

**MINUTES  
PUBLIC SERVICE BOARD  
CITY OF EL PASO  
December 12, 2018**

The regular meeting of the Public Service Board was held Wednesday, December 12, 2018, at the El Paso Water Utilities Public Service Board Meeting Room, 1154 Hawkins Blvd., El Paso, Texas.

**PSB MEMBERS PRESENT**

Mayor Dee Margo, Ex-Officio Member  
Christopher A. Antcliff, Chair  
Henry Gallardo, Member  
Dr. Ivonne Santiago, Member  
Dr. Kristina D. Mena, Member  
Bradley Roe, Member

**PSB MEMBERS ABSENT**

Terri Garcia, Vice-Chair

**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  
Juan S. Gonzalez, Assistant General Counsel  
Art Duran, Chief Financial Officer  
Irazema Rojas, Capital Improvement Program Manager  
Stephanie Santiago, Engineering Program Administrator  
Gretchen Byram, Computer Media Specialist  
Lisa Rosendorf, Chief Communications & Government Affairs Officer  
Hector Gonzalez, Government Affairs Manager  
Zulema Jamis, Secretary  
Rosemary Guevara, Senior Purchasing Agent  
Levi Chacon, Purchasing Agent  
Robert Davidson, Contract Construction Administrator  
Israel Chavez, Senior Network Administrator  
Melissa Bell, Lead Public Affairs Coordinator  
Adriana Castillo, Engineering Division Manager  
Gilbert Trejo, Chief Technical Officer  
Christina Montoya, Marketing and Communications Manager  
Martin Noriega, Storm Water and Fleet Maintenance Division Manager  
Jose Quintana, Fleet Maintenance Lead Technician  
Said Villafuente, Fleet Maintenance Lead Technician  
Chris Juarez, Fleet Maintenance Lead Technician  
Francisco Martinez, Utility Engineer  
Arturo Hernandez, General Service Worker  
James Wolff, Senior Land & Contract Administrator

**GUESTS**

Dan Pearson Hillco Partners

Vilma Luna HillCo Partners  
Brent Preston, Pires International

## **MEDIA**

None

The Public Service Board meeting was called to order by Mr. Antcliff at 8:08 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Mr. Bradley Roe, in reciting the Pledge of Allegiance.

## **CONSENT AGENDA**

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

**1. CONSIDERED AND APPROVED AN AMENDMENT TO THE CONTRACT FOR WHOLESALE WATER SUPPLY AND OPERATION AND MAINTENANCE WITH THE VILLAGE OF VINTON'S WATER SYSTEM TO INCORPORATE CERTAIN CHANGES REQUIRED BY THE FUNDING AGENCY FOR THE VILLAGE OF VINTON.**

The Board approved an Amendment to the Contract for Wholesale Water Supply, Operation, and Maintenance of Vinton's Water System to incorporate certain changes required by the funding agency for the Village of Vinton.

**2. CONSIDERED AND APPROVED AN ELECTRICAL MAINTENANCE SERVICES CONTRACT FOR MEDIUM VOLTAGE SERVICE LOOP EQUIPMENT AT THE JRWTP WITH TRIANGLE ELECTRIC SUPPLY COMPANY THROUGH THE ESC-REGION 19 ALLIED STATES COOPERATIVE CONTRACT NUMBER 15-7147 IN THE ESTIMATED AMOUNT OF \$99,890.**

The Board approved an Electrical Maintenance Services Contract for the Jonathan Rogers Water Treatment Plant with Triangle Electric Supply Company through ESC-Region 19 Allied States Cooperative Contract Number 15-7147 in the amount of \$99,890.

**3. CONSIDERED AND APPROVED THE RENEWAL OF ORACLE TECHNICAL SUPPORT SERVICES AND CONSOLIDATED SUPPORT AGREEMENT WITH BUY BOARD PRICING THROUGH TEXAS DIR CONTRACT NO. DIR-TSO-4158 IN THE AMOUNT OF \$350,828.37.**

The Board approved the renewal of Oracle Technical Support Services with buy board pricing through Texas DIR Contract Number DIR-TSO-4158 in the amount of \$350,828.37.

## **REGULAR AGENDA**

**4. PRESENTATION ON THE 2018 AWARD-WINNING SUN BOWL PARADE FLOAT AND RECOGNITION OF EMPLOYEES WHO WERE INVOLVED IN THE DESIGN AND BUILDING OF THE FLOAT.**

Mr. Martin Noriega, Stormwater and Fleet Maintenance Division Manager presented the Board with information regarding this item. Mr. Noriega began his presentation with reflections of earlier in the year when his team asked EPWater to bring back the tradition of having a float in the El Paso Thanksgiving parade. With the approval of Mr. Balliew, Mr. Shubert and Ms. Navarrete, a volunteer team began work on a float for 2018. The concept was Great Wall of China. Mr. Noriega shared slides showing a picture of the hand drawn concept and pictures of the mechanical start of the float. The float took 1,000 hours to construct (evenings and weekends) and 42 employee volunteers. Mr. Noriega showed a slide with the list of participating employees. The float

received the Sweepstakes award from the Sun Bowl Association, the highest honor a float can win. Mr. Noriega introduced key players that helped with the construction of the float starting with Eric Jacquez, Jose Quintana, Said Villafuentes, and Chris Juarez who was the one that came up with the concept of the float. Mr. Noriega showed a slide of the picture of the float in the parade and presented each Board member with a scale from the dragon that was part of the float. Mr. Juarez presented a framed picture of the float to Mr. Balliew. Mr. Noriega ended his presentation with a video of the work that was done during time of constructing the float. Mr. Antcliff thanked Mr. Noriega for all the work the volunteers did and was pleased that EPWater was able to bring this tradition back. Mr. Balliew added his appreciation for the work of the team.

**5. PRESENTATION TO BRADLEY ROE IN RECOGNITION OF HIS LEADERSHIP, DEDICATION, AND SERVICE TO THE COMMUNITY DURING HIS TENURE ON THE PUBLIC SERVICE BOARD.**

Mr. Balliew, President/CEO presented a plaque to Mr. Bradley Roe for his hard work and dedication over the four years on the Public Service Board. Mr. Roe served on the Engineering Selection Committee and Ad Hoc Planning and Development Committee. Mr. Roe always showed support by attending EPWater held functions or events that EPWater was invited to. Mr. Roe said a few words showing his appreciation for serving on the Board. Mr. Roe reflected on a particularly meaningful project that he worked on in collaboration with Board member Dr. Ivonne Santiago and Gisela Dagnino, Engineering Division Manager to revisit the stormwater master plan and provide recommendations for updated priorities for El Paso. Mr. Roe expressed his appreciation to Mr. Alan Shubert and Ms. Lisa Rosendorf. Mr. Antcliff also thanked Mr. Roe for his service on the Board.

**6. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE DONIPHAN DRIVE AND FRONTERA ROAD INLET AND JUNCTION BOX TO MM STRUCTURAL ENGINEERS, INC. FOR DESIGN, BID PHASE, AND CONSTRUCTION PHASE SERVICES IN THE AMOUNT OF \$145,519; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES.**

A floor amendment was offered, deleting the language for future task orders. Mr. Alan Shubert, Vice President provided a presentation to the Board regarding this item (copy on file in Central Files). Mr. Shubert described how an inlet and junction box at Doniphan Drive and Frontera Road has collapsed. This box is part of a storm sewer network and interconnected to the Doniphan Pump Station. Due to the high water table and open joints; the box and pipes have lost the supporting soil and collapsed. MM Structural Engineers' (MMSE) portfolio of professional services includes structural assessment of subsurface structures such as culverts or conduits and engineering design to rehabilitate and/or reinforce deteriorated structures prone to collapse. MMSE has been El Paso Water's Stormwater engineer-of-record for the repair of various deteriorated, collapsed, disjointed or broken culverts (i.e. Dallas Box Reinforcement, O'Keefe Conduits Rehab, Franklin Conduit Repair). MMSE performed a structural evaluation of the box and determined it will need to be rebuilt. MMSE is familiar with the condition of the system. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Santiago and unanimously carried, the Board awarded a Professional Engineering Services Contract for the Doniphan Drive and Frontera Road inlet and junction box to MM Structural Engineers, Inc. for design, bid phase, and construction phase services in the amount of \$145,519.

**7. CONSIDERED AND AWARDED PROFESSIONAL ENGINEERING SERVICES CONTRACTS FOR ON-CALL CLOMR/LOMR STUDIES AND 3RD PARTY REVIEWS TO AECOM; GRV**

**INTEGRATED; MORENO CARDENAS, INC., AND PARKHILL, SMITH AND COOPER FOR A MAXIMUM TERM OF TWO YEARS AND IN THE MAXIMUM AMOUNT OF \$200,000 PER ENGINEERING FIRM.**

Mr. Shubert, provided a presentation to the Board regarding this item (copy on file in Central Files). As stormwater improvement projects are completed, FEMA designated Special Flood Hazard Areas (SFHAs) are impacted and the Flood Insurance Rate Maps (FIRM) must be revised. Studies and map changes are required to revise existing FIRMs. The result of map revisions redefine the flood zone and may remove private property out of the flood zone. EPWater staff reviewed and provided comments for land development plans as part of the City's plan review process. These reviews include but are not limited to land studies, plats, subdivision improvement plans, and privately funded CLOMRs/LOMRs. Staff is requesting professional engineering services from consultants specializing in hydrology and hydraulics modeling for the preparation of CLOMRs/LOMRs and 3rd party reviews of land development submittals. The Architectural/Engineering Selection Advisory Committee met on November 14, 2018, to review and recommend selection of the engineering firms for these services. The committee consisted of Bradley Roe, Ivonne Santiago, Kristina Mena, R. Alan Shubert, Marcela Navarrete, Fernando Rico and Gilbert Trejo. Proposals were scored in the areas of minimum qualifications, team and project management, and past project experience. AECOM, GRV Integrated, Moreno Cardenas, and Parkhill, Smith and Cooper were selected as the firms that have demonstrated excellent abilities in all the evaluated categories and best meet the needs of the Utility for the above-described projects. Mr. Shubert addressed questions from the Board regarding this item. Mr. Balliew made additional comments

On a motion made by Mr. Gallardo, seconded by Mr. Roe and unanimously carried, the Board awarded professional engineering services contracts for On-Call CLOMR/LOMR Studies and 3rd Party Reviews to AECOM; GRV Integrated; Moreno Cardenas, Inc., and Parkhill, Smith and Cooper for a maximum term of two years and in the maximum amount of \$200,000 per engineering firm.

**8. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE ALAMEDA AVENUE/ROSEWAY DRIVE (SENECA DRIVE TO FOSTER DRIVE) SEWER MAIN REPLACEMENT TO ESSCO INTERNATIONAL, INC. FOR DESIGN AND BID PHASE SERVICES IN THE AMOUNT OF \$297,732; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$52,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Shubert provided a presentation to the Board regarding this item (copy on file in Central Files). The existing sewer main was constructed in 1963. The pipe can no longer carry the hydraulic load in this portion of the system. The existing main is to be replaced with a 12-inch or 15-inch diameter main within TXDOT and City of El Paso rights-of-way. The Architectural/Engineering Selection Advisory Committee met on October 10, 2018, to review and recommend the selection of an engineering firm for the above-referenced project. The committee consisted of Bradley Roe, Ivonne Santiago, Kristina Mena, Fernie Rico, and Gilbert Trejo. Proposals were evaluated in the areas of technical competence, project approach, team organization and availability, and project management and quality control. The Architectural/Engineering Selection Advisory Committee determined that ESSCO International meets the needs of the Utility for these important services and has demonstrated excellent abilities in all evaluated categories. Staff worked with ESSCO International to develop the scope of services required for this 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.

On a motion made by Dr. Santiago, seconded by Mr. Roe and Dr. Mena and unanimously carried, the Board awarded a Professional Engineering Services Contract for the Alameda Avenue/Roseway Drive (Seneca Drive to Foster Drive) Sewer Main Replacement to ESSCO International, Inc. for design and bid phase services in the amount of \$297,732; authorized future task orders or amendments to be issued under this contract for additional design and construction phase services in the estimated amount of \$52,000, provided that funding is available in the approved budget for the task orders or amendments, and authorized the use of commercial paper.

**9. AWARDED REQUEST FOR PROPOSAL 49-18 KBH DESALINATION PLANT MEMBRANE REPLACEMENT TO THE HIGHEST RANKED OFFEROR H2O INNOVATION USA INC. DBA PROFESSIONAL WATER TECHNOLOGIES FOR THE FIRST YEAR MEMBRANE REPLACEMENT IN THE AMOUNT OF \$247,594.83 AND AUTHORIZED ADDITIONAL MEMBRANE REPLACEMENTS IN THE ESTIMATED AMOUNT OF \$244,203.12 PER YEAR, FOR A FIVE-YEAR ESTIMATED TOTAL OF \$1,224,407.31 PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED FUTURE BUDGETS.**

Ms. Irazema Rojas, Capital Improvement Program Manager provided a presentation to the Board regarding this item (copy on file in Central Files). This project is for the replacement of the membranes on all five of the reverse osmosis (RO) skids at the rate of one skid per year over the next five years. EPWater received two proposals: one from H2O Innovation/PWT and the other from Industrial Water Services. Both proposers submitted the Toray TMG20D-440 membrane with their proposal. Staff evaluated and scored the proposals based on four criteria: personnel experience, cost, membrane installations, and startup services. Staff recommends award to H2O Innovation/PWT which achieved the highest scoring proposal. Ms. Rojas addressed questions from the Board regarding this item. Mr. Balliew made additional comments.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board awarded Request for Proposal 49-18 KBH Desalination Plant Membrane Replacement to the highest ranked offeror H2O Innovation USA Inc. dba Professional Water Technologies for the first year membrane replacement in the amount of \$247,594.83 and authorized additional membrane replacements in the estimated amount of \$244,203.12 per year, for a five-year estimated total of \$1,224,407.31, provided that funding is available in the approved future budgets.

**10. CONSIDERED AND APPROVED TASK ORDER NUMBER 4 TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO CDM SMITH FOR THE CONSTRUCTION PHASE SERVICES FOR THE MEMBRANE REPLACEMENT - KAY BAILEY HUTCHISON DESALINATION PLANT MISCELLANEOUS IMPROVEMENTS IN THE AMOUNT OF \$39,000; FURTHER AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT TO PROVIDE ADDITIONAL CONSTRUCTION PHASE SERVICES IN AN ESTIMATED AMOUNT OF \$160,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.**

Ms. Rojas, provided a presentation to the Board regarding this item (copy on file in Central Files). This Task Order is for construction phase services for membrane replacement associated with the KBH Desalination Plant Miscellaneous Improvements project. It was determined in the Membrane Replacement Evaluation Technical Memorandum, dated November 2, 2018, that EPWater should replace the reverse osmosis (RO) membranes. The five-year membrane replacement program will result in replacing all the membranes in the five existing skids at the plant. CDM Smith was contracted to provide engineering services associated with miscellaneous

improvements for the KBH Desalination Plant in August 2016. Task Order Number 4 will provide construction phase services for the installation of the new membranes on one skid. Fees required to complete the services were negotiated with the consultant. The fees are in line with the level of effort required to complete the construction phase services for this project and are consistent with similar work done at the KBH Desalination Plant.

On a motion made by Mr. Gallardo, seconded by Dr. Mena and unanimously carried, the Board approved Task Order Number 4 to the professional services contract awarded to CDM Smith for the construction phase services for the Membrane Replacement - Kay Bailey Hutchison Desalination Plant Miscellaneous Improvements in the amount of \$39,000; further authorized future task orders or amendments to be issued under this contract to provide additional construction phase services in an estimated amount of \$160,000, provided that funding is available in the approved budget for the task orders or amendments.

**11. CONSIDERED BID NUMBER 97-18, ENGINE AND GENERATOR MAINTENANCE SERVICES, DECLARED LJ POWER, INC., AND CUMMINS, INC. DBA CUMMINS SALES AND SERVICE AS NOT RESPONSIVE, AND AWARDED TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, INTERTECH POWER SYSTEMS LLC, IN ESTIMATED ANNUAL AMOUNT OF \$485,917, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.**

Ms. Rosemary Guevara, Senior Purchasing Agent provided a presentation to the Board regarding this item (copy on file in Central Files). El Paso Water has 80 generators and engines in use for backup power to water and wastewater plants, wells, pumps stations, and support facilities. The contractor will be responsible for the maintenance service required on 80 generators and engines. Six bids were received for these services. The apparent low bidder LJ Power, Inc. did not meet the minimum requirements as they did not have a local facility at the time of bidding. The second low bidder Cummins, Inc. submitted exceptions to our bidding provisions; therefore, staff is requesting that both bidders be deemed not responsive. Staff evaluated the third low bidder and determined that they meet the minimum qualifications as specified within the bid proposal and recommends award to Intertech Power Systems LLC. Ms. Guevara and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Mr. Gallardo and unanimously carried, the Board approved Bid Number 97-18, Engine and Generator Maintenance Services, declared LJ Power, Inc., and Cummins, Inc. dba Cummins Sales and Service as not responsive, and awarded the project to the lowest responsive, responsible bidder, Intertech Power Systems LLC, in estimated annual amount of \$485,917, with the option for two, one-year extensions.

**12. CONSIDERED AND AWARDED BID NUMBER 107-18 REMOVAL, PURCHASE AND INSTALLATION OF A CRANE TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, ALLTECH ENGINEERING CORP., IN THE AMOUNT OF \$110,102 AND FURTHER AUTHORIZED STAFF TO UTILIZE LINE ITEM NUMBER 4 OR 5 AS NECESSARY IN THE ESTIMATED AMOUNT OF \$22,500, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Ms. Guevara provided the Board with information regarding this item. The crane at the Haskell R. Street Wastewater Treatment Plant has corroded due to the corrosive environment in the dewatering building. The crane is used for performing maintenance on the belt press equipment. The project consists of the purchase and installation of a 2-ton electrical crane, and the contractor will also be responsible for removing the existing crane equipment and disposing of the materials. Three bids were received from Alltech Engineering Corp., Sol Contractors, Inc., and R.M. Wright Construction Company. Staff evaluated the bids and determined that the low bidder met all specifications as defined within the bid proposal and recommends award to Alltech Engineering Corp.

On a motion made by Dr. Santiago seconded by Mr. Roe and unanimously carried, the Board awarded Bid Number 107-18 Removal, Purchase and Installation of a Crane to the lowest responsive, responsible bidder, Alltech Engineering Corp., in the amount of \$110,102 and further authorized staff to utilize line item number 4 or 5 as necessary in the estimated amount of \$22,500, and authorized the use of commercial paper.

**13. CONSIDERED AND APPROVED RESCINDING AWARD OF BID NUMBER 68-18, ROSEWAY 20-INCH WATER LINE FROM CARNES TO NEVAREZ ROAD AND 20 INCH TIE-IN AT ZARAGOZA ROAD AND GATEWAY EAST, AWARDED TO ERNEST L. SMITH, LLC DBA S&M CONSTRUCTION, IN THE ESTIMATED AMOUNT OF \$1,186,304.73, AND AUTHORIZED STAFF TO REBID THE PROJECT.**

Ms. Guevara provided the Board with information regarding this item. This water line is a major supply line to the Mission Valley. The 24-inch to 20-inch steel cylinder concrete pipe water transmission line was installed in 1973. This water line has broken over 17 times over the past 45 years and is at the end of its useful life. The project consists of the installation of approximately 7,596 linear feet of 20-inch ductile iron pipe and 170 linear feet of HDPE pipe. Bid Number 68-18 was awarded on August 8, 2018, to Ernest L. Smith, LLC dba S&M Constructors. S&M Constructors was in the process of getting the contract executed when EPWater was notified that Mr. Ernest Smith, the owner of S&M Constructors, had passed away on October 7, 2018. Staff has since been in discussions with Mr. John Pollard, Operations Officer of S&M Constructors to see if they would be able to continue with the project. On November 14, 2018, EPWater received written notification that due to various factors related to Mr. Smith's passing, S&M Constructors would not be able to construct the project. The letter formally declines the award on behalf of S&M Constructors. Staff recommends that the award be rescinded and the project rebid. Ms. Guevara addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Mr. Roe and unanimously carried, the Board approved Rescinding Award of Bid Number 68-18, Roseway 20-Inch Water Line from Carnes to Nevarez Road and 20 Inch Tie-In at Zaragoza Road and Gateway East, awarded to Ernest L. Smith, LLC dba S&M Construction, in the estimated amount of \$1,186,304.73, and authorized staff to rebid the project.

**14. CONSIDERED AND AUTHORIZED THE PRESIDENT/CEO TO SIGN AN AMENDMENT TO THE INTERLOCAL AGREEMENT WITH THE COUNTY OF EL PASO, TO ENTER INTO TASK ORDERS WITH AECOM ON BEHALF OF THE COUNTY FOR THE DEVELOPMENT OF THE MONTANA SECTOR STORMWATER MASTERPLAN AND A COUNTYWIDE INTERIOR DRAINAGE STUDY TO BE PAID BY THE COUNTY.**

Mr. Shubert provided a presentation to the Board regarding this item (copy on file in Central Files). In 2009, EPWater and the County of El Paso, Texas (County) entered into an Interlocal Agreement as a collaborative effort to develop regional stormwater planning. All tasks under the original agreement have been completed. There has been recent interest by the County to once again collaborate on regional stormwater planning. The amendment to the agreement was developed and revised by staff as well as the County legal staff. On July 11, 2018, the board approved a contract for the El Paso County-Montana Sector Stormwater Masterplan with AECOM to complete this portion of the agreement. This contract is still pending final execution. A second task order will be issued to AECOM to complete a countywide interior drainage study using an existing EPWater on-call contract. Mr. Shubert and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Dr. Mena and unanimously carried, the Board authorized the President/CEO to sign an Amendment to the Interlocal Agreement with the County of El Paso, to enter into task orders with AECOM on behalf of the County for the development of the Montana Sector Stormwater Masterplan and a county-wide interior drainage study to be paid by the County.

**15. CONSIDERED AND APPROVED THE PROPOSED BUSINESS MODEL FOR THE LEASING PRICES AT THE RIVERSIDE INTERNATIONAL INDUSTRIAL CENTER PROPERTIES.**

Mr. Brent Preston, Managing Partner with Pires International provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater manages approximately 200 acres of property in southeast El Paso commonly referred to as the Riverside International Industrial Center. The property is close to the Zaragoza International Port of Entry. On May 9, 2018, RFP 21-18 Professional Consulting Services Riverside International Industrial Center was awarded to Cushman and Wakefield/Pires International (Consultant) for marketing and management of the RIIC. Consultant has partnered with Dr. Tom Fullerton, Department of Economics and Finance, The University of Texas at El Paso to develop the business model for the leasing rates for the property in this area. The business model has been evaluated by Consultant and Dr. Fullerton to try and create the best rate of return of leases for EPWater and make the leases competitive in the market. Mr. Preston and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Mr. Gallardo and unanimously carried, the Board approved the proposed business model for the leasing prices at the Riverside International Industrial Center properties.

#### **16. CONSIDERED AND APPROVED THE UPDATED IMPACT FEE CAPITAL IMPROVEMENT PLAN.**

Ms. Adriana Castillo, Engineering Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files). On March 24, 2009, City Council adopted the Land Use Assumptions (LUA) and Capital Improvement Plan (CIP). A requirement of Local Government Code 395, Financing Capital Improvements required by New Development, is to update the LUA and CIP at least every five years. In 2014, the updated LUA and CIP were presented/approved/adopted by City Plan Commission (CPC), Capital Improvements Advisory Committee (CIAC), City Council and the Public Service Board (PSB). El Paso Water has been working on updating the LUA, CIP, and Impact Fees for the 2019 five-year update. The updated LUA, CIP, and Impact Fees will have to be presented/approved/adopted by CPC, CIAC, City Council and the PSB. The updated LUA was presented to the PSB at its November 14, 2018 regularly scheduled meeting. Based on the updated LUA, EPWater's staff updated the CIP. The 2019 LUA and CIP were presented to CIAC on November 28, 2018, and CPC on December 6, 2018. Raftelis Financial Consultants is currently updating the impact fees using the updated 2019 LUA and CIP. Mr. Balliew and Ms. Castillo addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board approved the updated Impact Fee Capital Improvement Plan.

#### **17. PRESENTATION OF STATE LEGISLATIVE UPDATE BY HILLCO PARTNERS, LLC.**

Mr. Hector Gonzalez, Government Affairs Manager, introduced EPWater's state lobbyist team Dan Pearson and Vilma Luna with HillCo Partners. Ms. Luna provided a presentation to the Board regarding this item (copy on file in Central Files). Ms. Luna began her presentation with the election results, currently Republicans maintained control of all statewide offices, Democrats picked up 12 seats in the Texas House and two seats in the Texas Senate. Voter turnout was stronger than expected and election contests across the board were more competitive. Ms. Luna went over the current leadership; Governor Greg Abbott has cited public school finance and school safety as top priorities for the upcoming session. Lt. Governor Dan Patrick is focused on property tax reform, and Speaker Dennis Bonnen has stated the House will work to improve the public education system. As far as House and Senate; in the Texas House of Representatives, Republicans maintain the majority with an 83-67 vote block. In the Texas Senate, the margin is 19 Republicans to 12 Democrats. Significant changes are expected in House committee assignments, while lesser changes expected to Senate committees. Ms. Luna went over state budget issues. Most of the budget is driven by mandates in state law and the Texas Constitution and matching requirements for federal aid. Less than a fifth is available for "discretionary" spending, and lawmakers prioritize this spending every two years. A majority of state spending goes to just three purposes: education, health care and transportation. State spending each biennium is restricted to the available revenue estimated by the Texas Comptroller. Some key budget issues include a shortfall in the current two-year budget of about \$4 billion. The budget gap includes Medicaid expenses of more than \$2 billion and approximately \$1 billion in costs



from Hurricane Harvey. Other key long-term financial obligations that require legislative attention include state employee pensions, health care benefits for retired teachers, the state's prepaid tuition plan and deferred maintenance for state-owned buildings. Ms. Luna highlighted budget demands, including the Economic Stabilization Fund (ESF), property tax reform, public education financing, school safety, health and human services funding, and lastly cybersecurity and technology infrastructure. Ms. Luna then introduced Mr. Dan Pearson who discussed participation in meetings with the Governor's office on water policy issues and highlighted water issues likely to receive attention in this legislative session, including the role of groundwater conservation districts, public/private partnerships to fund water infrastructure projects, water permitting changes (streamlining and removing hurdles). He also expects eminent domain to be under review. Mr. Antcliff shared his appreciation in Ms. Luna and Mr. Pearson coming in to provide the update.

No action was taken.

#### **18. CONSIDERED AND APPROVED THE PSB MEETING SCHEDULE FOR 2019**

Mr. Balliew presented the proposed schedule to the Board. The schedule for 2019 will remain the same with the current format of the second Wednesday of the month.

On a motion made by Mr. Roe seconded by Dr. Santiago and unanimously carried, the Board considered and approved the PSB Meeting Schedule for 2019.

#### **19. MANAGEMENT REPORT:**

- Results of Water and Sewer Revenue Refunding Bonds Series 2018-Mr. Art Duran, Chief Financial Officer provided a presentation to the Board regarding this item (copy on file in Central Files). Mr. Duran began his presentation of Series 2018 Pricing Summary with sharing that the pricing of the Bond was done on November 13, 2018, it was executed within all parameters set by the Board, the par amount of issue was \$30,000,000 with the actual coming in at \$26,670,000. Maximum true interest cost was 4.50% with the actual coming in at 3.6173% and final maturity date was December 31, 2039 with the actual being March 31, 2039. The bond closing and delivery of funds scheduled for December 18, 2018. Mr. Duran thanked the underwriters Raymond James and RBC, he also thanked Maria Urbina with Hilltop Securities for her work. In addition, he thanked Ms. Navarrete, Mr. Balliew and the Board.
- Fred Hervey Sludge Liner Replacement Project Update and Video-Ms. Rojas made a presentation to the Board regarding this item (copy on file in Central Files). The Fred Hervey Water Reclamation Plant contains eight drying beds for sludge that dates to the plant's opening 30 years ago. The drying beds take advantage of El Paso's ideal climate conditions to dewater the sludge through natural processes. Sludge is removed from liner beds approximately every three months for disposal at a private facility. Ms. Rojas showed a slide of what the original sludge bed construction looked like, and the approximation of current bed conditions. The erosion damage can create low spots that hold water and delay sludge drying time and water can leach through liner and potentially cause contamination. Ms. Rojas went on to show a slide of the old way accessing the triangular beds, which was difficult versus the new way, with access easier. The replacement project included repairing and relining four rectangular beds and reconfiguring or decommissioning triangular beds. The use of shrinkage-compensating concrete lining was selected for abrasion resistance when sludge is scraped out of beds for disposal. The walls between each bed were replaced with earthen berms, providing larger bed areas and more drying capacity. Ms. Rojas mentioned the Board approved the action in December 2017, and the total cost was \$3.1 million. Some of the benefits of the project were a longer lifetime, 50 year lifetime for cement liners vs. 30 year lifetime of clay/sand liners. The capacity has increased by 30% of more surface area for drying and improved accessibility, the

rectangular configuration provides ease of access for heavy equipment. A video was then shown of the project.

**20. 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 comments were made.

**EXECUTIVE SESSION**

On a motion made by Mr. Gallardo, seconded by Dr. Mena, and unanimously carried, the Board retired into Executive Session at 10:04 a.m., December 12, 2018, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Chapter 551, Subchapter D 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 El Paso Water's Headquarters and RFP 56-18.

On a motion made by Mayor Margo, seconded by Dr. Santiago and unanimously carried, the Board reconvened in open session at 10:43 a.m., December 12, 2018.

**UPDATED AND DELIBERATED REGARDING EL PASO WATER'S HEADQUARTERS AND RFP 56-18.**

On a motion made by Dr. Mena, seconded by Mr. Gallardo and carried, that the El Paso Water Utilities-Public Service Board hereby rejects all proposals received in connection with RFP 56-18 "El Paso Water Utilities Headquarters Relocation Evaluation", and authorizes the reissuance of another RFP at a future date.

**ADJOURNMENT**

On a motion made by Mr. Gallardo, seconded by Dr. Mena and unanimously carried, the meeting adjourned at 10:43 a.m., December 12, 2018.

ATTEST:

  
Secretary-Treasurer

  
Christopher Antcliff, Chair