

**MINUTES  
PUBLIC SERVICE BOARD  
CITY OF EL PASO  
April 12, 2023**

The regular meeting of the Public Service Board was held in person, Wednesday, April 12, 2023

**PSB MEMBERS PRESENT**

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

**PSB MEMBERS ABSENT**

Lisa Saenz, Member

**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  
Irazema Rojas, Chief Technical Officer  
Lisa Rosendorf, Chief Communications & Government Affairs 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  
Geoffrey Espineli, Engineering Division Manager  
Christina Montoya, Communications and Marketing Manager  
Adriana Castillo, Engineer Division Manager  
Rebecca Hart, Treasury and Property Control Manager  
Gustavo Hurtado, Fiscal Operations Manager  
Michaela Ainsa, Senior Assistant General Counsel  
Alma De Anda, Land and Water Rights Manager  
Alex Vidales, Real Estate Manager

**GUESTS**

Norma Natividad, Resident/Customer

**MEDIA**

None

The Public Service Board meeting was called to order by Dr. Santiago at 8:05 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Martin Noriega in reciting the Pledge of Allegiance.

**CONSENT AGENDA**

On a single motion made by Mr. Morris, seconded by Mayor Leeser 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 MARCH 8, 2023.**

**2. CONSIDERED AND APPROVED THE CONSENT TO ASSIGNMENT OF CONTRACT NO. 33-22, MAINTENANCE OF NATURAL GAS ENGINES FROM SOUTHWEST COMMERCIAL ENGINES, INC. TO TRANSFER POWER SERVICES INC.**

**3. CONSIDERED AND AWARDED BID NUMBER 19-23, HYDROGEN PEROXIDE, TO ARSA INDUSTRIES, INC., THE SOLE RESPONSIVE, RESPONSIBLE BIDDER, IN THE ESTIMATED ANNUAL AMOUNT OF \$177,000 FOR A TERM OF ONE YEAR, WITH FOUR ONE-YEAR OPTIONS, PROVIDED THE FUNDING IS AVAILABLE IN THE APPROVED BUDGET.**

**4. CONSIDERED AND APPROVED A SOLE SOURCE PURCHASE PURSUANT TO SECTION 252.022 (A)(7)(A) AND (D) OF THE TEXAS LOCAL GOVERNMENT CODE WITH IDEXX DISTRIBUTION, INC., AN OWNED SUBSIDIARY OF IDEXX LABORATORIES, INC., FOR MICROBIOLOGY ANALYSIS CONSUMABLES IN THE ESTIMATED ANNUAL AMOUNT OF \$100,000 FOR A TERM OF ONE YEAR WITH THE OPTION OF FOUR ONE-YEAR EXTENSIONS PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET AND CONTINGENT UPON THE VENDOR PROVIDING ANNUAL DOCUMENTATION ATTESTING TO THEIR SOLE SOURCE STATUS.**

**5. CONSIDERED AND APPROVED A SERVICES AGREEMENT FOR JANITORIAL SERVICES WITH WORKQUEST PURSUANT TO SECTION 252.022(A)(13) OF THE TEXAS LOCAL GOVERNMENT CODE, IN THE ESTIMATED ANNUAL AMOUNT OF \$889,000 FOR A TERM OF ONE YEAR WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS PROVIDED THAT FUNDING IS AVAILABLE IN APPROVED BUDGET; AND AUTHORIZED FUTURE AMENDMENTS FOR ADDITIONAL JANITORIAL SERVICES UNDER THIS AGREEMENT IN AN ESTIMATED ANNUAL AMOUNT OF \$100,000.**

**6. CONSIDERED AND APPROVED AMENDMENT NUMBER 1 TO THE PROFESSIONAL ENGINEERING SERVICES AGREEMENT WITH JACOBS ENGINEERING GROUP INC. FOR ADDITIONAL DESIGN PHASE SERVICES FOR THE FRED MILLER PUMP STATION TO IH-10 36-INCH WATER TRANSMISSION MAIN AND MESA STREET SEWER RELIEF LINE IN THE AMOUNT OF \$1,098,404.20; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$800,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

## REGULAR AGENDA

### **7. CEO MONTHLY UPDATE**

John Balliew, President and CEO, provided a presentation to the Board regarding this item. Mr. Balliew spoke of an IT road map process to keep the Board updated on projects. He also updated the board on a sewage spill, which was contained, and was caused by a contractor who has accepted responsibility and will compensate EPWater. Mr. Balliew reiterated that EPWater does not, nor has it ever, sold or transported water to the Permian Basin. Mr. Balliew spoke of the recent City Council presentation to discuss EPWater's steel plates and the work done together with the City of El Paso to ensure that a good paving program is in place to minimize the time the plates are throughout the city.

On behalf of the Public Service Board, Dr. Santiago recognized Mr. John Balliew for his 40 years of service with El Paso Water. In addition, Mayor Leaser presented Mr. Balliew with the Mayor's Distinguished Award. A video of El Paso Water employees recognizing Mr. Balliew for 40 years of service was also shown.

**8. 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.**

Ms. Norma Natividad, El Paso resident, addressed the Board during public comment.

**9. PRESENTATION AND DISCUSSION ON THE 88TH TEXAS LEGISLATIVE SESSION'S PROPOSED HOUSE BILL NO. 1492 AND SENATE BILL NO. 543.**

Elizabeth Triggs, City of El Paso Director of Economic and International Development, provided a presentation to the Board regarding this item (copy on file in Central Files.) Ms. Triggs discussed the benefits to the region, current challenges, an overview and the impact to the land transfer and sale process.

On a motion made by Dr. Santiago, seconded by Mr. Morris, and unanimously carried, the Board moved that this item be discussed in Executive Session.

Out of executive session a motion was made by Mr. Intebi, seconded by Dr. Mena and unanimously carried, the Board agreed to take a favorable position on HB 1492 and SB 543 for the 88<sup>th</sup> Texas Legislature Regular Session based on public commitments and assurances that the City of El Paso has made in writing yesterday and in today's PSB meeting to honor the Public Service Board's authority in accordance with the Utility's bond covenants, Joint Resolution, and Rules and Regulations.

**10. LEAK ADJUSTMENT PROGRAM PRESENTATION**

Marcela Navarrete, Vice President, provided a presentation to the Board regarding this item (copy on file in Central Files.) Ms. Navarrete provided the opt in and opt out data since the program began on March 1, 2023 to date. Total calls received were 7,694; residential customers who opted in total 190,965; non-residential customers who opted in total 10,231; residential customers opting in total 3,328; non-residential customers opting out total 588 and approved leaks were 1. Ms. Navarrete also presented on the approved leak adjustments as of March 28, 2023 and the significant public outreach with messaging focused on helping customers understand the benefits and making sure they are aware of the option to opt out if preferred. Ms. Navarrete answered questions from the Board on this item.

No action was taking on this item.

**11. CONSIDERED AND ADOPTED TWO RESOLUTIONS DEMONSTRATING PUBLIC SERVICE BOARD SUPPORT FOR THE EPWATER COMMUNITY PROJECT FUNDING PROPOSALS; AUTHORIZED EPWATER'S FUNDING COMMITMENT TO ALLOCATE MATCHING FUNDS IN THE ESTIMATED AMOUNT OF \$1,000,000 IF THE FLOOD WARNING SYSTEM GRANT IS AWARDED AND/OR AN ESTIMATED \$1,200,000 IF THE COGENERATION SYSTEM GRANT IS AWARDED AND FURTHER AUTHORIZED THE PRESIDENT/CEO TO PROVIDE AND SIGN ANY DOCUMENTS IN CONNECTION WITH THE GRANT APPLICATIONS, GRANT AGREEMENTS AND ACCEPTANCE OF THE FUNDS FOR THESE PROJECTS.**

Hector Gonzalez, Government Affairs Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) Congresswoman Veronica Escobar issued calls for projects to be considered under the 3<sup>rd</sup> annual Community Project Funding program. EPWater has submitted required forms for two projects: 1) El Paso Flood Warning System project, which is a project including 600 remote sensors and data transmission systems and other monitoring devices to detect changes in water levels, flow rates and other relevant parameters that indicate an increased risk of flooding. The installations would be connected to a cloud based central system. The project is designed to alert residents, businesses, planners, and emergency response personnel about potential flooding before it occurs or as soon as possible after it begins. 2) El Paso Water Cogeneration System Project, which involves the construction of a new Fats, Oils and Grease (FOG) receiving station at the Haskell R. Street Wastewater Treatment Plant to convert FOG into biogas with installation of cogeneration system upgrades to enable the plant's operations to run on biogas. If one or both of these projects is selected by congressional staff to advance to final review by the U.S. House Appropriations Committee, a local resolution of support is required. Mr. Gonzalez answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Mr. Morris, and unanimously carried, the Board adopted two Resolutions demonstrating Public Service Board support for the EPWater Community Project Funding proposals; authorized EPWater's funding commitment to allocate matching funds in the estimated amount of \$1,000,000 if the Flood Warning System grant is awarded and/or an estimated \$1,200,000 if the Cogeneration System grant is awarded and further authorized the President/CEO to provide and sign any documents in connection with the grant applications, grant agreements and acceptance of the funds for these projects.

**12. CONSIDERED AND APPROVED A RESOLUTION DEMONSTRATING PUBLIC SERVICE BOARD SUPPORT FOR THE ESPERANZA COMMUNITY WATER TANK GRANT PROPOSAL; AUTHORIZED THE FUNDING COMMITMENT TO ALLOCATE MATCHING FUNDS IN THE ESTIMATED AMOUNT OF \$140,000 IF THE GRANT IS AWARDED; AND FURTHER AUTHORIZED THE PRESIDENT/CEO TO PROVIDE AND SIGN ANY DOCUMENTS IN CONNECTION WITH THE GRANT APPLICATION, GRANT AGREEMENT AND ACCEPTANCE OF THE FUNDS FOR THIS PROJECT.**

Hector Gonzalez, Government Affairs Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) EPWater acquired the Esperanza water system in Hudspeth County, Texas in 2021 and formed the El Paso and Hudspeth Counties Regional Water Supply Corporation, which operates, maintains, and manages the Esperanza System. The Esperanza System provides retail water services to 306 EPWater customers. Congressman Tony Gonzales issued a call for projects to be considered under the 3<sup>rd</sup> annual Community Project Funding program. EPWater has submitted a grant request for the Esperanza Community Water Tank project, which includes a new 300,000-gallon tank that replaces an old tank that is in disrepair and out of service. If this project is selected by congressional staff to advance to final review by the U.S. House Appropriations Committee, a local resolution of support is required. Mr. Gonzalez answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Mr. Morris, and unanimously carried, the Board approved a Resolution demonstrating Public Service Board support for the Esperanza Community Water Tank grant proposal; authorized the funding commitment to allocate matching funds in the estimated amount of \$140,000 if the grant is awarded; and further authorized the President/CEO to provide and sign any documents in connection with the grant application, grant agreement and acceptance of the funds for this project.

**13. RATIFIED THE INCURRED REPAIR COSTS WITH OSCAR RENDA CONTRACTING, INC., RELATED TO THE EMERGENCY INSTALLATION OF THE FRED HERVEY WATER RECLAMATION FACILITY EFFLUENT LINE MODIFICATIONS IN THE ESTIMATED AMOUNT OF \$650,000, PURSUANT TO SECTION 252.022(A)(2) OF THE TEXAS LOCAL GOVERNMENT CODE, PROCUREMENT NECESSARY TO PRESERVE OR PROTECT THE PUBLIC HEALTH OR SAFETY OF THE MUNICIPALITY'S RESIDENTS AND SECTION 252.022(A)(3) OF THE TEXAS LOCAL GOVERNMENT CODE, PROCUREMENT NECESSARY BECAUSE OF UNFORESEEN DAMAGE TO THE PUBLIC MACHINERY, EQUIPMENT OR OTHER PROPERTY 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 staff engaged Parkhill, Smith & Cooper, Inc. on January 2022 to develop a design for an effluent line necessary for improved operations and maintenance of the Fred Hervey Water Reclamation Facility (WRF). On January 18, 2023, EPWater staff was notified of upcoming maintenance and subsequent shut down of the El Paso Electric (EPE) Newman Plant. The Fred Hervey WRF supplies treated water to the Newman plant for its daily operations. Due to the maintenance of their facilities, EPE would not receive water from the plant for a prolonged period beginning on February 20, 2023. EPWater staff had a design ready to construct an effluent line that would be able to address a similar situation and had planned and budgeted in FY23-24 to bid and construct this work. However, the timing of this maintenance would not allow for the modifications to be constructed in time. This work needed to be expedited to prevent a potential overflowing of the overflow ponds and in order to preserve or protect the public health or safety of the EPWater customers and necessary because of unforeseen damage to EPWater machinery, equipment and property. EPWater engaged Oscar Renda Contracting to perform the effluent line modifications in order to meet the February 20, 2023 deadline. The work was completed before the deadline and the effluent line is now in use. Mr. Espineli answered questions from the Board on this item.

On a motion made by Dr. Mena, seconded by Mr. Intebi and unanimously carried, the Board ratified the incurred repair costs with Oscar Renda Contracting, Inc., related to the emergency installation of the Fred Hervey Water Reclamation Facility Effluent Line Modifications in the estimated amount of \$650,000, pursuant to Section 252.022(a)(2) of the Texas Local Government Code, procurement necessary to preserve or protect the public health or safety of the municipality's residents and Section 252.022(a)(3) of the Texas Local Government Code, procurement necessary because of unforeseen damage to the public machinery, equipment or other property and authorized the use of commercial paper.

**14. CONSIDERED AND AWARDED EMERGENCY CONSTRUCTION CONTRACTS TO OSCAR RENDA CONTRACTING, INC. AND RAIN FOR RENT INC. FOR THE EMERGENCY REPAIRS AND REPLACEMENT OF MANHOLES ALONG THE NORTHWEST SEWER INTERCEPTOR AND MESA DRAIN SEWER INTERCEPTOR PROJECT ("PROJECT"), DUE TO THE URGENT PUBLIC NECESSITY TO PROCEED WITH CERTAIN CONTRACTS TO IMMEDIATELY CONSTRUCT, REPAIR, AND/OR REHABILITATE THESE INTERCEPTORS AND FURTHER AUTHORIZED THE PRESIDENT/CEO OR DESIGNEE TO CONTRACT WITHOUT FURTHER ACTION OF THE PUBLIC SERVICE BOARD FOR ADDITIONAL EMERGENCY CONTRACTS WITH OTHER FIRMS AS DEEMED NECESSARY FOR THE PROJECT; IN THE TOTAL AMOUNT NOT TO EXCEED \$5,000,000 FOR ALL CONTRACTS, PURSUANT TO TEXAS LOCAL GOVERNMENT CODE SECTION 252.022(A)(2) PROCUREMENTS NECESSARY TO PRESERVE OR PROTECT THE PUBLIC HEALTH OR SAFETY OF THE RESIDENTS OF EL PASO AND TEXAS LOCAL GOVERNMENT CODE SECTION 252.022(A)(3) PROCUREMENTS NECESSARY BECAUSE OF UNFORESEEN DAMAGE TO PUBLIC MACHINERY, EQUIPMENT, OR OTHER PROPERTY.**

Felipe Lopez, Chief Operations Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) During routine inspections of the Northwest Sewer Interceptor and the Mesa Drain Sewer Interceptor, EPWater staff identified several manholes in urgent need of rehabilitation. Staff, using the On-Call Manhole Rehabilitation contract, scheduled for these manholes to be rehabilitated using prefabricated cast-in-place liners. Upon further inspection of the manholes by the On-Call Contractor, it was determined that the manholes were in a condition that the liner application method would be unsuccessful. Several manholes need to be replaced immediately. Additional inspections along both interceptors are being performed to identify additional manholes that are in urgent need of rehabilitation. Mr. Lopez answered questions from the Board on this item.

On a motion made by Mayor Leaser, seconded by Dr. Mena, and unanimously carried, the Board awarded emergency construction contracts to Oscar Renda Contracting, Inc. and Rain for Rent Inc. for the Emergency Repairs and Replacement of Manholes along the Northwest Sewer Interceptor and Mesa Drain Sewer Interceptor project ("Project"), due to the urgent public necessity to proceed with certain contracts to immediately construct, repair, and/or rehabilitate these interceptors and further authorize the President/CEO or designee to contract without further action of the Public Service Board for additional emergency contracts with other firms as deemed necessary for the Project; in the total amount not to exceed \$5,000,000 for all contracts, pursuant to Texas Local Government Code Section 252.022(a)(2) procurements necessary to preserve or protect the public health or safety of the residents of El Paso and Texas Local Government Code Section 252.022(a)(3) procurements necessary because of unforeseen damage to public machinery, equipment, or other property.

**15. CONSIDERED AND AWARDED A PRECONSTRUCTION SERVICES CONTRACT FOR THE CONSTRUCTION MANAGER AT-RISK FOR THE HASKELL R. STREET WASTEWATER TREATMENT PLANT VARIOUS IMPROVEMENTS PROJECT – RFP 125-22, TO PCL CONSTRUCTION/SUNDT CONSTRUCTION, INC. IN THE ESTIMATED AMOUNT OF \$1,000,000; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL PRECONSTRUCTION SERVICES IN THE ESTIMATED AMOUNT OF \$500,000 PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE ADDITIONAL TASK ORDERS OR AMENDMENTS.**

Geoffrey Espineli, Engineering Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Haskell R. Street Wastewater Treatment Plant (Haskell) is having maintenance and

operations issues with the biological treatment systems including the aeration and anoxic basins and the blowers. Most of these systems were installed in the 1970s and new technology is now available to diffuse the oxygen into the water more efficiently. These improvements will improve the biological treatment systems to treat current and future flows and improve the reliability of the aeration process. The Alfalfa lift station was built in 1966, rated to pump 4.3 MGD to the Bustamante Wastewater Treatment Plant (Bustamante). The sewer flows discharged by the refinery flows are included in the Alfalfa lift station service area. As part of the Advanced Water Purification Facility project, these flows are being diverted away from Bustamante to Haskell. The improvements at the Alfalfa lift station will rehabilitate the lift station, increase its capacity to 6 MGD, and install a new force main redirected from Bustamante to Haskell. This CMAR project combines all these improvements related to the Haskell Wastewater Treatment Plant into a single construction contract. Under this contract, the CMAR contractor will collaborate and cooperate with the owner and design engineers to finalize the design, perform field investigations, prepare a construction cost estimate, develop the project schedule, and advise on project constructability and sequencing of the work. The CMAR contractor will procure long lead-time materials and, at the 95% design submittal, will procure the trade bid packages for construction and develop a Guaranteed Maximum Price (GMP) proposal to construct the entire 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 for the different phases of the project. Mr. Espineli answered questions from the Board on this item.

On a motion made by Dr. Mena, seconded by Mr. Morris, and unanimously carried, the Board awarded a preconstruction services contract for the Construction Manager At-Risk for the Haskell R. Street Wastewater Treatment Plant Various Improvements Project – RFP 125-22, to PCL Construction/Sundt Construction, Inc. in the estimated amount of \$1,000,000; authorized future task orders or amendments to be issued under this contract for additional preconstruction services in the estimated amount of \$500,000 provided that funding is available in the approved budget for the additional task orders or amendments.

**16. CONSIDERED AND ADOPTED A RESOLUTION REQUESTING EL PASO CITY COUNCIL TO AUTHORIZE THE ISSUANCE OF UP TO \$192,215,000 OF CITY OF EL PASO, TEXAS, WATER AND SEWER SYSTEM REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2023, TO PAY OFF \$40,000,000 OF COMMERCIAL PAPER NOTES, FUND APPROXIMATELY \$150,000,000 OF EPWATER'S WATER AND WASTEWATER APPROVED CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR FISCAL YEAR 2023-2024, AND TO FUND RELATED TRANSACTION COSTS, PROVIDED THAT CERTAIN PRICING PARAMETERS AS SET FORTH IN THE CITY'S BOND ORDINANCE ARE MET.**

Arturo Duran, Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) EPWater is requesting approval for the following purposes: EPWater currently has a Revolving Credit Agreement with Bank of America N.A. for the Water and Sewer Commercial Paper Notes Program in the amount of \$80,000,000. The Commercial Paper Program is a short-term variable rate financing tool utilized by the Utility to finance a portion of its Capital Improvement Program (CIP). The Utility requests to pay off \$40,000,000 of outstanding commercial paper notes. EPWater is requesting to issue bonds to fund approximately \$150,000,000 of CIP projects approved for the fiscal year 2023-24. The remaining \$282,892,000 for approved bond-funded CIP projects for the Fiscal Year 2023-2024 will be issued in early 2024. An estimated amount of \$2,215,000 for bond issuance cost. Mr. Duran answered questions from the Board on this item.

On a motion made by Mr. Morris, seconded by Dr. Mena and opposed by Ms. Block-Uribarri, the Board adopted a resolution requesting El Paso City Council to authorize the issuance of up to \$192,215,000 of City of El Paso, Texas, Water and Sewer System Revenue Improvement and Refunding Bonds, Series 2023, to pay off \$40,000,000 of Commercial Paper Notes, fund approximately \$150,000,000 of EPWater's Water and Wastewater approved Capital Improvement Program projects for Fiscal Year 2023-2024, and to fund related transaction costs, provided that certain pricing parameters are met, including a maximum true interest cost not to exceed 5.75%, as well as those set forth in the City's bond ordinance.

On a motion made by Mayor Leeser, seconded by Mr. Morris, and unanimously carried, the Board reconsidered the item.

On a motion made by Mr. Morris, seconded by Dr. Mena, and unanimously carried, the Board adopted a resolution requesting El Paso City Council to authorize the issuance of up to \$192,215,000 of City of El Paso, Texas, Water and Sewer System Revenue Improvement and Refunding Bonds, Series 2023, to pay off \$40,000,000 of Commercial Paper Notes, fund approximately \$150,000,000 of EPWater's Water and Wastewater approved Capital Improvement Program projects for Fiscal Year 2023-2024, and to fund related transaction costs, provided that certain pricing parameters are met, including a maximum true interest cost not to exceed 5.75%, as well as those set forth in the City's bond ordinance.

**17. CONSIDERED AND ADOPTED A RESOLUTION REQUESTING THAT THE EL PASO CITY COUNCIL AUTHORIZE THE ISSUANCE OF UP TO \$25,330,000 OF THE CITY OF EL PASO, TEXAS, MUNICIPAL DRAINAGE UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2023, TO PAY OFF \$25,000,000 IN DIRECT FUNDED REVOLVING LOAN NOTES AND FUND INTEREST AND RELATED TRANSACTION COSTS PROVIDED THAT CERTAIN PARAMETERS APPROVED BY THE CITY'S BOND ORDINANCE ARE MET.**

Maria Fernanda Urbina, Hilltop Securities Inc., provided a presentation to the Board regarding this item (copy on file in Central Files.) EPWater has a Direct Funded Revolving Loan (DFRL) contract with Bank of America N.A. for the Municipal Drainage Utility Notes Program in the amount of \$25,000,000, which expires on June 19, 2023. The DFRL is a short-term variable note financing tool utilized by the Utility to finance a portion of its Capital Improvement Program. The City of El Paso, Texas, Municipal Drainage Utility System Revenue Refunding Bonds, Series 2023, will pay off \$25,000,000 of the DFRL outstanding notes. Ms. Urbina answered questions from the Board on this item.

On a motion made by Mr. Morris, seconded by Dr. Mena and opposed by Ms. Block-Uribarri, the Board adopted a resolution requesting that the El Paso City Council authorize the issuance of up to \$25,330,000 of the City of El Paso, Texas, Municipal Drainage Utility System Revenue Refunding Bonds, Series 2023, to pay off \$25,000,000 in Direct Funded Revolving Loan notes and fund interest and related transaction costs provided that certain parameters are met, including a maximum true interest cost not to exceed 5.75%, as well as those set forth in the City's bond ordinance are met.

On a motion made by Mayor Leeser, seconded by Mr. Morris, and unanimously carried, the Board reconsidered the item.

On a motion made by Mr. Morris, seconded by Dr. Mena and unanimously carried, the Board adopted a resolution requesting that the El Paso City Council authorize the issuance of up to \$25,330,000 of the City of El Paso, Texas, Municipal Drainage Utility System Revenue Refunding Bonds, Series 2023, to pay off \$25,000,000 in Direct Funded Revolving Loan notes and fund interest and related transaction costs provided that certain parameters are met, including a maximum true interest cost not to exceed 5.75%, as well as those set forth in the City's bond ordinance are met.

**18. CONSIDERED AND ADOPTED A RESOLUTION REQUESTING THE CITY OF EL PASO CITY COUNCIL TO (1) AUTHORIZE THE ESTABLISHMENT OF THE EXTENDABLE COMMERCIAL PAPER PROGRAM TO ISSUE NOTES IN AN AMOUNT NOT TO EXCEED \$60,000,000; (2) APPROVE THE SELECTION OF MORGAN STANLEY & CO. LLC AS THE DEALER OF THE NOTES FOR THE EXTENDABLE COMMERCIAL PAPER PROGRAM; AND (3) AUTHORIZE EPWATER'S PRESIDENT/CEO, OR AUTHORIZED DESIGNEES, TO NEGOTIATE ANY NECESSARY AGREEMENTS IN CONNECTION WITH THE ESTABLISHMENT OF THE EXTENDABLE COMMERCIAL PAPER PROGRAM AND THE ISSUANCE OF NOTES, INCLUDING AN AGREEMENT BETWEEN THE CITY AND MORGAN STANLEY & CO. LLC, AS DEALER OF THE NOTES.**

Arturo Duran, Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Currently, EPWater has a \$25 million line of credit contract with Bank of America, N.A. to fund a portion of the Stormwater Capital Improvement Program (CIP) projects. The contract with Bank of America, N.A. will expire on June 19, 2023. The Extendable Commercial Paper (ECP) program is a new financing product of up to \$60 million that will replace the current line of credit. Mr. Duran answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Mr. Morris, and unanimously carried, the Board reconsidered the item.

On a motion made by Dr. Santiago, seconded by Mr. Intebi, and unanimously carried, the Board adopted a resolution requesting the City of El Paso City Council to (1) authorize the establishment of the Extendable Commercial Paper Program to issue Notes in an amount not to exceed \$60,000,000; (2) approve the selection of Morgan Stanley & Co. LLC as the dealer of the Notes for the Extendable Commercial Paper Program; and (3) authorize EPWater's President/CEO, or authorized designees, to negotiate any necessary agreements in connection with the establishment of the Extendable Commercial Paper Program and the issuance of Notes, including an agreement between the City and Morgan Stanley & Co. LLC, as dealer of the Notes.

**19. CONSIDERED AND ADOPTED A RESOLUTION REQUESTING THAT THE EL PASO CITY COUNCIL TO AUTHORIZE THE ISSUANCE OF UP TO \$61,200,000 OF CITY OF EL PASO, TEXAS, MUNICIPAL DRAINAGE UTILITY SYSTEM REVENUE REFUNDING BONDS PAY OFF UP TO \$60,000,000 OF OUTSTANDING NOTES AND FUND RELATED TRANSACTION COSTS, PROVIDED THAT CERTAIN PRICING PARAMETERS SET FORTH IN THE SUCH ORDINANCE ARE MET.**

Arturo Duran, Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Currently, EPWater has a \$25 million line of credit agreement with Bank of America, N.A., to fund Stormwater Capital Improvement Program (CIP) projects. The agreement with Bank of America, N.A., will expire on June 19, 2023. The Extendable Commercial Paper (ECP) program is a new financing program with a capacity of up to \$60,000,000 that will replace the current line of credit. The ECP program requires an annual parameters resolution approved by the City of El Paso City Council to approve the issuance of up to \$61,200,000 of City of El Paso, Texas, Municipal Drainage Utility System Revenue Refunding Bonds to pay off up to \$60,000,000 of outstanding ECP Notes, and to fund related transaction costs. Mr. Duran answered questions from the Board on this item.

On a motion made by Dr. Mena, seconded by Mr. Intebi, and unanimously carried, the Board adopted a resolution requesting that the El Paso City Council authorize the issuance of up to \$61,200,000 of City of El Paso, Texas, Municipal Drainage Utility System Revenue Refunding Bonds pay off up to \$60,000,000 of outstanding Notes and fund related transaction costs, provided that certain pricing parameters set forth in the such ordinance are met.

**20. CONSIDERED AND ACCEPTED EPWATER'S PRELIMINARY FOURTH QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR THE PERIOD ENDING FEBRUARY 28, 2023.**

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

No action was taken by the Board on this item.

**21. CONSIDERED AND ACCEPTED EPWATER'S FOURTH QUARTER AND FISCAL YEAR-ENDING INVESTMENT REPORT FOR THE PERIOD ENDING FEBRUARY 28, 2023, AND AFFIRMED AND ADOPTED THE PSB RULES & REGULATIONS NO. 10, ESTABLISHING THE INVESTMENT POLICY.**

Rebecca Hart, Treasury and Property Control Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Public Funds Investment Act (PFIA) requires a quarterly report to be submitted and an annual review of the entity's Investment Policy.

On a motion made by Mr. Morris, seconded by Dr. Mena, and unanimously carried, the Board accepted EPWater's Fourth Quarter and Fiscal Year-Ending Investment Report for the period ending February 28, 2023, and affirmed and adopted the PSB Rules & Regulations No. 10, establishing the Investment Policy.



**22. MANAGEMENT REPORT:**

- **CONSTRUCTION CONTRACTS UPDATE**

Scott Reinert, Water Resources Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Coors Channel Drainage Improvements project for existing structure to be demolished and replaced by an underground culvert box system allowing for greater capacity was bid on February 3, 2023 and the project duration is for 330 days. Five bids were received and the bid was awarded to Karlsruhe, Inc. dba CSA Constructors for \$1,754,999.90. The Canal Water Plant Filter Gallery Improvements for various improvements to the existing plant 2 filter gallery was bid on March 2, 2023 and the project duration will be 150 days. Three bids were received and the bid was awarded to Smithco Construction for \$1,895,000.

- **STORMWATER UTILITY UPDATE**

Gisela Dagnino, Chief Operations Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Ms. Dagnino discussed the Stormwater Masterplan, FY22-23 Project Accomplishments (Construction,) 2021-2022 Monsoon Emergency Projects, upcoming 2023-2024 projects, outlook for 2023 monsoon season, Stormwater Utility Operations Report and partnerships and community engagement.

- **VIDEO FROM COMMUNICATIONS**

Christina Montoya, Marketing and Communications Manager, presented the Board with a video from KVIA on the potential scams to residents in El Paso.

Mr. Balliew recognized Dr. Santiago for her ASPIRE ERC Center Co-Director position and Dr. Mena for receiving the UT Houston School of Public Health President's Leadership Award.

**EXECUTIVE SESSION**

On a motion made by Mayor Leeser seconded by Mr. Morris and unanimously carried, the Board retired into Executive Session 10:56 a.m., April 12, 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:

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

**Discussion and action on the following:**

Regular agenda item 9 moved into executive session.

Presentation and discussion on the 88<sup>th</sup> Texas legislative session's proposed House Bill no. 1492 and Senate Bill no. 543.

- a. Update on the acquisition of the property legally described as a portion of Lots 21 through 23, Block 3, Keystone Business Park, City of El Paso, El Paso County, Texas, approximately 0.30 acres. (551.071, 551.072)

- b. The Board will deliberate regarding the purchase of the real property legally described as Lots 26 & 27, Block 60, Altura Park Addition, an addition to the City of El Paso, El Paso County, Texas, approximately 0.14 acres. (551.071) (551.072)
- c. The Board will deliberate regarding the purchase of the real property legally described as the East ½ of Lot 13, and all of Lots 14, 15, Block 60, Altura Park Addition, an additional to the City of El Paso, El Paso County, Texas, approximately 0.17 acres. (551.071) (551.072)
- d. The Board will deliberate regarding whether the property can be declared inexpedient to the stormwater system, a portion of H.G. Foster Survey Number 262, approximately 0.2637 acres. (551.071) (551.072)
- e. The Board will deliberate regarding potential land purchases for drainage improvements. (551.071) (551.072)
- f. Proposed economic development on El Paso Water land in Northeast El Paso (551.071) (551.072) (551.087)
- g. Consultation with attorney on the upcoming charter amendment election for the “Climate Charter”. (551.071)
- h. Succession planning for the Vice President of Strategic, Financial & Management Services of El Paso Water (551.071) (551.074)

On a motion made by Mr. Morris, seconded by Dr. Mena and unanimously carried, the Board reconvened in open session at 12:30 p.m., April 12, 2023.

Item 9’s motion was made as described in the minutes for item 9 above.

- a. **UPDATE ON THE ACQUISITION OF THE PROPERTY LEGALLY DESCRIBED AS A PORTION OF LOTS 21 THROUGH 23, BLOCK 3, KEYSTONE BUSINESS PARK, CITY OF EL PASO, EL PASO COUNTY, TEXAS, APPROXIMATELY 0.30 ACRES. (551.071, 551.072)**  
On a motion made by Mr. Intebi, seconded by Dr. Mena and unanimously carried, the Board approved that the President/CEO proceed with the acquisition of the property, and that the Office of General Counsel negotiate the same, in the manner approved by the Board and in accordance with the terms and conditions specified by the Board and sign any and all documents necessary to complete the property acquisition.
- b. **THE BOARD WILL DELIBERATE REGARDING THE PURCHASE OF THE REAL PROPERTY LEGALLY DESCRIBED AS LOTS 26 & 27, BLOCK 60, ALTURA PARK ADDITION, AN ADDITION TO THE CITY OF EL PASO, EL PASO COUNTY, TEXAS, APPROXIMATELY 0.14 ACRES. (551.071) (551.072)**  
On a motion made by Mr. Intebi, seconded by Dr. Mena and unanimously carried, the Board approved that the President and CEO be authorized to proceed with the acquisitions of real property 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 acquisitions.
- c. **THE BOARD WILL DELIBERATE REGARDING THE PURCHASE OF THE REAL PROPERTY LEGALLY DESCRIBED AS THE EAST ½ OF LOT 13, AND ALL OF LOTS 14, 15, BLOCK 60, ALTURA PARK ADDITION, AN ADDITIONAL TO THE CITY OF EL PASO, EL PASO COUNTY, TEXAS, APPROXIMATELY 0.17 ACRES. (551.071) (551.072)**  
On a motion made by Mr. Intebi, seconded by Dr. Mena and unanimously carried, the Board approved that the President and CEO be authorized to proceed with the acquisitions of real property 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 acquisitions.

d. **THE BOARD WILL DELIBERATE REGARDING WHETHER THE PROPERTY CAN BE DECLARED INEXPEDIENT TO THE STORMWATER SYSTEM, A PORTION OF H.G. FOSTER SURVEY NUMBER 262, APPROXIMATELY 0.2637 ACES. (551.071) (551.072)**

On a motion made by Mr. Intebi, seconded by Dr. Mena and unanimously carried, the Board approved that the land be declared inexpedient to the water, wastewater and stormwater systems of the Utility and authorize the transfer of land from El Paso Water to the City of El Paso in the manner approved by the Board.

e. **THE BOARD WILL DELIBERATE REGARDING POTENTIAL LAND PURCHASES FOR DRAINAGE IMPROVEMENTS. (551.071) (551.072)**

On a motion made by Mr. Intebi, seconded by Dr. Mena and unanimously carried, the Board approved that the President/CEO proceed with the acquisitions of real property in the manner approved by the Board and in accordance with the terms and conditions specified by the Board and sign any and all documents necessary to complete the acquisitions.

f. **PROPOSED ECONOMIC DEVELOPMENT ON EL PASO WATER LAND IN NORTHEAST EL PASO (551.071) (551.072) (551.087)**

No action taken on this item.

g. **CONSULTATION WITH ATTORNEY ON THE UPCOMING CHARTER AMENDMENT ELECTION FOR THE "CLIMATE CHARTER". (551.071)**

No action taken on this item.

h. **SUCCESSION PLANNING FOR THE VICE PRESIDENT OF STRATEGIC, FINANCIAL & MANAGEMENT SERVICES OF EL PASO WATER (551.071) (551.074)**

No action taken on this item.

**ADJOURNMENT**

On a motion made by Mr. Morris, seconded by Dr. Mena and unanimously carried, the meeting adjourned at 12:33 p.m., April 12, 2023.

ATTEST:



Dr. Ivonne Santiago, Chair



Charlie Intebi, Secretary-Treasurer