of 2026. Construction phase services are needed from Bath to provide construction administration for the duration of these construction projects. Mr. Espineli answered questions from the Board on this item.

On a motion made by Mr. Intebi seconded by Dr. Santiago, with Mr. Morris opposing, the Board approved Amendment 1 to the Agreement for Professional Engineering Services for the Emergency Backup Power at Wastewater Treatment Plants – Part 2 project with Bath Group, Inc. for construction phase services in the amount of \$1,514,963 and 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 \$500,000 provided that funding is available in the approved budget for the task orders or amendments, and authorized the use of commercial paper.

12. CONSIDERED AND ADOPTED A RESOLUTION ACCEPTING EDUARDO ANTONIO RANGEL'S OFFER TO PURCHASE APPROXIMATELY 0.11 ACRES OF LAND, LEGALLY DESCRIBED AS BEING THE NORTH 40 FEET OF LOTS 12 TO 16, MAP NO. 3, BLOCK 99, BASSETT'S ADDITION, WHICH IS MORE COMMONLY KNOWN AS 1016 MAPLE STREET IN

THE CITY AND COUNTY OF EL PASO, TEXAS, FOR THE AMOUNT OF \$30,500 AND AUTHORIZED THE PRESIDENT AND CEO TO FORWARD THE RECOMMENDATION TO CITY COUNCIL TO SELL THE LAND, AND TO SIGN ANY AND ALL DOCUMENTS NECESSARY TO COMPLETE THE SALE.

Alejandro Vidales, Real Estate Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) On January 13, 2021, the Public Service Board (PSB) determined the land totaling approximately 0.11 acres, and legally described as being the North 40 feet of Lots 12 to 16, Map No. 3, Block 99, Bassett's Addition, which is more commonly known as 1016 Maple Street in the City and County of El Paso, Texas, to be inexpedient to the water system. This land is located on the corner of Maple Street and Chico Street in Central area.

On a motion made by Mayor Leeser, seconded by Dr. Mena and unanimously carried, the Board adopted a resolution accepting Eduardo Antonio Rangel's offer to purchase approximately 0.11 acres of land, legally described as being the North 40 feet of Lots 12 to 16, Map No. 3, Block 99, Bassett's Addition, which is more commonly known as 1016 Maple Street in the City and County of El Paso, Texas, for the amount of \$30,500 and authorized the President and CEO to forward the recommendation to City Council to sell the land, and to sign any and all documents necessary to complete the sale.

13. CONSIDERED AND ACCEPTED THE EL PASO WATER UTILITIES/PUBLIC SERVICE BOARD ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDING FEBRUARY 28, 2023.

Jeff Tepsick, Assistant Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) City of El Paso Bond Ordinance 752, as amended, requires that an annual audit of EPWater be performed by independent certified public accountants. The ACFR includes the Water and Wastewater Utility and the Municipal Drainage Utility.

On a motion made by Mr. Morris, seconded by Dr. Mena, and unanimously carried, the Board accepted the El Paso Water Utilities/Public Service Board Annual Comprehensive Financial Report for Fiscal Year ending February 28, 2023.

14. PRESENTATION OF STATE LEGISLATIVE UPDATE BY HILCO PARTNERS, LLC.

Eddie Solis, Hillco Partners, LLC., provided a presentation to the Board regarding this item. Hillco represents El Paso Water in Austin on various executive branch issues (with TCEQ, TXDOT, and others) and state legislative matters. The Texas Legislature recently wrapped up its 88th legislative session, and water issues continued to receive much attention, with dozens of bills filed related to a range of water and utility issues. Hillco acted on El Paso Water's behalf in supporting, opposing, and/or amending bills. This presentation is intended as a summary of the session.

No action was taken on by the Board on this item.

15. MANAGEMENT REPORT:

• CONSTRUCTION CONTRACTS UPDATE

Irazema Rojas, Utility Chief Technical Officer, provided a presentation to the Board on this item (copy on file in Central Files.) The Mesa del Castillo Lift Station Demolition and 8-in Sewer Line Installation project for the decommission and demolition of lift station and installation of 1.074 feet of 8-in gravity sewer main project was bid on June 28, 2023, and the project duration is 210 days. Five bids were received, and the bid was awarded to Spiess Construction for \$2,072,225.

• MONSOON SEASON PREPAREDNESS UPDATE

Gisela Dagnino, Utility Chief Stormwater Operations Officer, provided a presentation to the Board on this item (copy on file in Central Files.) Weather shows strong El Niño with hotter temperatures, delayed monsoon and wetter condition. Stormwater received daily weather updates. There have been 20 rain gauges citywide, which provides sharing data with NWS for better historic information. Threat levels from minimal to extreme with some areas experiencing as much as 8 inches of rain (not at once.)

Emergency response has been coordinated with heavy equipment department with locations throughout the city. A customer service request can be generated through email at storm@epwater.org or by calling 915-594-5500. For life threatening emergencies, please dial 911. Stormwater Operations staff will have 5 satellites at Northeast, Central, West, Mission Valley and Homestead. Stormwater continues routine maintenance of assets and the development of ESRI based app for tracking progress. The sandbag locations are fully stocked with locations in Central/Northeast with 33,120 sandbags, West with 12,900 sandbags and East/Mission Valley with 6,000 sandbags. The Gateway Ponds have been drained and generators are on-site. Communication has been done to share sandbag information on the www.epwater.org website as well as local official (city representatives) who have shared the information with their constituents, the Turn Around Don't Drown reminders on social media, as well as the Illegal Dumping campaign.

• VIDEO FROM COMMUNICATIONS

Christina Montoya, Marketing and Communications Manager, presented the video to the Board regarding Stormwater projects, specifically Tremont Dam.

EXECUTIVE SESSION

On a motion made by Mayor Leeser seconded by Mr. Morris and unanimously carried, the Board retired into Executive Session 9:35 a.m., August 9, 2023, 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:

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|------------------------|--|
| 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. Double H Contracting Inc. and Hector Hinojos, Sr. vs. El Paso Public Service Board (El Paso Water Utilities) As Agent for the City of El Paso; The City of El Paso and ZTEX Construction Inc.; and Tao Industries, Inc. D/B/A/ Hawk Construction, Cause No. 2023DCV1654. (551.071)
- b. Consultation with attorney regarding procurement policy, practices, and recommendations. (551.071)
- c. Consultation with attorney on companies that are advertising water quality testing and treatment services (551.071)

On a motion made by Mayor Leeser, seconded by Mr. Morris and unanimously carried, the Board reconvened in open session at 12:10 p.m., August 9, 2023.

- a. **DOUBLE H CONTRACTING INC. AND HECTOR HINOJOS, SR. VS. EL PASO PUBLIC SERVICE BOARD (EL PASO WATER UTILITIES) AS AGENT FOR THE CITY OF EL PASO; THE CITY OF EL PASO AND ZTEX CONSTRUCTION INC.; AND TAO INDUSTRIES, INC. D/B/A/ HAWK CONSTRUCTION, CAUSE NO. 2023DCV1654. (551.071)**
No action was taken on this item.
- b. **CONSULTATION WITH ATTORNEY REGARDING PROCUREMENT POLICY, PRACTICES, AND RECOMMENDATIONS. (551.071)**

No action was taken on this item.

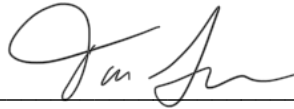
c. **CONSULTATION WITH ATTORNEY ON COMPANIES THAT ARE ADVERTISING WATER QUALITY TESTING AND TREATMENT SERVICES (551.071)**

No action was taken on this item.

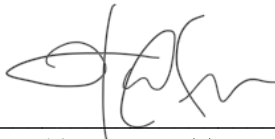
ADJOURNMENT

On a motion made by Ms. Saenz, seconded by Mr. Morris and unanimously carried, the meeting adjourned at 12:31 p.m., August 9, 2023.

ATTEST:



Dr. Ivonne Santiago, Chair



Charlie Intebi, Secretary-Treasurer