

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
November 9, 2022

The regular meeting of the Public Service Board was held in person, Wednesday, November 9, 2022.

PSB MEMBERS PRESENT

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

PSB MEMBERS ABSENT

Dr. Ivonne Santiago, Chair

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
Jeff Tepsick, Assistant Chief Financial Officer
Becky Hart, Property and Treasury Manager
Adriana Castillo, Engineering Division Manager
Felipe Lopez, Chief Operations Officer
Michaela Ainsa, Senior Assistant General Counsel
Melinda Becker, Assistant General Counsel
Mirtha Solis, Purchasing Agent
Rose Guevara, Purchasing and Contract Manager
Rene Leon, Legislative Liaison
Alma de Anda, Land and Water Rights Manager

GUESTS

Andrew Rheem- Raftelis
Emily Rogers- Bickerstaff, Heath, Delgado, Acosta

MEDIA

Martha Pskowski- El Paso Times
KFOX/CBS

The Public Service Board meeting was called to order by Dr. Mena at 8:03 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.

REGULAR AGENDA

1. ELECTION OF THE PUBLIC SERVICE BOARD CHAIR, VICE-CHAIR AND SECRETARY-TREASURER OFFICERS.

On a motion made by Dr. Mena, seconded by Mayor Leeser and unanimously carried, the Board appointed Dr. Santiago as Public Service Board Chair.

On a motion made by Ms. Block-Uribarri, seconded by Dr. Mena and unanimously carried, the Board appointed Mr. Morris as the Public Service Board Vice-Chair.

On a motion made by Dr. Mena, seconded by Mayor Leeser and unanimously carried, the Board appointed Mr. Intebi as Secretary/Treasurer.

Dr. Santiago, Chair, was absent from the meeting; Mr. Morris, Vice-Chair, acted as Chair for this meeting.

CONSENT AGENDA

On a motion made by Mr. Morris, seconded by Mayor Leeser and unanimously carried, the Board moved items number 10, 12 and 13 from the consent agenda into the regular agenda.

10. CONSIDER AND AWARD A PROFESSIONAL ENGINEERING SERVICES CONTRACT TO MICHAEL BAKER INTERNATIONAL, INC. FOR THE FORT BLISS RESILIENCY STUDY FOR WATER, WASTEWATER AND STORMWATER INFRASTRUCTURE – RFS 114-22 PROJECT IN THE AMOUNT OF \$743,750.

12. CONSIDER AND APPROVE CHANGE ORDER NUMBER 1 – BID NUMBER 04-21, FRED HERVEY WATER RECLAMATION PLANT BLOWER BUILDING AND AERATION SYSTEM IMPROVEMENTS TO CUBIC WATER, LLC INCREASING THE CONTRACT AMOUNT BY \$207,379.66 AND EXTENDING THE CONTRACT DURATION BY 365 DAYS; AUTHORIZE THE USE OF COMMERCIAL PAPER.

13. CONSIDER AND APPROVE AMENDMENT NUMBER 1 TO THE PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE WATER AND WASTEWATER ELECTRIC POWER RELIABILITY EVALUATION – PART 2 PROJECT WITH BLACK & VEATCH CORPORATION, IN THE AMOUNT OF \$2,060,000; AUTHORIZE FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT IN AN ESTIMATED AMOUNT OF \$750,000 PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.

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

2. CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON OCTOBER 12, 2022.

3. CONSIDERED AND APPROVED AN INCREASE IN CAPACITY OF THE MASTER CONTRACT MC00000202 ISSUED TO HOUSTON FREIGHTLINER, INC. TO PURCHASE MEDIUM AND HEAVY TRUCKS AND TRUCK BODIES THROUGH H-GACBUY COOPERATIVE CONTRACT NO. HT06-20 BY AN ADDITIONAL \$800,000 TO INCREASE THE CUMULATIVE AMOUNT TO \$1,300,000 UNTIL THE H-GACBUY COOPERATIVE CONTRACT EXPIRES.

4. CONSIDERED AND APPROVED AN INCREASE IN CAPACITY OF THE MASTER CONTRACT MC00000276 ISSUED TO CLOWE & COWAN OF EL PASO, LLC TO PURCHASE PIPES, DRESSERS, AND RELATED MATERIALS AND SUPPLIES FOR MAINTENANCE OPERATIONS THROUGH ESC REGION 19 ALLIED COOPERATIVE CONTRACT NO. 20-7375, BY AN ADDITIONAL \$500,000 TO INCREASE THE EXISTING MASTER CONTRACT CUMULATIVE AMOUNT TO \$1,000,000 UNTIL THE REGION 19 CONTRACT EXPIRES.

5. CONSIDERED AND APPROVED AN INCREASE IN CAPACITY OF MASTER CONTRACT MC00000166 ISSUED TO MORSCO SUPPLY, LLC DBA MORRISON SUPPLY TO PURCHASE PIPES, VALVES, AND RELATED MATERIALS AND SUPPLIES FOR MAINTENANCE OPERATIONS THROUGH ESC REGION 19 ALLIED COOPERATIVE CONTRACT NO. 21-7393, BY AN ADDITIONAL \$500,000 TO INCREASE THE EXISTING MASTER CONTRACT CUMULATIVE AMOUNT TO \$1,000,000.

6. CONSIDERED AND APPROVED AN INCREASE IN CAPACITY OF THE MASTER CONTRACT MC00000224 ISSUED TO FERGUSON ENTERPRISES, LLC THROUGH ESC REGION 19 CONTRACT NO. 22-7428, TO PURCHASE METER VALVES, GATE VALVES, AND OTHER RELATED MATERIALS FOR MAINTENANCE OPERATIONS BY AN ADDITIONAL \$500,000 TO INCREASE THE EXISTING MASTER CONTRACT CUMULATIVE AMOUNT TO \$1,000,000.

7. CONSIDERED AND AWARDED BID NUMBER 100-22, PRECAST CONCRETE MANHOLES, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER WESTERN PRECAST CONCRETE, INC. IN THE ESTIMATED ANNUAL AMOUNT OF \$252,040 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 XYLEM WATER SOLUTIONS USA, INC., FOR THE PURCHASE OF OZONE GENERATOR DIELECTRIC REPLACEMENT EQUIPMENT IN THE ESTIMATED AMOUNT OF \$450,514.

9. CONSIDERED AND AWARDED PROFESSIONAL ENGINEERING SERVICES CONTRACTS FOR ON-CALL PROFESSIONAL ENGINEERING SERVICES FOR ENVIRONMENTAL PERMITTING, ANALYSIS, AND ASSESSMENTS – RFQ 97-22, TO ARCADIS U.S., INC., ENCON INTERNATIONAL, INC., ESSCO ENVIRONMENTAL, INC., TRC ENVIRONMENTAL CORPORATION, WESTON SOLUTIONS, INC., AND WOOD ENVIRONMENT & INFRASTRUCTURE SOLUTIONS, INC., FOR AN AMOUNT NOT TO EXCEED \$750,000 FOR EACH FIRM WITH A TERM OF THREE YEARS AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

11. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR CONSTRUCTION MANAGEMENT SERVICES TO FREESE AND NICHOLS, INC. FOR THE HASKELL R. STREET WASTEWATER TREATMENT PLANT CHLORINE SCRUBBER AND WASH PRESS REPLACEMENT PROJECT IN THE AMOUNT OF \$213,541.40; AND AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL CONSTRUCTION MANAGEMENT SERVICES IN THE ESTIMATED AMOUNT OF \$200,000 PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.

REGULAR AGENDA

10. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT TO MICHAEL BAKER INTERNATIONAL, INC. FOR THE FORT BLISS RESILIENCY STUDY FOR WATER, WASTEWATER AND STORMWATER INFRASTRUCTURE – RFS 114-22 PROJECT IN THE AMOUNT OF \$743,750.

Geoffrey Espineli, Engineering Division Manager, provided a presentation to the Board regarding this item. EPWater was awarded a grant from the Department of Defense to perform a Military Installation Resilience Study. The period of performance of this grant is 12 months beginning in September 2022. The purpose of the grant is to conduct a study of water, wastewater, and stormwater infrastructure of the region that hosts Fort Bliss. An ancillary purpose is to study the energy infrastructure related to water infrastructure functions, such as the energy supplies for pumping stations, treatment plants, and backup energy supplies. This contract is for the professional services to develop the “Fort Bliss Regional Resilience Report,” which will identify a prioritized list of water and energy-related projects, actions, and funding plans for the design and construction of the proposed projects. Mr. Espineli answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Dr. Mena and unanimously carried, the Board awarded a professional engineering services contract to Michael Baker International, Inc. for the Fort Bliss Resiliency Study for Water, Wastewater and Stormwater Infrastructure – RFS 114-22 project in the amount of \$743,750.

12. CONSIDERED AND APPROVED CHANGE ORDER NUMBER 1 – BID NUMBER 04-21, FRED HERVEY WATER RECLAMATION PLANT BLOWER BUILDING AND AERATION SYSTEM IMPROVEMENTS TO CUBIC WATER, LLC INCREASING THE CONTRACT AMOUNT BY \$207,379.66 AND EXTENDING THE CONTRACT DURATION BY 365 DAYS; AUTHORIZED THE USE OF COMMERCIAL PAPER.

Geoffrey Espineli, Engineering Division Manager, provided a presentation to the Board regarding this item. Work for the Fred Hervey Water Reclamation Plant (FHWRP) Blower Building and Aeration System Improvements project includes a new blower building, which will house two new blowers, along with the construction of a new electrical room for the required electrical equipment. Multiple items that needed to be added to the contract were identified during construction and include adding a 4-inch drain line pipe extension due to new blower building footing reconfiguration and utility piping encasement, removing and relocating the existing 6-inch raw sewage bypass line, and installing a replacement methanol line. Change Order Number 1 increases the contract amount and duration to account for the additional work. Mr. Espineli answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Dr. Mena and unanimously carried, the Board approved Change Order Number 1 – Bid Number 04-21, Fred Hervey Water Reclamation Plant Blower Building and Aeration System Improvements to Cubic Water, LLC increasing the contract amount by \$207,379.66 and extending the contract duration by 365 days; authorized the use of commercial paper.

13. CONSIDERED AND APPROVED AMENDMENT NUMBER 1 TO THE PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE WATER AND WASTEWATER ELECTRIC POWER RELIABILITY EVALUATION – PART 2 PROJECT WITH BLACK & VEATCH CORPORATION, IN THE AMOUNT OF \$2,060,000; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT IN AN ESTIMATED AMOUNT OF \$750,000 PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.

Geoffrey Espineli, Engineering Division Manager, provided a presentation to the Board regarding this item. Senate Bill 3 was enacted by the Legislature of the State of Texas requiring EPWater to submit a Critical Load Report to the Utility Commission and submit an Emergency Preparedness Plan (EPP) to the Texas Commission on Environmental Quality (TCEQ). Black & Veatch Corporation was awarded a Professional Services Agreement for the Water and Wastewater Electric Power Reliability Evaluation- Part 2 Project to assist with the system’s electric reliability evaluation. Both documents were completed and submitted by EPWater. The EPP identified that generators are needed at four pump stations and sixteen well sites to be able to comply with the Senate Bill 3 requirements. In addition to the installation 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. Amendment Number 1 of

the professional engineering services agreement with Black & Veatch Corporation is for the design of the installation of generators and diesel storage tanks. Mr. Espineli answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Dr. Mena and unanimously carried, the Board approved Amendment Number 1 to the professional engineering services contract for the Water and Wastewater Electric Power Reliability Evaluation – Part 2 project with Black & Veatch Corporation, in the amount of \$2,060,000; authorized future task orders or amendments to be issued under this contract in an estimated amount of \$750,000 provided that funding is available in the approved budget for the task orders or amendments.

14. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT EXPANSION AND UPGRADES - CONSTRUCTION MANAGEMENT AT-RISK PROJECT – RFS 95-22 TO JACOBS ENGINEERING GROUP, INC. IN THE AMOUNT OF \$250,000; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$12,000,000 PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.

Geoffrey Espineli, Engineering Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Roberto R. Bustamante Wastewater Treatment Plant (RRBWTP) was designed for a treatment capacity of 39 MGD in 1991. The Texas Commission on Environmental Quality requires planning an expansion to the wastewater treatment plant once 75% of the plant's flow capacity is exceeded for three consecutive months. RRBWTP is nearing 75% of permitted flow due to east El Paso development. Studies require EPWater to expand the plant capacity to 51 MGD. The plant expansion design is 30% complete. Construction is scheduled to begin in mid-2023 and to be completed in late 2026. The project will be delivered using the alternative delivery method Construction Manager-At-Risk (CMAR) and the CMAR for construction services was approved by the Public Service Board on July 13, 2022. At 90% design, the CMAR will deliver a Guaranteed Maximum Price (GMP) proposal to construct the project. If the 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, including an Early Work Package that may be funded in late 2022. This contract is for Construction Management services during the CMAR preconstruction and construction phases. The scope of work includes 1) Construction Management services, with major tasks being to represent and advise the Owner during the design and resolution of problems due to field conditions encountered and to provide field engineering support services; and 2) Field Engineering and Inspection services with a major task being to provide a Full-time Resident Project Representative (RPR) for daily construction inspection and to assist in the enforcement of specified contract requirements. Mr. Espineli answered questions from the Board on this item.

On a motion made by Dr. Mena seconded by Ms. Saenz and unanimously carried, the Board awarded a professional engineering services contract for Construction Management Services for the Roberto R. Bustamante Wastewater Treatment Plant Expansion and Upgrades - Construction Management At-Risk Project – RFS 95-22 to Jacobs Engineering Group, Inc. in the amount of \$250,000; authorized future task orders or amendments to be issued under this contract for additional construction phase services in the estimated amount of \$12,000,000 provided that funding is available in the approved budget for the task orders or amendments.

15. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE NORTHWEST SERVICE AREA WATER SUPPLY IMPROVEMENTS – RFS 73-22 PROJECT, TO FREESE AND NICHOLS, INC., FOR PRE-DESIGN AND DESIGN PHASE SERVICES IN THE AMOUNT OF \$1,112,278.34; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$3,500,000 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.) The project area is in the northwest area of El Paso, Texas. These improvements are part of the Northwest Water Master Plan. They are necessary to meet the increasing water supply demand due to population growth in the Northwest area of El Paso. This project includes the construction of a new 3 million

gallon (MG) per day booster station, a new 3 MG ground storage tank, and the installation of approximately six miles of new transmission main with sizes varying from 16-inch to 48-inches. The project will be delivered using the Construction Manager-At-Risk (CMAR) method. This contract is for the professional engineering services for design, project coordination, and permitting needed to construct the proposed improvements. Mr. Espineli answered questions from the Board on this item.

On a motion made by Dr. Mena seconded by Ms. Saenz and unanimously carried, the Board awarded a professional engineering services contract for the Northwest Service Area Water Supply Improvements – RFS 73-22 project, to Freese and Nichols, Inc., for pre-design and design phase services in the amount of \$1,112,278.34; authorized future task orders or amendments to be issued under this contract for additional design and construction phase services in the estimated amount of \$3,500,000 provided that funding is available in the approved budget for the task orders or amendments, and authorized the use of commercial paper.

16. CONSIDERED AND APPROVED A SOLE SOURCE SERVICES AGREEMENT WITH PURE TECHNOLOGIES U.S. INC., PURSUANT TO SECTION 252.022(A)(7)(A) OF THE TEXAS LOCAL GOVERNMENT CODE, TO CONDUCT AN ELECTROMAGNETIC CONDITION ASSESSMENT OF TRANSMISSION MAINS FOR AN ESTIMATED ANNUAL AMOUNT OF \$3,500,000 FOR A TERM OF ONE YEAR WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.

Geoffrey Espineli, Engineering Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) Many of EPWater’s transmission mains are approaching the end of their useful life. Every year, EPWater allocates a budget for the condition assessment of aging transmission mains. This assessment identifies the prioritization of rehabilitation of the aging transmission mains. Pure Technologies U.S. Inc., is the sole service provider of various condition assessment technologies protected by patents. EPWater has been using the electromagnetic condition assessment technology since 2015, and it provides accurate results that we use to program capital improvement projects for our transmission mains. Mr. Espineli answered questions from the Board on this item.

On a motion made by Dr. Mena, seconded by Ms. Saenz and unanimously carried, the Board approved a sole source services agreement with Pure Technologies U.S. Inc., pursuant to Section 252.022(a)(7)(A) of the Texas Local Government Code, to conduct an electromagnetic condition assessment of transmission mains for an estimated annual amount of \$3,500,000 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 APPROVED A SOLE SOURCE SERVICES AGREEMENT WITH KANDO ENVIRONMENTAL SERVICES INC. PURSUANT TO SECTION 252.022(A)(7)(A) OF THE TEXAS LOCAL GOVERNMENT CODE FOR THE INTELLIGENT WASTEWATER SURVEILLANCE OF COVID-19 AND LEGIONELLA BACTERIA, FOR PUBLIC HEALTH PURPOSES, FOR AN ESTIMATED ANNUAL AMOUNT OF \$735,000 FOR A TERM OF ONE YEAR WITH THE OPTION FOR TWO, TWO-YEAR EXTENSIONS PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.

John Balliew, President and CEO, provided a presentation to the Board regarding this item (copy on file in Central Files.) EPWater maintains over 2,300 miles of wastewater lines that carry wastewater from homes and businesses to four treatment plants. Wastewater monitoring is a methodology used to capture epidemiological information that assists in the community’s early viral detection. This information is critical to making decisions about the wastewater infrastructure and can assist with the public health response of the community. EPWater is interested in monitoring wastewater for surveillance of Covid-19 and Legionella Bacteria. Kando will provide wastewater monitoring services through its Community Pulse solution, which includes IoT (internet of things) devices deployed on certain EPWater manholes which collect wastewater data and extract composite samples for laboratory testing. EPWater will be able to track public health indicators in the network using Kando’s web-based application. Kando will also provide expert interpretation of results from an in-house, web-based epidemiological analytics team. Mr. Balliew answered questions from the Board on this item.

On a motion made by Mayor Leaser, seconded by Dr. Mena and unanimously carried, the Board and approved a sole source services agreement with Kando Environmental Services Inc. pursuant to Section 252.022(a)(7)(A) of the Texas Local Government Code for the intelligent wastewater surveillance of Covid-19 and Legionella Bacteria, for public health purposes, for an estimated annual amount of \$735,000 for a term of one year with the option for two, two-year extensions provided that funding is available in the approved budget.

18. RATIFIED THE INCURRED REPAIR COSTS WITH OSCAR RENDA CONSTRUCTION, INC., RELATED TO THE EMERGENCY REPAIRS OF THE 30-INCH DIAMETER WATER TRANSMISSION PIPELINE ALONG VIA DESCANSO IN THE AMOUNT OF \$155,659.88 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.

Felipe Lopez, Chief Operations Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) On July 13, 2022, a 30-inch water main that extends along Via Descanso Drive near the intersection with Ojo De Agua Drive broke, creating a large hole and impacting another water main that extends parallel to the 30-inch pipeline. EPWater repair crews responded to the emergency immediately to isolate the impacted pipeline segment and minimize disruption to the neighborhood. In an effort to return service as quickly as possible, Oscar Renda Contracting, Inc., was called in to assist. Oscar Renda Contracting, Inc., and EPWater crews worked together diligently over the span of three days and two nights to restore water service. Clean-up work, concrete curb and gutter restoration, and repaving followed so that the impacted area was returned to its original condition. Mr. Lopez answered questions from the Board on this item.

On a motion made by Mayor Leaser, seconded by Dr. Mena unanimously carried, the Board ratified the incurred repair costs with Oscar Renda Construction, Inc, related to the emergency repairs of the 30-inch diameter water transmission pipeline along Via Descanso in the amount of \$155,659.88 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.

19. CONSIDERED AND APPROVED A RESOLUTION OF THE EL PASO WATER UTILITIES-PUBLIC SERVICE BOARD AMENDING THE ESTABLISHED TYPES OF MATTERS, AS LISTED IN THE RESOLUTION, THAT MAY BE PLACED AND CONSIDERED BY THE PUBLIC SERVICE BOARD ON THE CONSENT AGENDA OF THE PUBLIC SERVICE BOARD MEETINGS.

Lisa Rosendorf, Chief Communications and Government Affairs Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) On August 11, 2021, the PSB adopted a Resolution that established the types of agenda matters to be placed on the consent agenda of the PSB meetings. Agenda items posted on the consent agenda of the PSB meetings are matters that are routine, procedural, and non-controversial that do not require discussion or individual motions. The PSB has the discretion to move consent agenda items to the regular agenda. This proposed amendment to the August 11, 2021 Consent Agenda Resolution, expands the categories of agenda matters to be placed on the consent agenda, which will increase the efficiency of the PSB meetings. Ms. Rosendorf answered questions from the Board on this item.

On a motion made by Ms. Saenz, seconded by Dr. Mena and unanimously carried, the Board approved a Resolution of the El Paso Water Utilities-Public Service Board amending the established types of matters, as listed in the Resolution, that may be placed and considered by the Public Service Board on the Consent Agenda of the Public Service Board meetings.

20. PRESENTATION AND DISCUSSION ON THE PROPOSED SUSTAINABLE INFRASTRUCTURE SURCHARGE FEE TO BE ASSESSED ON NEW METER SERVICE CONNECTIONS FOR A CERTAIN CLASS OF CUSTOMERS TO FUND GROWTH-RELATED WATER AND WASTEWATER PROJECTS IN NEW SERVICE AREAS.

Art Duran, Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Raftelis Financial Consultants, Inc., the Utility's rate consultants, conducted an analysis of a plan for financing future water and wastewater facilities to meet the needs of new customers as development occurs in new service areas. The result is the need to implement a new fee to recover the costs associated with growth-

related water and wastewater projects. If approved as part of the upcoming budget, the new SIS fee will be assessed on new meter service connections for a certain class of customers effective March 1, 2023. Mr. Duran answered questions from the Board on this item.

The board took no action on this item.

21. CONSIDERED AND APPROVED THE PROPOSED TIMELINE FOR THE SELECTION OF A NEW PSB MEMBER IN THE AREA OF ENGINEERING.

Claudia Duran, Executive Assistant to the President/CEO, provided a presentation to the Board regarding this item (copy on file in Central Files.)

On a motion made by Mayor Leeser seconded by Ms. Saenz and unanimously carried, the Board approved the proposed timeline for the selection of a new PSB member in the area of engineering.

27. MANAGEMENT REPORT:

- **ANTHONY BOUNVINO RECOGNITION- INFRAGARD SECTOR CHIEF OF THE YEAR AWARD-** Alfredo Solano, Chief Technical Officer, provided a presentation to the Board recognizing Anthony Bounvino for his excellence in the field and for his recognition as Infragard Sector Chief of the Year award.
- **SURFACE WATER END OF YEAR REPORT-** Angel Bustamante, Water Systems Division Manager, provided a presentation to the Board on this item (copy on file in Central Files.) Mr. Bustamante discussed the sources in an average non-drought year, which are 17% Mesilla, 40% Rio Grande, 38% Hueco and 5% from Desalination. The water supply is approximately 40 billion gallons of potable water, and the percentage of water sources supplying total demand include 10% desalinated, 14% surface water and 76% Hueco and Mesilla Bolson. In the summer months of June, July and August, for surface water the Rio Grande is 58% and Groundwater is 42%. EPWater has 2 surface water plants- Robertson/Umberhauer Water Plant and Jonathan Rogers Water Plant. Mr. Bustamante showed a graph of the reservoir storage at Elephant Butte from December 2021 to October 2022. He also spoke of the drought resiliency in El Paso.
- **CONSTRUCTION CONTRACTS UPDATE**
Irazema Rojas, Interim Chief Technical Officer, provided the Board with a presentation on this item (copy on file in Central Files.) Crown Point II and Nevins Packed Tower Air Strippers project to install packed tower air strippers to reduce the total trihalomethanes at each tank site was bid out on August 18, 2022. The project duration is 300 days. Three bids were received and the bid was awarded to Morrow Enterprises, Inc. for a bid amount of \$2,621,266. Reservoir Rehabilitation and Ground Storage Tank Replacement and Improvements project for the roof rehabilitation of North-1 reservoir and replacement of 0.1MG tank at Cielo Vista was bid out on September 2, 2022. The project duration is 315 days and 1 bid was received and awarded to Smithco Construction, Inc. for a bid amount of \$3,603,047. North Hills Reservoir Rehabilitation project for interior and exterior coating rehabilitation of tank was bid out on September 27, 2022. The project duration is 120 days. Three bids were received and the bid was awarded to Viking Painting, LLC for a bid amount of \$993,900.00. To date, 22 projects have been awarded for a total amount of \$53,977,511.30.
- **VIDEO BY COMMUNICATIONS-** Lisa Rosendorf, Chief Communications and Government Affairs Office, provided the Board with the video regarding the Advanced Water Purification Facility.

23. 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.

On a motion made by Mayor Leeser seconded by Ms. Saenz and unanimously carried, the Board opened item #20 on the agenda for public comment. Rene Leon, Utility Legislative Liaison, signed up to speak on item #20

on behalf of Representative Cassandra Hernandez. Mr. David Fortunato signed up for public comment and addressed the Board.

EXECUTIVE SESSION

On a motion made by Mayor Leeser, seconded by Ms. Saenz and unanimously carried, the Board retired into Executive Session 9:50 a.m., November 9, 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. Deliberation regarding real property in relation to El Paso Water's future administrative building. (551.071) (551.072)
- b. The Board will deliberate regarding the purchase of the real property legally described as follows: A portion of Lot 3, Block 15, of VISTA HILLS UNIT TWO, an addition to the City of El Paso, El Paso County, Texas, according to the Plat or Map thereof recorded in Volume 54, Page 24, Official Records of El Paso County, Texas. (Approx. 1.0334 acres). (551.071) (551.072)

On a motion made by Mayor Leeser, seconded by Dr. Mena and unanimously carried, the Board reconvened in open session at 11:35 a.m., November 9, 2022.

- a. **DELIBERATION REGARDING REAL PROPERTY IN RELATION TO EL PASO WATER'S FUTURE ADMINISTRATIVE BUILDING. (551.071) (551.072)**

No action was taken on this item.

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

Motion made by Mr. Intebi and seconded by Dr. Mena that the President and CEO be authorized to proceed with the acquisition of land in the manner approved by the Board, and in accordance with the terms and conditions specified by the Board, and to sign any and all documents necessary to complete the purchase.

ADJOURNMENT

On a motion made by Mayor Leeser, seconded by Dr. Mena and unanimously carried, the meeting adjourned at 11:36 a.m., November 9, 2022.

ATTEST:



Dr. Ivonne Santiago, Chair



Charlie Intebi, Secretary-Treasurer

**SPECIAL BUDGET REVIEW MEETING MINUTES OF THE
PUBLIC SERVICE BOARD**

November 29, 2022

The special meeting of the Public Service Board was held in person on Tuesday, November 29, 2022.

PSB MEMBERS PRESENT

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

PSB EMPLOYEES PRESENT

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

EPWU EMPLOYEES PRESENT

Marcela Navarrete, Vice President
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Art Duran, Chief Financial Officer
Gilbert Trejo, Chief Technical Officer
Martin Noriega, Utility Chief Operations Officer
Adriana Castillo, Engineering Division Manager
Christina Montoya, Marketing & Communications Manager
Sol Cortez, Deputy General Counsel
Martha Koester, Public Information Officer
Jeff Tepsick, Assistant Chief Financial Officer
Luz Holguin, Assistant Chief Financial Officer
Irazema Rojas, Capital Improvement Program Manager
Ana Pucella, Budget and Management Analyst
Ciara Grier, Support Services I
Gisela Dagnino, Chief
Rene Leon, Intergovernmental Affairs Coordinator
Denise Parra, Public Affairs Officer

MEDIA

Martha Pskowski, El Paso Times
Bob Moore, EP Matters
KFOX

GUESTS

Brad Angst, Stifel
Nancy Rocha, Stifel
Mauricio Ramos, PCL
Richard Dayoub, Thunderbird
Joel Guzman, Hunt

The Public Service Board meeting was called to order by Dr. Santiago at 6:03 p.m. A quorum of its members was present.

REGULAR AGENDA

1.BUDGET WORKSHOP – FY 2023-2024 BUDGET OVERVIEW; FY 2023-2024 STORMWATER OPERATING AND CAPITAL IMPROVEMENT BUDGET; FY 2023-2024 WATER, WASTEWATER & RECLAIMED WATER OPERATING AND CAPITAL IMPROVEMENT BUDGET; PROPOSED RULES AND REGULATIONS CHANGES, INCLUDING RATE AND FEE ADJUSTMENTS.

Mr. John Balliew, President & CEO, provided a presentation to the Board on this item (copy on file in Central Files). The budget and rate workshop for FY23-24 includes CIP needs assessment, internal review and prioritization, PSB rate presentation and public hearing, additional PSB budget meeting (if needed,) and PSB meeting and final decision set for January 11, 2023. El Paso Water at a glance for 2022- \$.0052 is the average cost per gallon of water delivered, \$2.2 billion in total assets, 8 treatment plants, 495 stormwater ponds, dams and basins, and 111 million gallons of water delivered daily. PSB actions to preserve affordability include 2017 – approved waiver of the Water Supply Replacement Charge for all ¾” meters with less than 4 CCFs monthly consumption, 2019 – created AguaCares program to help El Paso’s low-income seniors, 2021– partnered with Project Bravo to offer federally-funded assistance to customers through the Low Income Household Water Assistance Program, 2023 – a proposed increase from 4 CCFs to 5 CCFs for monthly minimum charge to shield low water users from block charges, and 2023 – a proposed sustainability infrastructure surcharge to provide funding for infrastructure. Budgeted water and wastewater CIP for the last 12 years shows that the amount has increased from FY21-22 at \$242 million to FY22-23 \$479 million and a projected FY23-24 \$405 million. Challenges creating uncertainty and driving up costs include inflation, market volatility, energy market uncertainty, supply chain, recruiting/retention and labor shortages.

Mr. Balliew spoke about water and wastewater capital improvements and noted that the budget priorities were the customer priorities, which are reliability, water supply and flood control as per a customer survey done in 2022. Combined water and wastewater CIP totals \$554 million. Key components of the FY23-24 CIP for water include \$99 million for water pipelines, \$23 million for water storage tanks, \$21 million for pumping system, \$22 million for water treatment plants and \$52 million for water supply. Key components of the FY23-24 CIP for wastewater include \$58 million for wastewater pipelines, \$16 million for pumping systems and \$189 million for wastewater treatment. Mr. Balliew spoke of the largest CIP project- the Bustamante Wastewater Treatment Plant expansion. The expansion is needed to the 31-year-old plant due to increased service area demand. The capacity increase at this time is triggered by TCEQ rules and extensive rehabilitation is also required. The estimated costs over 5 years is \$730 million and the plant will go from 39MGD to 51MGD.

The water, wastewater and reclaimed water capital and operating budget saw a 12% increase in utilities and a 18% increase in salaries due to retention and new positions. Including personnel services, materials, maintenance, utility and miscellaneous, the FY22-23 budget was \$131 million and the projected FY23-24 budget is \$144 million. Mr. Balliew discussed the recommended rates explaining that a 15% reduction in customer use would achieve the target. The current bill is at \$62.07 and the proposed rate is \$70.36. with a 15% reduction in water usage, the bill would only go up to \$64.22. Proposed water rate changes for FY23-24 for residential customers was presented.

Stormwater capital improvements for FY23-24 total \$71 million, which include \$21 million in pipelines, \$43 million in storage ponds and facilities and \$7 million for other. With input from City Council, PSB acted in FY22-23 to accelerate stormwater master plan implementation with completion expected in 10 years. Key components of FY23-24 CIP include \$36 million for new stormwater ponds and improvements to ponds, \$14 million for land acquisition, and \$1 million for corrugated metal pipe replacement/rehabilitation. The proposed stormwater fee change for FY23-24 for residential customers would go from \$4.92 to \$5.66, for commercial (such as a fast-food restaurant) would go from \$27.86 to \$32.04 and for larger commercial (such as a dealership) the fee would go from, \$441.05 to \$507.21. Currently, El Paso is the 5th lowest in stormwater fees for Texas cities. The proposed rate would be El Paso in 7th for lowest stormwater fee.

Mr. Balliew discussed the plan for the Sustainable Infrastructure Surcharge and shifting the burden of the cost of a growing city. As the City grows in every direction, all current customers pay for infrastructure to serve those areas. To keep rates affordable, it is time to start shifting the costs to those who need the new service. The new surcharge would be for all new metered homes and businesses in the outlying areas that were depicted in the photo shown (copy available in Central Files.) The fee would exclude tradition infill areas and current customers would not see the surcharge. New surcharge provides funding to pay for new infrastructure. Key SIS elements include- recovers costs for new water and wastewater infrastructure, surcharge collected via monthly bill, fixed fee by meter size, 30- year timeline, March 1, 2023 implementation and update every 5 years.

Mr. Balliew spoke on the efforts to reduce impact to customers. EPWater is actively pursuing state and federal infrastructure funding. This year, EPWater secured \$22 million, most of which was for the Advanced Water Purification Facility and over \$50 million in grant funding requests are still pending. Water conservation saves money- a water supply replacement charge is waived for customers who use less than 4 CCFs per month. In FY22, an average of 48,000 bill per month received the waiver; \$6.4 million annually was saved by high-conserving customers. Water efficient customers will keep their bills down. In addition, EPWater has a WaterWise Business Rebate Program that can rebate up to \$15,000. Assistance was provided to customers through Project Bravo, AguaCares and Amistad. In FY21, 2,821 customers were assisted for a total of \$1,732,023 and in FY22 a projected 5,500 customers were assisted for a projected total of \$1,600,000.

Mr. Balliew covered the proposed changes to the Rules and Regulations. Rules and Regulations 3- update language for clarity. Rules and Regulations 5- update water and sewer annexation fees tables, add meter/box damage fee during construction (cost plus \$300), add new Water Sustainable infrastructure surcharge (SIS) section, and update language for clarity. Rules and Regulations 6- add new Wastewater Sustainable infrastructure surcharge (SIS) section. Rules and Regulations 7- update water and sewer refund rates, remove Paving Cuts waiver fee section, and update language for clarity.

There are opportunities for public comment- Members of the public may show up at Public Service Board meetings to provide public comment- Wednesday, December 14, 8:00 a.m. and Wednesday, January 11, 8:00 a.m. This year, we are adding an email option for public comment. Comments will be accepted until January 10, 2023. A summary of the comments received will be provided at the January 11 PSB meeting: PublicAffairs@epwater.org.

There was one person signed up for public comment, Mr. Richard Dayoub


EXECUTIVE SESSION

The Board did not enter into Executive Session.

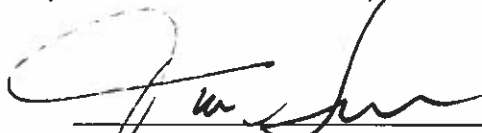
ADJOURNMENT

On a motion made by Mayor Leaser seconded by Mr. Morris and unanimously carried, the meeting adjourned at 7:50 p.m., November 29, 2022.

ATTEST:



Charlie Intebi, Secretary-Treasurer



Chair, Dr. Ivonne Santiago