

**MINUTES**  
**PUBLIC SERVICE BOARD**  
**CITY OF EL PASO**  
**July 13, 2022**

The regular meeting of the Public Service Board was held in person, Wednesday, July 13, 2022.

**PSB MEMBERS PRESENT**

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

**PSB MEMBERS ABSENT**

Stefanie Block Uribarri, Member

**PSB EMPLOYEES PRESENT**

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

**EPWATER EMPLOYEES PRESENT**

Art Duran, Chief Financial Officer  
Claudia Duran, Executive Assistant to the President/CEO  
Sol Cortez, Deputy General Counsel  
Irazema Rojas, Interim Chief Technical Officer  
Christina Montoya, Marketing and Communications Manager  
Denise Parra, Public Affairs Officer  
Lisa Rosendorf, Chief Communications & Government Affairs Officer  
Felipe Lopez, Chief Operations Officer  
Martin Noriega, Chief Operations Officer  
Rose Guevara, Purchasing and Contracts Manager  
Mirtha Solis, Purchasing Agent  
Robert Davidson, Contract Construction Administrator  
Patricia Borschow, Assistant General Counsel  
Alejandro Vidales, Real Estate Manager  
Ivan Hernandez, Engineering Division Manager  
Jesus Garcia, PC/LAN Specialist II  
Ciara Grier, Support Services I  
Luz Holguin, Assistant Chief Financial Officer  
Gustavo Hurtado, Fiscal Operations Manager  
Ana Pucella, Senior Budget Analyst  
Margaret Carrillo, Office Manager  
Angel Bustamante, Water Systems Division Manager  
Lidia Carranco, Assistant Chief Financial Officer  
Scott Reinert, Water Resources Manager  
Geoffrey Espineli, Engineering Division Manager  
Cecilia Bertolli, Capital Improvement Program Manager  
Jeff Tepsick, Assistant Chief Financial Officer  
Melinda Becker, Assistant General Counsel  
Michaela Ainsa, Senior Assistant General Counsel

Veronica Galindo, Water Production Manager  
Richard Wilcox, Water Supply Manager  
Alma De Anda, Land & Rights Manager  
Ferdinand Collazo, Outreach Specialist  
Teresa Alcalá, Utility Laboratory Services Manager  
Mason Burrough, Facilities Maintenance Supervisor  
Marla Jo St. Leon, Business & Customer Services Assistant Manager  
Devin Chavez, Wastewater Plant Assistant Superintendent

#### **GUESTS**

Maria Fernanda Urbina, Hilltop Securities  
Joana Gil, GRP  
E. Craig Gibson, GRP  
Ryan Priest, Hazen and Sawyer  
Todd Johnson, Hazen and Sawyer  
Chamindra Dassanayake, Hazen and Sawyer  
Nicole Ferrini, City of El Paso  
Juan Gonzalez, Assistant City Attorney

#### **MEDIA**

Danielle Prokoff, El Paso Matters  
KVIA  
KFOX/CBS4

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 Dr. Mena in reciting the Pledge of Allegiance.

#### **CONSENT AGENDA**

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

**1. CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON JUNE 8, 2022.**

**2. CONSIDERED AND ADOPTED A RESOLUTION AUTHORIZING THE PRESIDENT/CEO'S SUBMISSION OF A GRANT APPLICATION TO THE U.S. BUREAU OF RECLAMATION UNDER FUNDING OPPORTUNITY NUMBER R23AS00008 "WATERSMART GRANTS: WATER AND ENERGY EFFICIENCY GRANTS FOR FISCAL YEAR 2023", AUTHORIZED EL PASO WATER'S FUNDING COMMITMENT TO ALLOCATE AN ESTIMATED \$8,890,000 TO THE PROJECT IF GRANT FUNDS ARE AWARDED AND FURTHER AUTHORIZED THE PRESIDENT/CEO TO PROVIDE AND SIGN ANY DOCUMENTS IN CONNECTION WITH THE GRANT APPLICATION, GRANT AGREEMENT AND THE FUNDS FOR THIS PROJECT.**

**3. CONSIDERED AND APPROVED AN INCREASE IN CAPACITY OF THE MASTER CONTRACT MC00000282 ISSUED TO TMG UTILITY ADVISORY SERVICES, INC. DBA TMG CONSULTING, INC. FOR ADDITIONAL INFORMATION TECHNOLOGY PROFESSIONAL SERVICES THROUGH GSA CONTRACT NUMBER GS-35F-474GA, FOR AN ADDITIONAL \$2,500,000 TO INCREASE THE MASTER CONTRACT CUMULATIVE AMOUNT TO \$3,000,000.**

**4. CONSIDERED AND APPROVED AN INCREASE IN CAPACITY OF THE MASTER CONTRACT MC00000300 ISSUED TO INFOSYS PUBLIC SERVICES, INC. FOR ADDITIONAL INFORMATION TECHNOLOGY PROFESSIONAL SERVICES THROUGH GENERAL**

**SERVICES ADMINISTRATION (GSA) CONTRACT NUMBER 47QTCA20D0032, FOR AN ADDITIONAL \$2,500,000 TO INCREASE THE MASTER CONTRACT CUMULATIVE AMOUNT TO \$3,000,000.**

**5. CONSIDERED AND APPROVED A SOLE SOURCE CONTRACT IN ACCORDANCE WITH SECTION 252.022(A)(7)(A) OF THE TEXAS LOCAL GOVERNMENT CODE WITH 120 WATER AUDIT, INC. FOR SERVICES REQUIRED TO COMPLY WITH THE REVISED LEAD AND COPPER RULE IN THE ESTIMATED ANNUAL AMOUNT OF \$300,000 FOR A TERM OF ONE YEAR, WITH TWO ONE-YEAR OPTIONS, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROPRIATE BUDGET AND CONTINGENT UPON VENDOR PROVIDING ANNUAL DOCUMENTATION ATTESTING TO THEIR SOLE SOURCE STATUS.**

**REGULAR AGENDA**

**6. SAFEST SECTION OF THE QUARTER AWARDS- FIRST QUARTER 2022**

Christina Montoya, Marketing and Communications Manager, presented the awards for the safest section of the first quarter. Devin Chavez from section 580, Mason Burrough from section 917, Teresa Alcalá from section 525 and Marla Jo St. Leon from section 720 received the awards for their section.

**7. CONSIDERED AND ADOPTED AMENDMENTS TO THE PUBLIC SERVICE BOARD RULES AND REGULATIONS NO. 5 TO CHANGE THE PROCESSES DESCRIBED IN SECTION V – LEAK ADJUSTMENTS.**

Lidia Carranco, Assistant Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) As part of a task force established internally to review options to reduce call-wait time, staff determined that leak adjustment calls require a significant amount of customer service representative call time, and feedback was provided on options to simplify the process. The proposed changes require revisions to Rules and Regulations #5. These changes include: 1) establishing a threshold for a leak adjustment to be considered, which will reduce call-time spent on minor leaks, 2) setting a standard reimbursement of 75% of the water volume charges incurred within the designated period as a result of the leak (rather than two sets of percentages under two conditions), and 3) enabling proof of repair to be based on a return to normal consumption (rather than representatives having to go back and forth on qualifying receipts). Additionally, a web page is being added to answer questions on leak adjustments and will encourage customers to submit leak adjustment requests electronically. Ms. Carranco answered questions from the Board on this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago, and unanimously carried, the Board adopted amendments to the public service board rules and regulations no. 5 to change the processes described in section v – leak adjustments.

**8. CONSIDERED AND ADOPTED A RESOLUTION REQUESTING CITY COUNCIL TO AUTHORIZE THE ISSUANCE OF UP TO \$25,330,000 OF CITY OF EL PASO, TEXAS, MUNICIPAL DRAINAGE UTILITY REVENUE REFUNDING BONDS 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 BOARD ARE MET.**

Art Duran, Chief Financial Officer, and Maria Fernanda Urbina, Hilltop Securities Managing Director, provided a presentation to the Board regarding this item (copy on file in Central Files.) For the approved Fiscal Year 2022-23 budget EPWater is requesting approval for a future bond issue through March 2023 for the following purpose: EPWater currently has a Direct Funded Revolving Loan (DFRL) with Bank of America N.A. for the Municipal Drainage Utility Notes Program in the amount of \$25,000,000. The DFRL is a short-term variable note financing tool utilized by the Utility to finance a portion of its Capital Improvement Program. For the remainder of Fiscal Year 2022-23, the Utility projects paying off up to \$25,000,000 of Direct Funded Revolving Loan notes. Mr. Duran and Ms. Urbina answered questions from the Board on this item.

On a motion made by Dr. Santiago, seconded by Ms. Saenz and unanimously carried, the Board adopted a resolution requesting City Council to authorize the issuance of up to \$25,330,000 of City of El Paso Municipal

Drainage Utility Revenue Refunding Bonds 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 Board are met.

**9. CONSIDERED AND ADOPTED A RESOLUTION REQUESTING CITY COUNCIL TO AUTHORIZE THE ISSUANCE OF UP TO \$441,000,000 OF CITY OF EL PASO, TEXAS, WATER AND SEWER SYSTEM REVENUE IMPROVEMENT AND/OR REFUNDING BONDS TO PAY OFF UP TO \$240,000,000 IN COMMERCIAL PAPER NOTES, FUND APPROXIMATELY \$193,154,000 OF CAPITAL IMPROVEMENT PROGRAM PROJECTS APPROVED FOR FISCAL YEAR 2022-23, AND APPROXIMATELY \$7,846,000 TO FUND INTEREST AND RELATED TRANSACTION COSTS, PROVIDED THAT CERTAIN PARAMETERS APPROVED BY THE BOARD ARE MET.**

Art Duran, Chief Financial Officer, and Maria Fernanda Urbina, Hilltop Securities Managing Director, provided a presentation to the Board regarding this item (copy on file in Central Files.) For the approved Fiscal Year 2022-23 budget EPWater is requesting approval for future bond issues through March 2023 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). For the remainder of fiscal year 2022-23, the Utility projects paying off up to \$240,000,000 of commercial paper notes, EPWater is requesting to issue bonds to fund approximately \$193,154,000 of CIP projects approved for fiscal year 2022-23, An estimated amount of \$7,846,000 for bond issuance cost. Ms. Urbina answered questions from the Board on this item.

On a motion made by Dr. Santiago seconded by Mr. Morris, and unanimously carried, the Board adopted a resolution requesting City Council to authorize the issuance of up to \$441,000,000 of City of El Paso, Texas, Water and Sewer System Revenue Improvement and/or Refunding Bonds to pay off up to \$240,000,000 in commercial paper notes, fund approximately \$193,154,000 to Capital Improvement Program Projects approved for Fiscal Year 2022-23, and approximately \$7,846,000 to fund interest and related transaction costs, provided that certain parameters approved by the Board are met.

**10. CONSIDERED AND APPROVED THE SOLE SOURCE CONTRACT IN ACCORDANCE WITH SECTION 252.022(A)(7)(A) OF THE TEXAS LOCAL GOVERNMENT CODE WITH THATCHER COMPANY, INC. TO CONTINUE SUPPLYING THE TI-2904 POLY/ORTHOPHOSPHATE BLEND TO EPWATER IN THE ESTIMATED ANNUAL AMOUNT OF \$1,790,000 FOR A ONE-YEAR TERM WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROPRIATE BUDGET, AND CONTINGENT UPON VENDOR PROVIDING ANNUAL DOCUMENTATION ATTESTING TO THEIR SOLE SOURCE STATUS.**

Richard Wilcox, Water Supply Manager, provided a presentation to the Board regarding this item. EPWater is currently conducting a Corrosion Control Study (CCST) as stipulated by the Texas Commission on Environmental Quality (TCEQ) to determine the Optimal Water Quality Parameters required to ensure the safety of our product. The bench study was conducted by Carollo Engineers, Inc. using the 50/50 blend of TI-2904 Poly/Orthophosphate currently in use by EPWater for corrosion control. EPWater is currently in the process of field testing the water quality parameters using product (TI-2904) as used in the initial study and approved by TCEQ. Thatcher Company Inc., is the sole provider of TI-2904 Poly/Orthophosphate. Mr. Wilcox answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Ms. Sanz, and unanimously carried, the Board approved the sole source contract in accordance with Section 252.022(a)(7)(A) of the Texas Local Government Code with Thatcher Company Inc, to continue supplying the TI-2904 Poly/Orthophosphate blend to EPWater in the estimated annual amount of \$1,790,000 for a one-year term with the option for two, one-year extensions, provided that funding is available in the appropriate budget, and contingent upon vendor providing annual documentation attesting to their sole source status.

**11. CONSIDER AND AWARD BID NUMBER 75-22, ENGINE AND GENERATOR MAINTENANCE SERVICES, TO INTERTECH POWER SYSTEMS LLC, AS THE PRIMARY**

**CONTRACTOR, THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, IN THE ESTIMATED ANNUAL AMOUNT OF \$1,082,160, AND WAGNER EQUIPMENT AS THE SECONDARY LOWEST RESPONSIVE, RESPONSIBLE BIDDER ON AN AS-NEEDED-BASIS AT THE UTILITY'S DISCRETION, IN AN ESTIMATED ANNUAL AMOUNT OF \$1,386,350, WITH A TERM, FOR EACH OF THE TWO AWARDED BIDDERS, OF ONE-YEAR WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.**

Mirtha Solis, Purchasing Agent, provided a presentation to the Board regarding this item. EPWater has 115 generators and engines in use for backup power to water and wastewater plants, wells, pump stations, and support facilities. Under this contract, the successful bidders will be responsible for the maintenance service required on all 115 generators and engines. Ms. Solis answered questions from the Board on this item.

On a motion made by Ms. Saenz, seconded by Dr. Santiago, and unanimously carried, the Board tabled this item for later in the meeting.

**12. CONSIDERED AND AWARDED A PRE-CONSTRUCTION SERVICES CONTRACT FOR CONSTRUCTION MANAGER-AT-RISK FOR THE ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT EXPANSION AND IMPROVEMENTS PROJECT – RFP 62-22 TO PCL CONSTRUCTION, INC. / SUNDT CONSTRUCTION, INC. IN THE AMOUNT OF \$1,750,000; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL PRE-CONSTRUCTION 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 Roberto R. Bustamante Wastewater Treatment Plant (RRBWWTP) was designed for a treatment flow capacity of 39 MGD in 1991. The Texas Commission on Environmental Quality requires planning an expansion of a wastewater treatment plant once 75% of the plant's flow capacity is exceeded for three consecutive months. RRBWWTP is nearing 75% of the permitted flow capacity due to development happening in east El Paso, requiring EPWater to expand the plant to an increased capacity of 51 MGD. The design for the plant expansion is at 30% design. Construction is scheduled to begin in the summer of 2023 and completion in late 2026, with an estimated construction cost of \$300,000,000. The project will be delivered using the alternative delivery method Construction Manager-At-Risk (CMAR). This contract is for the CMAR pre-construction services. Under this contract, the CMAR shall collaborate and cooperate with EPWater as the owner and design engineer to complete the design, perform field investigations, prepare a construction cost estimate, develop the project schedule, and advise on project constructability and sequencing of the work to provide for seamless integration into the existing wastewater treatment plant. The CMAR contractor, at the 90% design submittal, will procure the trade bid packages for construction and develop a Guaranteed Maximum Price (GMP) proposal to construct the project. Multiple GMPs are anticipated for this 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.

On a motion made by Dr. Santiago, seconded by Mr. Morris, and unanimously carried, the Board awarded a pre-construction services contract for Construction Manager At-Risk for the Roberto R. Bustamante Wastewater Treatment Plant Expansion and Improvements Project – RFP 62-22 to PCL Construction, Inc. / Sundt Construction, Inc. in the amount of \$1,750,000; authorized future task orders or amendments to be issued under this contract for additional pre-construction services in the estimated amount of \$500,000, provided that funding is available in the approved budget for the additional task orders or amendments.

**13. CONSIDERED AND AWARDED BID NUMBER 40-22, 24 TO 36-INCH STEEL CYLINDER CONCRETE PIPELINE REPLACEMENT EL PASO INTERNATIONAL AIRPORT CORRIDORS D AND E TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SPIESS CONSTRUCTION COMPANY, INC., IN THE AMOUNT OF THE BASE BID OF \$8,047,295, AND AWARDED AN ALLOWANCE FOR ALTERNATIVE BID ITEM 28C OF \$500,000 FOR A TOTAL CONTRACT AMOUNT OF \$8,547,295 AND REJECTED ALL BIDS FOR ALTERNATIVE BID ITEMS 28A AND 28B.**

Ivan Hernandez, Engineering Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) The existing water pipelines at the Airport Corridors D and E have experienced several failures in recent years and are at the end of their useful life. The pipeline that runs along Corridor E is an existing steel cylinder concrete pipe (SCCP) that ranges from 24-inch to 30-inch in diameter and conveys well water to the existing McRae Reservoir. The pipeline that runs along Corridor D is also an existing SCCP that ranges in size from 20-inch to 36-inch in diameter and conveys well water to the existing Montana Reservoir. The pipelines to be replaced include approximately 14,500 linear feet for Corridor E and 8,300 linear feet for Corridor D. Mr. Hernandez answered question from the Board on this item.

On a motion made by Mayor Leeser, seconded by Dr. Santiago, and unanimously carried, the Board awarded Bid Number 40-22, 24 to 36-Inch Steel Cylinder Concrete Pipeline Replacement El Paso International Airport Corridors D and E to the lowest responsive, responsible bidder, Spiess Construction Company, Inc., in the amount of the Base Bid of \$8,047,295, and awarded an allowance for Alternative Bid Item 28C of \$500,000 for a total contract amount of \$8,547,295 and rejected Alternative Bid Items 28A and 28B.

**14. CONSIDERED AND AWARDED BID NUMBER 18-22, COUNTRY CLUB AND SUNSET LIFT STATIONS REHABILITATION IMPROVEMENTS, TO SMITHCO CONSTRUCTION, INC., AS THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER IN THE AMOUNT OF \$7,213,665.**

Ivan Hernandez, Engineering Division Manager, provided a presentation to the Board regarding this item. The Country Club and Sunset Lift Stations were built in 1956 with triplex wet/dry wells, each with a capacity of 2.16 MGD. Due to the stations' age, inadequate access, and mechanical and electrical systems' failures attributed to equipment deterioration and corrosion, the existing electrical instrumentation and control system must be upgraded. Additionally, a new diesel engine generator and transfer switch are needed in each lift station to meet the demand during power outages. Security system and access will be upgraded to meet standards, including rock walls and wrought-iron gates. Mr. Hernandez answered questions from the Board on this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago, and unanimously carried, the Board awarded Bid Number 18-22, Country Club and Sunset Lift Stations Rehabilitation Improvements, to Smithco Construction, Inc., as the lowest responsive, responsible bidder in the amount of \$7,213,665.

**15. CONSIDERED AND ADOPTED A DROUGHT RESOLUTION ACCEPTING THE REPORT OF THE PRESIDENT/CEO REGARDING THE EXPECTED LIMITED RIO GRANDE WATER DELIVERIES FOR 2023 AND AUTHORIZED THE PRESIDENT/CEO OR DESIGNEE TO CONTRACT AND PURCHASE WITHOUT FURTHER ACTION OF THE PUBLIC SERVICE BOARD, PURSUANT TO ANY AND ALL APPLICABLE EXEMPTIONS TO THE BID STATUTE UNDER TEXAS LOCAL GOVERNMENT CODE SECTION 252.022(A), INCLUDING TEXAS LOCAL GOVERNMENT CODE SECTION 252.022(A)(2), AN EXEMPTION TO THE COMPETITIVE BIDDING REQUIREMENTS, FOR PROCUREMENTS NECESSARY TO PRESERVE AND PROTECT THE HEALTH AND SAFETY OF THE CUSTOMERS OF EPWATER.**

Scott Reinert, Water Resources Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) In recent years, water deliveries from the Rio Grande have been highly variable because of the record drought conditions in the region. Water delivered from the Rio Grande in 2022 is considered a limited allocation. The scheduled releases from the reservoir for the remainder of this irrigation season are expected to reduce the volume of water held in storage to 4.75% of the reservoir capacity (95,000 acre-feet). By the end of the current irrigation season, the reservoir storage is estimated to be as low as in previous drought years (2012-2014, 2018, and 2020-2021). Limited reservoir storage indicates that EPWater will receive a limited annual allocation of surface water in 2023, greatly reducing the irrigation season in El Paso County. As a result of this drought condition, the Utility will need to produce more groundwater to meet peak summer demands. The Texas Local Government Code Section 252.022(a)(2) provides an exemption to the competitive bidding statutes for procurements made to preserve and protect the health and safety of residents. An approved drought resolution will allow for expedited procurement of contracted consultant and construction services under this exemption to the general bidding statutes related to drought relief projects, including but not limited to drilling and equipping new wells, reconditioning existing wells, optimizing reclaimed and surface water production, purchase and installation of pumps and optimizing production of the Kay Bailey Hutchison Desalination Plant. An approved

drought resolution will allow for earlier starting and completion dates of drought relief projects. The goal of this resolution is to allow drought relief projects to be completed before the peak demands of next summer by reducing procurement durations. Mr. Reinert answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Dr. Santiago, and unanimously carried, the Board adopted a Drought Resolution accepting the report of the President/CEO regarding the expected limited Rio Grande water deliveries for 2023 and authorizing the President/CEO or designee to contract and purchase without further action of the Public Service Board, pursuant to any and all applicable exemptions to the bid statute under Texas Local Government Code Section 252.022(a), including Texas Local Government Code Section 252.022(a)(2), an exemption to the competitive bidding requirements, for procurements necessary to preserve and protect the health and safety of the customers of EPWater.

**11. CONSIDER AND AWARD BID NUMBER 75-22, ENGINE AND GENERATOR MAINTENANCE SERVICES, TO INTERTECH POWER SYSTEMS LLC, AS THE PRIMARY CONTRACTOR, THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, IN THE ESTIMATED ANNUAL AMOUNT OF \$1,082,160, AND WAGNER EQUIPMENT AS THE SECONDARY LOWEST RESPONSIVE, RESPONSIBLE BIDDER ON AN AS-NEEDED-BASIS AT THE UTILITY'S DISCRETION, IN AN ESTIMATED ANNUAL AMOUNT OF \$1,386,350, WITH A TERM, FOR EACH OF THE TWO AWARDED BIDDERS, OF ONE-YEAR WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET.**

On a motion made by Mr. Morris seconded by Ms. Saenz, and unanimously carried, the Board moved the tabled item to the regular agenda.

On a motion made by Mayor Leeser seconded by Dr. Santiago, and unanimously carried, the Board deleted Bid Number 75-22, Engine and Generator Maintenance Services from the agenda

**16. CONSIDERED AND ACCEPTED THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDING FEBRUARY 28, 2022.**

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

On a motion made by Ms. Saenz, seconded by Mr. Morris, and unanimously carried, the Board accepted the El Paso Water Utilities Public Service Board Annual Comprehensive Financial Report for Fiscal Year ending February 28, 2022.

**17. CONSIDERED AND ACCEPTED THE EPWATER'S FIRST QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING MAY 31, 2022.**

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

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

**18. CONSIDERED AND ACCEPTED EPWATER'S FIRST QUARTER INVESTMENT REPORT FY 22-23 FOR THE PERIOD ENDING MAY 31, 2022.**

Luz Holguin, Assistant Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Public Funds Investment Act (PFIA) requires a quarterly report to be submitted. Ms. Holguin answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Dr. Santiago, and unanimously carried, the Board accepted

EPWater's First Quarter Investment Report FY 22-23 for the period ending May 31, 2022.

**19. CONSIDERED AND AUTHORIZED THE PRESIDENT/CEO TO SIGN A THIRD AMENDMENT TO THE AGUACARES AGREEMENT WITH AMISTAD, INCREASING THE TERM BY ONE YEAR, WITH AN OPTION TO EXTEND FOR AN ADDITIONAL YEAR, AND AUTHORIZED AN ADDITIONAL \$150,000 FOR ADMINISTRATIVE COSTS IF AMISTAD RECEIVES OUTSIDE GRANT FUNDING THAT CAN BENEFIT EPWATER CUSTOMERS.**

Lisa Rosendorf, Chief Communications and Government Affairs Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) In August 2018, EPWater entered into an agreement with non-profit agency Amistad to partner on a program to provide utility assistance to low-income seniors who are at risk of disconnection. The AguaCares program, which officially launched at the beginning of 2019, offers emergency payment assistance, conservation services, and money management to help this class of customers. This agreement provides up to \$200,000 annually for administrative oversight of the program. Donations and funds from a City land agreement are used for direct payment assistance. The original agreement was for two years, and an amendment in 2020 extended the agreement for an additional two years. This amendment will extend the agreement for an additional one year with an option to extend for an additional year. The amendment to the agreement authorizes an additional \$150,000 in administrative cost authority in the event Amistad receives outside grant funding that would help our customers, but Amistad requires EPWater to cover administrative costs in order for our customers to benefit. The amendment places a cap of 15% on any administrative fee related to the administration of that grant funding. Note: Amistad has received \$3 million in reallocated ARPA federal funding to help with utility assistance but does not cover any administrative costs. This increased administrative authority will allow our customers to benefit. Ms. Rosendorf answered questions from the Board on this item.

On a motion made by Dr. Santiago, seconded by Mayor Leeser, and unanimously carried, the Board authorized the President/CEO to sign a Third Amendment to the AguaCares Agreement with Amistad, increasing the term by one year, with an option to extend for an additional year, and authorized an additional \$150,000 for administrative costs if Amistad receives outside grant funding that can benefit EPWater customers.

**20. MANAGEMENT REPORT:**

• **CONSTRUCTION CONTRACTS UPDATE**

Ivan Hernandez, Engineering Division Manager, provided a presentation to the Board on this item (copy on file in Central Files.) Mr. Hernandez showed a map with the project locations to include Cielo Vista Tank and Carolina Pond. Bid SW25-22 Carolina Drive Retention Pond for the conversion of abandoned well site to ponding area was bid out on April 19, 2022. The project duration is 90 days and out of 11 bids received, the bid was awarded to Keystone GC, LLC for \$253,721.14. Bid 63-22 Cielo Vista 0.1MG Ground Storage Tank Replacement and Elevated Tank Ladder and Safety Improvements for the reconstruction of 0.1 MG storage tank and safety improvements to elevated tank was bid out on June 9, 2022. A sole bid was received and was rejected. The project will be re-packaged and re-bid at another time. Total, for March, 1 project was awarded, April 3 projects, May 7 projects and June 1 project for a cumulative total of \$28,995,254.58.

• **VIDEO FROM COMMUNICATIONS (ILLEGAL DUMPING CAMPAIGN)**

Christina Montoya, Marketing and Communications Manager, spoke about the success of the EPWater illegal dumping campaign and showed the campaign video.

**21. 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.**

Mayor Leeser made a public comment commending EPWater staff regarding the response to Rosa's Cantina.

**EXECUTIVE SESSION**

On a motion made by Dr. Santiago, seconded by Ms. Sanez and unanimously carried, the Board retired into Executive Session 10:425 a.m., July 13, 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. The Board will deliberate regarding potential land purchases. (551.072)
- b. The Board will deliberate regarding whether the following property can be declared inexpedient to the water, wastewater and stormwater system: the property is legally described as Tract 8F6, S.A. & M.G. Railroad Co. Survey No. 268, Abstract 4707, El Paso County, Texas El Paso, El Paso County Texas, approximately 0.42 acres. (551.071, 551.072)
- c. The Board will deliberate whether approximately 1,052 acres of Utility land in northeast El Paso can be sold or transferred to the State of Texas and whether to allow a conservation easement to be placed on the land, legally described as Section 15, and a portion of Sections 9, 16, 17, and 18, Block 81, Township 1, T&P RR Surveys, City of El Paso, El Paso County, Texas. (551.071, 551.072)
- d. New Mexico Environment Department's June 2022 administrative compliance orders against El Paso Water, pending before the Water Quality Control Commission of the State of New Mexico. (551.071)
- e. Paseo Del Este Municipal Utility District No. 1 Appeal of the Wholesale Water Rate Imposed by El Paso Water, pending in the Public Utility Commission of Texas and 210th District Court of El Paso (PUC Docket No. 52260/53706, SOAH Docket No. 473-22-1454. WS, and Cause No. 2021DCV3996.) (551.071)
- f. The claim of Project Amistad from May 12th, 2022. (551.071)
- g. Consultation with legal counsel regarding El Paso Water's cyber security. (551.071) (551.076)

On a motion made by Dr. Santiago, seconded by Ms. Saenz and unanimously carried, the Board reconvened in open session at 12:40 p.m., July 13, 2022.

- a. **THE BOARD DELIBERATED REGARDING POTENTIAL LAND PURCHASES. (551.072)**  
Motion made by Mr. Morris and seconded by Mayor Leeser that the President/CEO be authorized to proceed 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 purchases.
- b. **THE BOARD WILL DELIBERATE REGARDING WHETHER THE FOLLOWING PROPERTY CAN BE DECLARED INEXPEDIENT TO THE WATER, WASTEWATER AND STORMWATER SYSTEM: THE PROPERTY IS LEGALLY DESCRIBED AS TRACT 8F6, S.A. & M.G. RAILROAD CO. SURVEY NO. 268, ABSTRACT 4707, EL PASO COUNTY, TEXAS EL PASO, EL PASO COUNTY TEXAS, APPROXIMATELY 0.42 ACRES. (551.071, 551.072)**  
Motion made by Mr. Morris and seconded by Mayor Leeser that the described land not be declared inexpedient to the water, wastewater and stormwater system.

- c. **THE BOARD DELIBERATED WHETHER APPROXIMATELY 1,052 ACRES OF UTILITY LAND IN NORTHEAST EL PASO CAN BE SOLD OR TRANSFERRED TO THE STATE OF TEXAS AND WHETHER TO ALLOW A CONSERVATION EASEMENT TO BE PLACED ON THE LAND, LEGALLY DESCRIBED AS SECTION 15, AND A PORTION OF SECTIONS 9, 16, 17, AND 18, BLOCK 81, TOWNSHIP 1, T&P RR SURVEYS, CITY OF EL PASO, EL PASO COUNTY, TEXAS. (551.071, 551.072)**

Motion made by Mr. Morris and seconded by Dr. Santiago that the President and CEO or his designee be authorized to enter into a Memorandum of Understanding with the City of El Paso, whereby the City will take responsibility for the investigation, related workup and initial drafting of a conservation easement at no cost to El Paso Water, and directing the President/CEO to return with the proposed conservation easement to the Public Service Board within 12 months to consider for approval by the Board, which recording is conditioned and shall occur concurrently with the closing of the transaction transferring the 1,052 acres from the Municipal Drainage Utility to the Texas Parks and Wildlife Department, in the manner approved by the Board, and in accordance with the terms and conditions specified by the Board.

- d. **NEW MEXICO ENVIRONMENT DEPARTMENT'S JUNE 2022 ADMINISTRATIVE COMPLIANCE ORDERS AGAINST EL PASO WATER, PENDING BEFORE THE WATER QUALITY CONTROL COMMISSION OF THE STATE OF NEW MEXICO. (551.071)**

Motion made by Mr. Morris and seconded by Dr. Santiago that the President/CEO or designee in conjunction with the General Counsel's Office be authorized to take any and all action necessary to defend and protect the Utility's interest and position, both affirmative and defensive in connection with NMED's Administrative Orders, including the engagement of Hinkle Shanor LLP as outside legal counsel. This Motion is intended to grant broad authority to the President/CEO and General Counsel to take any action necessary to address these matters, including but not limited to the initiation and response to, litigation, complaints and any other administrative or judicial proceedings, process and appeals.

- e. **PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1 APPEAL OF THE WHOLESALE WATER RATE IMPOSED BY EL PASO WATER, PENDING IN THE PUBLIC UTILITY COMMISSION OF TEXAS AND 210TH DISTRICT COURT OF EL PASO (PUC DOCKET NO. 52260/53706, SOAH DOCKET NO. 473-22-1454. WS, AND CAUSE NO. 2021DCV3996.) (551.071)**

Motion made by Mr. Morris and seconded by Mayor Leaser that the President/CEO or designee in conjunction with the General Counsel's Office be authorized to participate in the settlement negotiations in connection with the Paseo Del Este District No. 1 Appeal of the Wholesale Water Rate Imposed by El Paso Water pending in the Public Utility Commission of Texas and in the 210th District Court of El Paso County, Texas, to the extent and in accordance with the direction of the Board and further take any and all action to defend and protect the Utility's interest and position, both affirmative and defensive.

- f. **THE CLAIM OF PROJECT AMISTAD FROM MAY 12TH, 2022. (551.071)**

Motion made by Mr. Morris and seconded by Dr. Santiago that the President/CEO is authorized to resolve the claim of Project Amistad in accordance with the settlement authority and in the manner authorized by the Board and is further authorized to sign any and all documents to effectuate the same.

- g. **CONSULTATION WITH LEGAL COUNSEL REGARDING EL PASO WATER'S CYBER SECURITY. (551.071) (551.076)**

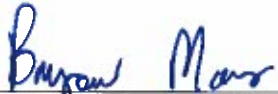
Motion made by Mr. Morris and seconded by Dr. Santiago that the President/CEO in conjunction with the General Counsel's Office be authorized to engage Norton Rose Fulbright as outside legal counsel in connection with proactive cyber security preparedness.

## **ADJOURNMENT**

On a motion made by Mayor Leaser, seconded by Mr. Morris and unanimously carried, the meeting adjourned at 12:45 p.m., July 13, 2022.

ATTEST:

  
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Kristina Mena, Chair

  
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Bryan Morris, Secretary-Treasurer