

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

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

PSB MEMBERS PRESENT

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

PSB MEMBERS ABSENT

PSB EMPLOYEES PRESENT

John E. Balliew, P.E., President and Chief Executive Officer
Lee Ann Koehler, General Counsel

EPWU EMPLOYEES PRESENT

Juan S. Gonzalez, Assistant General Counsel
Art Duran, Chief Financial Officer
Irazema Rojas, Capital Improvement Program Manager
Stephanie Santiago, Engineering Program Administrator
Lisa Rosendorf, Chief Government Affairs and Communications Officer
Gretchen Byram, Computer Media Specialist
Jillian Shipp, Executive Assistant
Rosemary Guevara, Senior Purchasing Agent
Levi Chacon, Purchasing Agent
Robert Davidson, Temp
Joshua Moniz, Lead Public Information Coordinator
Israel Chavez, Senior Network Administrator
Melissa Bell, Lead Public Affairs Coordinator
Martin Noriega, Storm Water and Fleet Maintenance Division Manager
Aide Zamarron, Wastewater Treatment Manager
Gisela Dagnino, Engineering Division Manager
Elsa Ochoa, Engineering Senior Technician
Marla Jo St. Leon, Business & Customer Service Assistant Manager
Gerardo Gomez, Engineering Program Administrator
Thomas Cieslik, Utility Engineer Associate
Alma De Anda, Utility Land & Water Rights Manager
Martha Koester, Utility Public Information Coordinator
David Ornelas, Wastewater Systems Division Manager
Felipe Lopez, Distribution & Collection Systems Division Manager
Arturo Vega, Wastewater Plant Assistant Superintendent
Ricky Dominguez, Wastewater Plant Assistant Superintendent
Martin Ortiz, Wastewater Plant Assistant Superintendent

Robert Hernandez, Wastewater Plant Superintendent
Ruben Rodriguez, Water Supply Manager

GUESTS

Phil Rothstein, Bath Engineering
Armida Hernandez, Assistance League of El Paso
Ina Lachmann, Assistance League of El Paso
Lisa Miertschin, Assistance League of El Paso
Aren Lyle, Painted Dunes
Rick Soto, El Paso Apt Association
Sean Wolfe, Cobb Fendley
Jesus Ramos, Cobb Fendley
Carlos Torres, Citizen
Pam Fontone, Citizen

MEDIA

None

The Public Service Board meeting was called to order by Mr. Antcliff at 8:13 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Ms. Lisa Rosendorf, in reciting the Pledge of Allegiance.

CONSENT AGENDA

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board took action on the following agenda items:

1. CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETINGS HELD ON July 13, 2018.

The July and August minutes were approved.

APPROVED THE PURCHASE OF A PERKINELMER NEXION 1000 ICP-MS FROM FRANKLIN YOUNG INTERNATIONAL, INC. THROUGH TEXAS BUYBOARD TXMAS CONTRACT NUMBER TXMAS-8-66030 IN THE AMOUNT OF \$134,541.02.

The Board approved the purchase of a PerkinElmer NexION 1000 ICP-MS from Franklin Young International, Inc. through Texas Buyboard TXMAS contract number TXMAS-8-66030 in the amount of \$134,541.02.

APPROVED THE PURCHASE OF SECURITY ASSESSMENT SERVICES FROM PRESIDIO NETWORKED SOLUTIONS GROUP, INC. THROUGH BUYBOARD TEXAS DIR CONTRACT NUMBER DIR-TSO-3847 IN THE AMOUNT OF \$64,275.

The Board approved the purchase of security assessment services from Presidio Networked Solutions Group, Inc. through buyboard Texas DIR contract number DIR-TSO-3847 in the amount of \$64,275.

REGULAR AGENDA

PRESENTED CHECK TO ARMIDA HERNANDEZ, GRANTS COMMITTEE CHAIRMAN FOR THE ASSISTANCE LEAGUE OF EL PASO.

Gerardo Gomez, Engineering Program Administrator, provided the Board with information regarding this item. A Public Service Board (PSB) policy allows the PSB to select one charitable organization a year for a fundraising project. This year, the PSB selected the Assistance League of El Paso. Funds raised by El Paso Water (EPWater) employees will go to one of four programs supported by the Assistance League of El Paso - Operation School Bell. This program provides new clothing to needy students in grades 1-5 in the El Paso County Public School Districts. The goal of this program is to increase the students' self-esteem and encourage them to attend school on a regular basis. EPWater raised funds for the Assistance League of El Paso through a series of employee-organized fundraising events and activities held during non-working hours and a golf tournament at Painted Dunes sponsored by Touchstone Golf Foundation. The outcomes from these initiatives and additional contributions will be presented at this meeting.

PRESENTED THE 2017 NACWA GOLD AND SILVER PEAK PERFORMANCE AWARDS.

Ms. Christina Montoya, Communications Manager, provided information to the Board regarding this item. El Paso Water is a member of the National Association of Clean Water agencies (NACWA). NACWA recognizes member agency facilities that meet Peak Performance award criteria for compliance with wastewater discharge permits. For 2017, NACWA recognized all four EPWater wastewater plants with Peak Performance awards. The Roberto R. Bustamante Wastewater Treatment Plant and Fred Hervey Water Reclamation Plant received the Gold Award which recognizes treatment facilities that have achieved 100 percent compliance with their permits for an entire calendar year. The John T. Hickerson Water Reclamation Facility and Haskell R. Street Wastewater Treatment Plant received the Silver Award, which recognizes facilities that have received no more than five permit violations per calendar year.

AUTHORIZED THE PRESIDENT/CEO TO SIGN AN AGREEMENT WITH THE U.S. ARMY CORPS OF ENGINEERS FOR DESIGN AND CONSTRUCTION COST ASSISTANCE FOR THE BOONE INTERCEPTOR REPLACEMENT - PHASE 2 PROJECT, AND TO PROVIDE MATCHING FUNDS IN AN APPROXIMATE AMOUNT OF \$2,150,000 TOWARDS THE TOTAL COST OF THE PROJECT.

Mr. John Balliew, President and CEO presented information to the Board regarding this item. The U.S. Army Corps of Engineers is authorized to provide federal funding for eligible projects under Section 219 of the Water Resources Development Act of 1992. This agreement provides up to a 75% federal and 25% EPWater cost share of the total cost of the project. Under this proposed agreement, the EPWater Boone Interceptor Replacement - Phase 2 project was allocated \$3 million in federal funds for design and construction costs, which falls short of the total estimated construction cost. Additional funding has been requested from USACE to complete the project. The total project cost is estimated to be \$8,600,000 (federal - \$6,450,000 and EPWater - \$2,150,000). EPWater's share includes work-in-kind already completed by staff and consultants. The U.S. Army Corps of Engineers approved \$3 million for the Boone Interceptor Replacement - Phase 2 project. Due to EPWater priorities, this project needs to begin soon, even if other funding is not provided. Upon approval of the proposed action, EPWater will work with the Corps to finalize an agreement - either through a redefined, smaller scope of work that can be executed with funding received or for the entire scope if additional funding is approved. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, second by Dr. Mena and unanimously carried, the Board considered and authorized the President/CEO to sign an Agreement with the U.S. Army Corps of Engineers for Design and Construction Cost Assistance for the Boone Interceptor Replacement - Phase 2 Project, and to provide matching funds in an approximate amount of \$2,150,000 towards the total cost of the project.

AUTHORIZED THE PRESIDENT/CEO TO SIGN AN ADVANCED FUNDING AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION FOR RELOCATION OF WATER AND SANITARY SEWER INFRASTRUCTURE RELATED TO US 62 MONTANA FROM WEST OF GLOBAL REACH TO WEST OF TIERRA ESTE IN THE ESTIMATED AMOUNT OF \$1,477,755 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Balliew presented information to the Board regarding this item. The Texas Department of Transportation (TXDOT) will increase the right-of-way and install storm drains on US 62 Montana. Existing 8-inch, 12-inch, 24-inch, 36-inch, and 48-inch water and sanitary sewer lines must be relocated to accommodate the improvements. EPWater has prepared design drawings for the relocation and replacement of these water lines as well as sanitary sewer adjustments to be included in the TXDOT bid package. TXDOT will bid the project in October 2018. The total water and sanitary sewer relocation cost is estimated at \$4,319,658. The Agreement will be executed based on this estimated cost. EPWater is responsible for the estimated cost of \$1,477,755. TXDOT is responsible for the remaining balance of EPWater relocation costs. The actual cost of relocations will be determined after the project is bid and awarded by TXDOT. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Mena, second by Ms. Garcia and unanimously carried, the Board considered and authorized the President/CEO to sign an Advanced Funding Agreement with the Texas Department of Transportation for Relocation of Water and Sanitary Sewer Infrastructure related to US 62 Montana from west of Global Reach to west of Tierra Este in the estimated amount of \$1,477,755 and authorize the use of commercial paper.

CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING/SURVEYING SERVICES CONTRACT FOR ACQUISITION OF RIGHT-OF-WAY FOR THE CORNUDAS PIPELINE PROJECT TO COBB, FENDLEY, AND ASSOCIATES, INC. IN THE AMOUNT OF \$799,615; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL SERVICES IN THE ESTIMATED AMOUNT OF \$1,500,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENT, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Irazema Rojas, Capital Improvement Program Manager made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). EPWater is in the process of purchasing property with water rights in Dell City and surrounding areas for the importation of water to El Paso. This new water supply is a strategic initiative required to meet the future water demands in El Paso. Although the actual importation of water is not planned for another 20 years, an alignment for the future pipeline needed to import the water to El Paso has been identified. This alignment is comprised of abandoned oil and natural gas pipeline easements as well as privately owned property. The Architectural/Engineering (A/E) Selection Advisory Committee met on June 13, 2018 to review and recommend the selection of an engineering/surveying firm for the above-described project. The committee consisted of Bradley Roe, Ivonne Santiago, Kristina Mena, Marcela Navarrete, and Gilbert Trejo. Thirteen submittals were received for this Request for Proposals of which five submittals were shortlisted by the A/E Short Listing Committee. The A/E Selection Advisory Committee discussed the submittals and determined that Cobb, Fendley and Associates, Inc. demonstrated excellent abilities and meets the needs of EPWater for these important services. Ms. Rojas addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Santiago and unanimously carried, the Board considered and awarded a Professional Engineering/Surveying Services contract for Acquisition of Right-of-Way for the

Cornudas Pipeline Project to Cobb, Fendley, and Associates, Inc. in the amount of \$799,615; authorized future task orders or amendments to be issued under this contract for additional services in the estimated amount of \$1,500,000, provided that funding is available in the approved budget for the task orders or amendment, and authorized the use of commercial paper.

APPROVED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE CORONADO COUNTRY CLUB #1 PRESSURE ZONE STUDY TO BATH GROUP, INC. DBA BATH ENGINEERING CORPORATION FOR ENGINEERING PLANNING SERVICES IN THE AMOUNT OF \$250,000; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL PLANNING AND DESIGN SERVICES IN THE ESTIMATED AMOUNT OF \$250,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.

Ms. Rojas made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Northwest El Paso has experienced operational issues over the last year from high pressures in water lines, to not being able to fill storage tanks. These issues have led to main breaks and insufficient storage to meet customer demands. This study will initiate a water demand and supply study for the Northwest service area, more particularly the the Coronado Country Club #1 pressure zone, which will analyze the existing and proposed water storage, pumping, and transmission capabilities to identify the operational deficiencies. The Architectural/Engineering Selection Advisory Committee met on August 8, 2018 to review and recommend the selection of an engineering firm for the above-referenced project. The committee consisted of Bradley Roe, Ivonne Santiago, Kristina Mena, Marcela Navarrete, and Gilbert Trejo. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. The Architectural/Engineering Selection Advisory Committee discussed the submittals and determined that Bath Engineering meets the needs of the Utility for these important services and demonstrated excellent abilities in all evaluated categories. Staff worked with Bath Engineering to develop the scope of services required for this project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the Consultant for the defined scope of work. The negotiated fees are in line with the level of effort required to complete the task and consistent with similar work completed.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board approved a Professional Engineering Services Contract for the Coronado Country Club #1 Pressure Zone Study to Bath Group, Inc. dba Bath Engineering Corporation for engineering planning services in the amount of \$250,000; authorized future task orders or amendments to be issued under this contract for additional planning and design services in the estimated amount of \$250,000, provided that funding is available in the approved budget for the task orders or amendments.

APPROVED TASK ORDER NUMBER 2 TO THE PROFESSIONAL SERVICES CONTRACT AWARDED TO BROWN AND CALDWELL FOR CONSTRUCTION PHASE SERVICES FOR THE HASKELL R. STREET WASTEWATER TREATMENT PLANT HEADWORKS EFFLUENT PIPING IMPROVEMENTS IN THE AMOUNT OF \$387,480; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES IN AN ESTIMATED AMOUNT OF \$80,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Ms. Rojas made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This project is located inside the Haskell R. Street Wastewater Treatment Plant. This project consists of the permanent

bypass of raw wastewater from the headworks facility to the primary clarifier junction box to allow upcoming rehabilitation of various structures. Temporary bypassing will proceed in order to allow structural repairs and modifications to the existing system and equipment. In July 2016, the PSB awarded an engineering contract to Brown and Caldwell for the design and bid phase services for this project. With the design complete and the construction contract awarded in July 2018, based on their qualifications, staff recommends to continue working with Brown and Caldwell on the subsequent construction phase services. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant for the defined scope of work. The negotiated fee is in line with the level of effort required to complete the task and consistent with similar work completed recently.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board approved Task Order Number 2 to the professional services contract awarded to Brown and Caldwell for construction phase services for the Haskell R. Street Wastewater Treatment Plant Headworks Effluent Piping Improvements in the amount of \$387,480; authorized future task orders or amendments to be issued under this contract for additional design and construction phase services in an estimated amount of \$80,000, provided that funding is available in the approved budget for the task orders or amendments and authorized the use of commercial paper.

AWARDED BID NUMBER 55-18, VISTA DEL ESTE 2.5 MG AND RANCHOS REAL 2.0 MG ELEVATED STORAGE TANKS TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, LANDMARK STRUCTURES I, LP, IN THE AMOUNT OF \$10,408,000 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Ms. Rojas made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Vista Del Este 2.5 million gallon (MG) and Ranchos Real 2.0 MG Elevated Water Storage Tanks are needed to serve the far east portions of the Tierra Del Este and Homestead Developments in El Paso County. The Vista Del Este tank will be constructed along the future extension of Vista Del Este Drive past Edgemere Boulevard and will provide additional water storage to the East Montana Pressure Zone. The Ranchos Real tank will be constructed near the intersection of Pebble Hills Boulevard and John Hayes Street and will provide additional storage to the Loop 375 – Joe Battle Pressure Zone. EPWater received two bids for this project on August 20, 2018. The bidders were Landmark Structures I and Caldwell Tanks. The bids ranged from \$10,408,000 to \$15,550,000 above the engineer's estimate of \$11,240,588. The project consulting engineer evaluated the qualifications of the apparent low bidder and determined that Landmark Structures I meets the minimum general requirements as well as the minimum project specific criteria as specified in the bid documents. Staff reviewed the engineer's evaluation matrix and recommends award of Bid Number 55-18, Vista Del Este 2.5 MG and Ranchos Real 2.0 MG Elevated Storage Tanks, to Landmark Structures I as the lowest responsive, responsible bidder in the amount of \$10,408,000. Ms. Rojas addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Ms. Garcia and unanimously carried, the Board awarded Bid Number 55-18, Vista Del Este 2.5 MG and Ranchos Real 2.0 MG Elevated Storage Tanks to the lowest responsive, responsible bidder, Landmark Structures I, LP, in the amount of \$10,408,000 and authorized the use of commercial paper.

CONSIDERED BID NUMBER 87-18, ROBERTO R. BUSTAMANTE AERATION BASIN INLET CHANNEL IMPROVEMENTS, DECLARED CUBIC WATER LLC., AS NOT RESPONSIBLE, AND AWARDED TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, KIEWIT WATER FACILITIES SOUTH CO., IN THE AMOUNT OF \$287,000 AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Ms. Rojas made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Roberto R. Bustamante Wastewater Treatment Plant has four aeration basins that are fed by a common inlet channel. The basins require draining of all wastewater for routine maintenance. The existing sluice gates do not properly seal, and thus leak into the basins that are undergoing maintenance. Construction must be

accomplished during the winter months to maintain TCEQ discharge permit limits. The sluice gates and bulkhead systems were purchased in advance to allow time for installation by contractor during this period. EPWater received three bids for the referenced project on August 16 2018. The bidders were Cubic Water, Kiewit Water Facilities South, and Smithco Construction. The bids ranged from \$127,000 to \$300,000 above the engineer's estimate of \$154,245. Parkhill, Smith and Cooper (PSC) evaluated the qualifications of the apparent low bidder and has determined that Cubic Water does not meet the minimum general requirements nor the minimum project specific criteria as specified in the bid documents. PSC evaluated the qualifications of the apparent second low bidder and has determined that Kiewit Water Facilities South meets the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. EPWater staff reviewed the engineer's evaluation and recommends award of Bid Number 87-18, Roberto R. Bustamante Aeration Basin Inlet Channel, to the lowest responsive, responsible bidder, Kiewit Water Facilities South, in the amount of \$287,000.

On a motion made by Dr. Santiago seconded by Mr. Roe and unanimously carried, the Board considered Bid Number 87-18, Roberto R. Bustamante Aeration Basin Inlet Channel Improvements, declare Cubic Water LLC., as not responsible, and awarded to the lowest responsive, responsible bidder, Kiewit Water Facilities South Co., in the amount of \$287,000 and authorized the use of commercial paper.

CONSIDERED BID NUMBER SW28-18, NORTH CLARK DRIVE DRAINAGE IMPROVEMENTS, DECLARED HORIZONE CONSTRUCTION 1, LTD. AS NON-RESPONSIVE AND AWARDED TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER TAO INDUSTRIES, INC. D.B.A. HAWK CONSTRUCTION IN THE AMOUNT OF \$250,037.98.

Chairman, Chairman Christopher Antcliff recused himself on this item. Ms. Rojas made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Clark Drive, at the intersection with Union Pacific Rail Road (UPRR), is a natural low point that floods during rain events, affecting railroad activities. This project will mitigate flooding by installing two street inlets, concrete box culverts, and two off-street inlets to capture the runoff from the street and convey it below the railroad tracks into the existing Lincoln Drain Channel. EPWater received five bids for this project on August 9, 2018. The bidders were Horzone Construction 1, TAO Industries, Inc. d.b.a. HAWK Construction, Karlsruher Inc. dba CSA Constructors, MFH Environmental, and Black Stallion Contractors. The bids ranged from \$169,629.00 to \$279,183.90 or 16.39% below to 37.61% above the engineer's estimate of \$202,879.63. Staff evaluated the bid packages and determined that Horzone Construction 1 was non-responsive due to an incomplete bid submittal; bid item #19 was missing. The project consulting firm, Conde, Inc., evaluated the qualifications of the second apparent low bidder and determined that TAO Industries, Inc. d.b.a. HAWK Construction meets the minimum requirements as well as the minimum project specific criteria as specified on the bid documents. Staff reviewed the engineer's evaluation matrix and recommends award of the contract for Bid Number SW28-18, North Clark Drive Drainage Improvements, to TAO Industries, Inc. d.b.a. HAWK Construction, as the lowest responsive, responsible bidder, in the amount of \$250,037.98. Ms. Rojas addressed questions from the Board regarding this item.

On a motion made by Mr. Roe seconded by Mr. Gallardo and unanimously carried, the Board considered Bid Number SW28-18, North Clark Drive Drainage Improvements, declared Horzone Construction 1, LTD. as non-responsive and awarded to the lowest responsive, responsible bidder TAO Industries, Inc. d.b.a. HAWK Construction in the amount of \$250,037.98.

CONSIDERED BID 05-18, ANTISCALANT AND CLEAN-IN-PLACE CHEMICALS, DECLARED AMERICAN WATER CHEMICALS, INC. AND AVISTA TECHNOLOGIES, INC. AS NON-RESPONSIVE, AND AWARDED TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, KING LEE TECHNOLOGIES, INC. IN THE ESTIMATED ANNUAL AMOUNT OF \$77,357.95 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Rose Guevara, Senior Purchasing Agent provided information to the Board regarding this item. Antiscalant is used at the Kay Bailey Hutchison Desalination Plant (KBH) to prevent scale from forming on reverse osmosis

membranes. Potential antiscalant providers were invited to pilot test their antiscalant at the KBH during a designated 12-week period prior to submitting their bid. Exceptions were made to this requirement if a bidder had already successfully either provided antiscalant to the KBH or had already successfully met piloting requirements. Three bids were received. Staff evaluated the bids and determined the apparent low bidder King Lee Technologies, Inc. met all the requirements as outlined within the bid proposal. Staff is recommending American Water Chemicals, Inc. be deemed non-responsive, as the pilot testing and autopsy report requirements in the specifications were not met. Staff is recommending Avista Technologies, Inc. be deemed non-responsive, as they submitted an incorrect pricing for their bid. Mr. Ruben Rodriguez, Water Supply Manager addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board considered Bid 05-18, Antiscalant and Clean-In-Place Chemicals, declared American Water Chemicals, Inc. and Avista Technologies, Inc. as non-responsive, and awarded to the lowest responsive, responsible bidder, King Lee Technologies, Inc. in the estimated annual amount of \$77,357.95 with the option for two, one-year extensions.

AWARDED BID NUMBER 89-18 FIRE HYDRANTS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, CLOWE & COWAN OF EL PASO LLC. IN THE ESTIMATED ANNUAL AMOUNT OF \$271,605 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Guevara provided information to the Board regarding this item. This water line is a major supply line to the Mission Valley. The 24-inch to 20-inch steel cylinder concrete pipe water transmission line was installed in 1973 and runs in the Middle Drain right-of-way. This water line has broken over 17 times over the past 45 years and is at the end of its useful life. The project consists of the installation of approximately 7,596 feet of 20-inch ductile iron pipe and 170 feet of HDPE pipe. EPWater received six bids for this project on June 13, 2018. The bidders were Ernest L. Smith, LLC dba S&M Construction, Spartan Construction of TX, Smithco Construction, Spiess Construction, Karlsruhe dba CSA Constructors, and Bain Enterprises dba Bain Construction. The bids ranged from \$1,186,304.73 to \$1,834,257.00 above the engineer's estimate of \$1,716,775.20. The project consulting engineer, Huitt-Zollars, evaluated the qualification information submitted by the apparent low bidder and has determined Ernest L. Smith, LLC dba S&M Constructors meets all of the minimum general requirements as well as all of the minimum project specific criteria as specified in the bid documents. Staff evaluated the engineer's evaluation matrix and recommends award of Bid Number 68-18, Roseway 20-Inch Water Line from Carnes to Nevarez Road and 20-Inch Tie-In at Zaragoza Road and Gateway East, to Ernest L. Smith, LLC dba S&M Constructors as the lowest responsive, responsible bidder in the amount of \$1,186,304.73. Ms. Rojas addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago seconded by Mr. Gallardo and unanimously carried, the Board awarded Bid Number 89-18 Fire Hydrants, to the lowest responsive, responsible bidder, Clowe & Cowan of El Paso LLC., in the estimated annual amount of \$271,605 with the option for two, one-year extensions.

AWARDED REQUEST FOR PROPOSAL 94-18 DESIGN, SUPPLY AND INSTALLATION OF SUB SURFACE DRIP IRRIGATION SYSTEM, TO THE SOLE RESPONDENT GREEN PLANET DRIP, LLC IN THE ESTIMATED AMOUNT OF \$338,076.40 WITH \$130,000 TO BE REIMBURSED BY THE TEXAS WATER DEVELOPMENT BOARD.

Ms. Guevara provided information to the Board regarding this item. Texas Water Development Board awarded a grant to El Paso Water to subsidize the cost of installing a drip irrigation system on property in the Dell City area. The proposed system will demonstrate the viability of using modern drip systems to conserve water and improve crop production throughout the Dell City area. The total annual water savings on 150 acres of alfalfa land converted to drip from flood irrigation is expected to be approximately 66 million gallons, or approximately 203 acre feet. The annual water savings from converting 150 acres of alfalfa land to drip from center pivot irrigation is projected to be up to 39 million gallons of water, or 120 acre feet. In addition to water savings, the switch to drip irrigation is anticipated to reduce field preparation costs, crop inputs and energy. These inputs will be compared to fields using conventional irrigation. One proposal was received from Green Planet Drip,

LLC. The proposal was evaluated based upon the following factors: experience, past performance and technical competence; project design; proposal submittal and responsiveness; post-installation service and support; and cost. The proposal met all grading requirements as outlined within the RFP. Staff recommends award to Green Planet Drip, LLC.

On a motion made by Dr. Santiago seconded by Ms. Garcia and unanimously carried, the Board awarded Request for Proposal 94-18 Design, Supply and Installation of Sub Surface Drip Irrigation System, to the sole respondent Green Planet Drip, LLC in the estimated amount of \$338,076.40 with \$130,000 to be reimbursed by the Texas Water Development Board.

APPROVED RESCINDING AWARD OF BID NUMBER 02-18 COLD WATER RESIDENTIAL AND COMMERCIAL METERS, LINE ITEMS 7, 13, 14, 16-18, 20-22 TO NEPTUNE TECHNOLOGY GROUP INC., AND AWARDED LINE ITEMS 7, 13, 16, 18, AND 21 TO BADGER METER, INC. DBA NATIONAL METER & AUTOMATION IN THE ESTIMATED ANNUAL AMOUNT OF \$195,763.12 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Guevara provided information to the Board regarding this item. On August 8, 2018, the PSB awarded line items 7, 13, 14, 16-18, 20-22 to Neptune Technology Group Inc., in the estimated annual amount of \$180,300. Upon notification of award, Neptune stated that it would not be cost beneficial for them to accept the award as they were not awarded all the line items within lines 10-17. Due to this circumstance, staff is requesting to rescind the award to Neptune and award line items 7, 13, 16, 18, and 21 to the next highest ranked offeror, Badger Meter, Inc. dba National Meter & Automation. Badger's meters have built-in test spools, obviating the need to award line items 14, 17, and 20. EPWater will spot buy the limited quantities it will require of the 4" Type II Strainer as described in line item 22.

On a motion made by Mr. Roe seconded by Ms. Garcia and unanimously carried, the Board approved rescinding award of Bid Number 02-18 Cold Water Residential and Commercial Meters, line items 7, 13, 14, 16-18, 20-22 to Neptune Technology Group Inc., and awarded line items 7, 13, 16, 18, and 21 to Badger Meter, Inc. dba National Meter & Automation in the estimated annual amount of \$195,763.12 with the option for two, one-year extensions.

CONSIDERED AND APPROVED THE PROPOSED PSB MEMBER SELECTION TIMELINE.

Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Board member Bradley Roe is serving his first, four-year term as a member of the Public Service Board. His term will expire on December 31, 2018. In 2009, City Council adopted a resolution establishing the process for the selection of new board members. Currently, Mr. Roe serves in the Engineering Advocacy position. The process requires a selection committee consisting of the Public Service Board members and eight Council-appointed members to review all qualified applicants to determine which three applicants will be forwarded to City Council as candidates to fill each of the Board positions. The selection of one candidate for the position will be made by City Council during a council meeting. The Mayor serves as the presiding officer for the selection committee and calls all committee meetings. The selection process is expected to be completed in November 2018. A schedule of events was presented to the Board for review and approval.

On a motion made by Mr. Gallardo, seconded by Dr. Mena and unanimously carried, the Board approved the proposed PSB member selection timeline.

CONSIDERED AND APPROVED THE PROPOSED PSB BUDGET MEETING SCHEDULE FOR FISCAL YEAR 2019-2020.

Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Staff recommended the PSB hold one workshop to review the proposed operating and capital budgets, Rules and Regulations changes and rate and fee adjustments for the Water, Wastewater, Reclaimed Water and Stormwater Utilities. Approval of the 2019-20 budgets will take place during the January 2019 regular PSB board meeting.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board approved the proposed PSB budget meeting schedule for Fiscal Year 2019-2020.

MANAGEMENT REPORT:

- Update on Bustamante WWTP Headworks Lift Station-Mr. Balliew informed the Board regarding this item. El Paso Water is in the process of doing an expansion at the Bustamante Wastewater Treatment Plant, and while doing an inspection of the plant, it was noticed that there is some deterioration in the electrical equipment. In order to prepare for the work by putting in a bypass which consists of 2 phases. The first being install a new electrical gear and the 2nd phase would be to pay temporary pumps and odor control. Actual costs of the project will be presented in a future PSB meeting.
- Mark Your Calendars-Mr. Balliew informed the Board with upcoming events PreTreatment Awards Breakfast September 26, 2018, 75th Anniversary of the Robertson (Canal) Water Treatment Plant September 27, 2018 and the 25th Anniversary of the Jonathan Rogers Water Treatment Plant November 16, 2018. Aquifer Recharge Field Trip October 27, 2018 and Northeast Stormwater System Tour November 10, 2018.
- Update on Interest in El Paso Water Headquarters Property-Mr. Balliew discussed interest expressed by El Paso Community College (EPCC) in regards to El Paso Water Headquarters property via letter (attached and incorporated to these minutes.) EPCC is in need of a bigger facility as they are growing out of their currently location as well as in need of more parking spaces, they sent a letter to Mr. Balliew indicating the college's wish to purchase EPWU headquarters in the future.
- Meter Replacement Strategy-Mr. Art Duran, Chief Financial Officer made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Mr. Duran started his presentation with meter infrastructure and staff resources. EPWater currently has 225,256 service meters, with a little over 195,000 residential and 22,000 commercial and 7,500 radio frequency, with 22 employees reading the meters. Mr. Duran went on to explain why we have a meter replacement strategy. The strategy is to prevent revenue loss from under registering meters, increasing accuracy and asset management of meter to effectively manage cost of replacement, prevent aging beyond lifecycle. In the mid 1990's the Utility conducted a study on 10,000 meters, the study showed that meter consumption increased by 17% after the meter was replaced. At the time of the study average age of the meter was 10 years. The findings also pointed to uncaptured revenue for both water and wastewater. 4 million gallons per day was attributed to meter measurement inaccuracies. Mr. Duran then showed a chart showing that meter replacement strategy proved to be cost effective. In 1995 an average of 9,000 meters replaced per year with an incremental total revenue of \$447,648 if the model would be applied in 2018, over 20,000 meters would be replaced per year and incremental total revenue would be \$1,995,273. Mr. Duran then showed actual meters to the Board members, meters that we currently using and new meters that were awarded in the August 2018 PSB meeting. He went on to explain the differences with the meters and the capability of the new meters and the importance of having meters that capture the low flow of water. In addition, the new meters have a longer lifecycle, that of over 20 years. There is an intelligence system that is incorporated with the meter that can notify the customer if a leak is detected. The overall intent for the new meters is to test them in hard to reach areas in the city. Mr. Duran and Mr. Balliew addressed questions from the Board and Mr. Balliew made additional comments.

PUBLIC COMMENT: THE PSB WILL PERMIT PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA. THE CHAIR MAY IMPOSE REASONABLE TIME LIMITS FOR EACH SPEAKER.

No comments were made.

EXECUTIVE SESSION

On a motion made by Mr. Gallardo, seconded by Ms. Garcia, and unanimously carried, the Board retired into Executive Session at 9:28 a.m., September 12, 2018, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 through 551.076 to discuss any of the following:

Section 551.071	Consultation with Attorney
Section 551.072	Deliberation Regarding Real Property
Section 551.074	Personnel Matters

a. Section 551.072 Deliberation Regarding Real Property

The Board will receive an update and deliberate regarding potential disposition of real property located in Northeast El Paso.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board reconvened in open session at 9:47 a.m., September 12, 2018.

UPDATED AND DELIBERATED REGARDING POTENTIAL DEPOSITION OF REAL PROPERTY LOCATED IN NORTHEAST EL PASO.

On a motion made by Dr. Mena, seconded by Mr. Garcia and carried that the El Paso Water Utilities Public Service Board having previously declared certain properties located within the expired Northeast Master Plan to be inexpedient to the water system, that the President/CEO is now authorized to transfer one or more of the parcels to the City of El Paso economic development purposes in accordance with the terms specified by the Board, and to sign any and all documents necessary to complete the transfer of the land.

ADJOURNMENT

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the meeting adjourned at 9:48 a.m., September 12, 2018.

ATTEST:


Secretary-Treasurer


Christopher Antcliff, Chair