

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

November 30, 2020

The special meeting of the Public Service Board was held via video conference Monday, November 30, 2020.

PSB MEMBERS PRESENT

Mayor Dee Margo, Ex-Officio Member
Dr. Kristina D. Mena, Chair
Terri Garcia, Secretary-Treasurer
Bryan Morris, Member
Dr. Ivonne Santiago, Member
Christopher A. Antcliff, Member

PSB MEMBERS ABSENT

Henry Gallardo, Member

PSB EMPLOYEES PRESENT

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

EPWU EMPLOYEES PRESENT

Marcela Navarrete, Vice President
Alan Shubert, Vice President
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Art Duran, Chief Financial Officer
Gilbert Trejo, Chief Technical Officer
Felipe Lopez, Utility Chief Operations Officer
Martin Noriega, Utility Chief Operations Officer
Adriana Castillo, Engineering Division Manager
Christina Montoya, Marketing & Communications Manager
Israel Chavez, Senior Network Administrator
Alfredo Solano, Chief Information Officer
Edgar Campos, Utility Information Systems Manager
Zulema Jamis, Interim Executive Assistant

MEDIA

None

GUESTS

none

The Public Service Board meeting was called to order by Dr. Kristina Mena at 6:00 p.m. A quorum of its members was present.

REGULAR AGENDA

1. BUDGET WORKSHOP – FY 2021-2022 BUDGET OVERVIEW; FY 2021-2022 STORMWATER OPERATING AND CAPITAL IMPROVEMENT BUDGET; FY 2021-2022 WATER, WASTEWATER & RECLAIMED WATER OPERATING AND CAPITAL IMPROVEMENT BUDGET; PROPOSED RULES AND REGULATIONS CHANGES, INCLUDING RATE AND FEE ADJUSTMENTS.

Mr. John Balliew, President & CEO, began his presentation by reminding the Board they have previously seen the CIP of the work done during the prior year, which ends February 28, 2021. This budget is for the new fiscal year starting March 1, 2021, which will have new CIP projects and some that have carried over. (copy on file in Central Files). Mr. Balliew began with a slide of an overall capture for Water & Wastewater and Stormwater. The total amount in Major System Assets was \$1.91 billion. For Water & Wastewater there are; 4 water treatment plants, 4 wastewater treatment plants, 151 number of wells, 2,854 miles of water lines, 2,326 miles of wastewater lines, 11,447 number of fire hydrants, 76 reservoirs, 70 lift stations and 60 pump stations. In Stormwater, there are; 441 ponds, 41 dams/basins, 72 miles of channel, 9 miles of agricultural drains and 7,315 drainage inlets. Mr. Balliew went on to discuss retail customers we bill. For Water, we have 90% are residential or 194,661, with 10% being non-residential or 21,168 non-residential. In wastewater 93% are residential or 190,677 and 7% non-residential or 14,579, and lastly stormwater with 93% being residential or 186,994 and 7% non-residential or 14,141.

Mr. Balliew next discussed the criteria that will be in our strategic plan, priority areas for FY2021-2022, which include Improve Land & Water Management, Improve Infrastructure, Improve Use of Technology and Strengthen Stakeholders Partnerships. The strategic plan objectives translate into these categories. Under the Improve Land & Water Management, priority is of Water Supply Sustainability which include the Riverside International Industrial Central Expansion-Phase 2, Well Drilling-expanding well capacity for drought resilience; and Aquifer Storage and Recover- Phase 1 – Enhanced Arroyo a total amount of \$25.06 million.

Mr. Balliew next discussed Improve Infrastructure, priority is System Reliability which includes Water & Wastewater Conveyance: pipeline replacement, electromagnetic condition assessment, manhole rehabilitation, Frontera Force Main and routine rehabilitation. Storage Tank Recoating of 3 tanks-Festival, North Hills and Redd Road. Pumping Systems include Sunland Park Lift Station and WW Valve Rehabilitation. Water Treatment Systems, Roberts Plant-Raw water upgrades, process pump replacement & Canal Plant-Flocculator replacement. Wastewater Treatment Plants, Hervey Plant-Blower replacement, new blower building; Bustamante Plant-digester Rehabilitation, headworks & grit expansion and Hickerson Plant-Train 1 construction and UV system upgrade. Continuing with Improve Infrastructure, priority for Expansion for City Growth include: Water/Wastewater Conveyance-Northeast Franklin-Phase 2, Sean Haggerty Phase 1, Northeast Interceptors, Doniphan Collector to Canutillo Lift Station, La Mesa Avenue Extension and Northwest Gravity Line. Vinton Reservoir and 2 Pump Stations-Westway and Northeast Lift station. Projects under priority for Flood Control include Stormwater conveyance-Bywood Drainage Improvements, Corrugated Metal Pipe Rehabilitation (Grissom and Samoa Pipe Lining), City Drainage Projects and Storage-Arroyo 1A Dam and Will Ruth Abatement. Last priority in facility & technology upgrades include: new facilities-field office & customer service, wastewater field office, mechanical shop and instrumentation room. Under Facility Improvements-roof replacements, office space improvements and flooring replacements and security system improvements. For a total amount of \$216.22 million.

Mr. Balliew continued with the strategic plan objective of Improve Use of Technology, priority is facility and technology upgrades which includes Increased automation and IT improvements; Meter upgrades and security system upgrades for a total amount of \$10.96 million. Last strategic plan objective is Strengthen Stakeholder Partnerships, priority is facility and technology upgrades which includes: collaboration on infrastructure with the City of El Paso, County of El Paso and Texas Department of Transportation. The beautification of facilities

include wall/fence upgrades for a total amount of \$13.79 million. FY2021-2022 CIP Expenditures totaling of \$266 million.

Mr. Balliew then went on to discuss the Stormwater Budget Summary for FY2021-2022. Total amount budgeted is \$47.2 million, compared to FY2020-2021 at \$43.9 million. The budgeted operating amount is \$7.8 million, the capital amount is \$28.8 million and debt service is \$10.6 million. Mr. Balliew then explained the breakdown of the \$7.8 million for stormwater operating budget. \$1.7 million goes to indirect cost allocation, \$1.4 is for personnel services, \$3.6 is for maintenance, and \$1.1 is for miscellaneous. Mr. Balliew also discussed stormwater capital expenses five-year projection, beginning with FY2021-22 at \$28.8 million, FY2022-23 at \$26.8 million, FY2023-24 at \$34.6 million, FY2024-25 at \$29.8 million and last FY2025-26 at \$25.0 million. Mr. Balliew also went over the total stormwater CIP new funding request for FY2021-22 which was \$32.8 million. The budget summary for stormwater FY2021-22 is; total budget is \$47.2 million, O&M budget increased by \$180,000, capital budget is \$28.8 million with a new funding request of \$33.5 million, and staff recommends no fee increase for next fiscal year.

Mr. Balliew then discussed a typical residential rate, current vs. projected. For 2018-22 the rate is \$4.25 that will increase to \$4.46 in FY2022-23, increase to \$4.77 in FY2023-24, \$5.11 in FY2024-25 and up to \$5.47 in FY2025-26. Mr. Balliew showed a slide comparing where El Paso lands compared to other Texas cities, coming in on the low end of the chart. Mr. Balliew then went over the water and wastewater budget summary. For FY2020-21 the amount was \$448.9 million with \$111.8 million being spent on operating costs, \$237.6 million being spent on capital costs, \$72.2 spent on debt service and \$27.3 million on other. For FY2021-22 total budgeted amount is \$459.6 million, with \$116.2 million going towards operating costs, \$242.0 going towards capital costs, \$73.1 million going towards debt service and \$28.3 million towards other. Mr. Balliew showed the Board a pie chart further breaking down the miscellaneous expenses. \$24.74 million is payments that go to the City, \$2.91 million goes towards operating contingencies, and \$0.65 million is for farm lease expenses. Looking at the water and wastewater operating budget, for FY2020-21 the actual was \$111.8 million, with personnel service coming in at \$44.9 million, \$16.8 million for materials and supplies, \$18.0 million for maintenance, \$14.6 million for utilities, and \$17.5 for miscellaneous. For FY2021-22 the budgeted amount is \$116.2 million, of that \$45.6 million will go towards personnel service, \$13.2 million for materials and supplies, \$19.7 million for maintenance, \$17.6 million for utilities and \$20.1 million for miscellaneous. Some of the operational cost drivers are increase in personnel, went up 2%, materials and supplies went down 21%, maintenance went up 9%, and utilities went up 21%. Mr. Balliew went on to discuss the five-year capital expenses, for FY2021-22 it is at \$242.0 million, in FY2022-23 its \$278.9 million, in FY2023-24 it jumps to \$361.1 million. In FY2024-25 it reduces down to \$333.2 million, and a decrease in FY2025-26 to \$229.8 million. Also discussed was the funding request which was \$100.10 million. Staff has recommended a 2% increase to water and wastewater rate, which is less than last year's 5% projected in the five-year financial plan. Mr. Balliew then went over how the rate change would impact rate payers.

The minimum water charge is currently \$7.82, the proposed increase in \$7.98 that is a difference of \$0.16. For water supply replacement charge (4 ccfs or more) it is currently \$11.59, the proposed increase will up to \$11.82 with a difference of \$0.23. The minimum wastewater charge currently is \$17.17 with the proposed change it will go up to \$17.51, a difference of \$0.34. Mr. Balliew went on to discuss the volume rate with is \$ per CCF. Block 1 is currently \$2.35, with the proposed increase of \$.05, block 2 is currently \$5.58, with a proposed increase of \$0.11, and block 3 is currently \$7.97 with a proposed increase of \$0.16. Wastewater volume charge, it is currently \$2.16, with a proposed change of \$0.04. In regard to the residential and commercial, the new proposed bill will impact ¾ meters. A residential home using 10 ccfs is currently paying \$55.00, with a proposed change of \$1.11, and for commercial currently using 14 ccfs, is currently paying \$88.92, with a proposed increase of \$1.79. The total proposed residential bill in 20-21 current is \$59.25 with \$33.51 going towards water, \$21.49 going towards wastewater, and \$4.25 going towards stormwater. For the proposed 21-22, the bill would be \$60.36, with \$34.20 going towards water, \$21.91 to wastewater and stormwater remaining the same at \$4.25. Mr. Balliew shared several slide showing where El Paso lands compared to other border cities, arid cities,

regional cities, and ten largest cities in Texas. Comparing cost of goods, \$0.004 gallon of tap water, \$1.22 gallon of bottled water, \$2.26 gallon of gas, and a gallon of milk is \$2.46. Mr. Balliew then went over the budget & rates summary, budget for total water, wastewater and reclaimed water is \$459.6 million, capital budget is \$242.0 million with a new funding request of \$165.9 million, and debt service expense increased by \$864,000 over previous years due to additional Commercial Paper debt and offer by restructuring and 2020 refunding savings, the operating budget is \$116.2 million with an increase of \$4.4 million. In regard to rates, the recommended rate increase of 2% for water and wastewater, typical monthly increase for the average residential customer is \$1.11, after the increase, the average monthly residential bill is 1.59% of the local median household income, well below the EPA's affordability threshold of 2%. EPWater offers customer affordability programs, such as Aguacares. This is an assistance service for low income seniors which helps with money management, payment arrangements, conversation support, emergency payment assistance and agency referrals. Results of the program through September 177 customers helped through all of 2019 and approximately 300 customers expected in 2020. Mr. Balliew discussed the COVID-19 Assistance program. The City of El Paso provided \$500,000 in ARES Act grant funding for EPWater customers who were impacted by COVID-19 and met other qualifications. Program is expected to assist about 1500+ customers and applications deadline is November 30 with final reporting due December 15. Mr. Balliew then discussed water conservation saves money, the Water Supply Replacement Charge (WSRC) waived for customers with a ¾ meter only who use less than 4ccfs per month. In FY19-20, an average of 40,000 bills per month received the WSRC waiver of \$11.04. \$5.3 million annually saved by high-conserving customers. This charge will go up to \$11.82 that will be waived for these customers.

Mr. Balliew moved on to the Proposed Changes to the Rules & Regulations FY2021-2022 and provided a summary of what the rules changes consisted of rather than the individual slides, and asked the board if they would like to proceed with each rule slide individually after he presented. Mr. Balliew went on to explain the frontage fees that would be applied to new development or individual lot. He explained how EPWater would be eliminating the fees to reduce the cost for an individual who might be subject to these fees and help development. The Board questioned why the Stormwater fees were not included for a rate increase for the upcoming year and requested to see a couple of scenarios to determine what the impact will be. Mr. Balliew addressed questions regarding the Stormwater fees that were not proposed for a rate increase and would take into consideration the alternative rates discussed, which will be included in the December 9, 2020 board meeting. He also addressed the revised FEMA flood maps and the Franchise fee to the board.

There was no public comment.

EXECUTIVE SESSION

The Board did not enter into Executive Session.

ADJOURNMENT

On a motion made by Mayor Margo seconded by Dr. Santiago and unanimously carried, the meeting adjourned at 6:52 p.m., November 30, 2020.

ATTEST:

Chair

Secretary-Treasurer

**MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
December 9, 2020**

The regular meeting of the Public Service Board was held via video conference, Wednesday, December 9, 2020.

PSB MEMBERS PRESENT

Dr. Kristina D. Mena, Chair
Dr. Ivonne Santiago, Vice-Chair
Terri Garcia, Secretary-Treasurer
Dee Margo, Ex-Officio Member
Christopher A. Antcliff, Member
Henry Gallardo, Member
Bryan Morris, Member

PSB MEMBERS ABSENT

none

PSB EMPLOYEES PRESENT

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

EPWATER EMPLOYEES PRESENT

Alan Shubert, Vice President
Marcela Navarrete, Vice President
Art Duran, Chief Financial Officer
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Alfredo Solano, Chief Information Officer
Zulema Jamis, Interim Executive Assistant
Gilbert Trejo, Chief Technical Officer
Israel Chavez, Senior Network Administrator
Diana Velazquez, Utility Purchasing & Contract Manager
Edgar Campos, Utility Information Systems Manager
Alma De Anda, Utility Land & Water Rights Manager
Martin Noriega, Utility Chief Operations Officer
Felipe Lopez, Utility Chief Operations Officer
Sol Cortez, Assistant General Counsel
Michaela Grambling, Assistant General Counsel
Ivan Hernandez, Engineering Division Manager
Juan Cervantes, Business & Customer Service Assistant Manager

GUESTS

Judy Ackerman

MEDIA

none

The Public Service Board meeting was called to order by Dr. Mena at 10:00 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Dr. Santiago, in reciting the Pledge of Allegiance.

Mayor Margo addressed to the Board with a brief update on COVID-19, the number of hospitalizations, those in ICU and the percentage rate from TSA has decreased.

CONSENT AGENDA

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

1. CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON NOVEMBER 4, 2020, THE MINUTES OF THE PSB SELECTION COMMITTEE MEETING HELD ON NOVEMBER 5, 2020 AND THE MINUTES OF THE SPECIAL MEETING HELD ON NOVEMBER 17, 2020.

The Board approved the minutes of the regularly scheduled meeting held on November 4, 2020, the minutes of the PSB Selection Committee meeting held on November 5, 2020 and the minutes of the special meeting held on November 17, 2020.

2. CONSIDERED AND APPROVED A RESOLUTION ALLOWING FOR THE ADDITION OF STAFF AS AN AUTHORIZED REPRESENTATIVE OF THE EL PASO WATER/PUBLIC SERVICE BOARD FOR THE TEXPOOL INVESTMENT POOL ACCOUNTS AND TO AUTHORIZE THE SIGNATURE OF TEXPOOL AUTHORIZED REPRESENTATIVES FORM.

The Board approved a resolution allowing for the addition of staff as an authorized representative of the El Paso Water/Public Service Board for the Texpool investment pool accounts and to authorize the signature of Texpool authorized representatives form.

3. CONSIDERED AND APPROVED A SOLE SOURCE MASTER CONTRACT IN THE ESTIMATED ANNUAL AMOUNT OF \$150,000 TO TEXAS WASTE EQUIPMENT INC. DBA HEIL OF TEXAS, THE SOLE SOURCE PROVIDER OF VAC-CON AND PALFINGER INC. PARTS AND SERVICES, FOR A TERM OF ONE YEAR WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS, CONTINGENT UPON HEIL OF TEXAS PROVIDING YEARLY DOCUMENTATION ATTESTING TO THEIR SOLE SOURCE STATUS.

The Board approved a sole source master contract in the estimated annual amount of \$150,000 To Texas Waste Equipment Inc. dba Heil Of Texas, the sole source provider of vac-con and Palfinger Inc. Parts and services, for a term of one year with the option for two, one-year extensions, contingent upon Heil of Texas providing yearly documentation attesting to their sole source status.

REGULAR AGENDA

4. CONSIDERED AND APPROVED A SUPPLEMENTAL MASTER SERVICES AGREEMENT (“AGREEMENT”) FOR PAYMENT SERVICES WITH PAYMENTUS GROUP, INC. THROUGH ESC REGION 19-ALLIED SERVICES COOPERATIVE CONTRACT NUMBER 20-7369 FOR AN INITIAL TERM BEGINNING ON THE EFFECTIVE DATE AND ENDING MAY 31, 2021, WITH FOUR OPTIONS TO EXTEND FOR ONE-YEAR PERIODS WITH AN THE ESTIMATED ANNUAL AMOUNT OF \$1,400,000 BASED ON THE PER TRANSACTION FEE OF SCHEDULE A OF THE AGREEMENT AND ALLOW FOR A 10% ANNUAL CONTINGENCY FOR CUSTOMER USAGE GROWTH; AND THAT THE PRESIDENT/CEO OR DESIGNEE IS AUTHORIZED TO SIGN ANY RELATED DOCUMENTS TO EFFECTUATE THIS AGREEMENT.

Mr. Juan Cervantes, Business & Customer Service Assistant Manager, provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater accepts payments from customers via payment services which include the following methods: IVR, walk-ins, cash, check, etc. EPWater is seeking to take

advantage of new technology and payment methods currently available in the market. Mr. Cervantes addressed questions from the Board regarding this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board approved a Supplemental Master Services Agreement (“Agreement”) for payment services with Paymentus Group, Inc. through ESC Region 19-Allied Services Cooperative Contract Number 20-7369 for an initial term beginning on the effective date and ending May 31, 2021, with four options to extend for one-year periods with an the estimated annual amount of \$1,400,000 based on the per transaction fee of Schedule A of the Agreement and allow for a 10% annual contingency for customer usage growth; and that the President/CEO or designee is authorized to sign any related documents to effectuate this Agreement.

5. CONSIDERED AND AWARDED BID NUMBER 63-20, SMALL PRECAST CONCRETE METER BOXES, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SUN CITY PRECAST, LLC, IN THE ESTIMATED ANNUAL AMOUNT OF \$120,110 FOR A ONE-YEAR TERM WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Ms. Diana Velazquez, Utility Purchasing & Contract Manager, provided a presentation the Board regarding this item (copy on file in Central Files). A precast concrete meter box is routinely used to house a water meter and its appurtenances. Two different sizes of meter boxes are used to house one inch or smaller water services. The previous bid was awarded on February 8, 2017. This bid is 3.3% higher than the previous bid price. Mr. John Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Mr. Antcliff and unanimously carried, the Board awarded Bid Number 63-20, Small Precast Concrete Meter Boxes, to the lowest responsive, responsible bidder, Sun City Precast, LLC. in the estimated annual amount of \$120,110 for a one-year term with the option for two, one-year extensions.

6. CONSIDERED AND APPROVED A SOLE SOURCE PURCHASE OF AN AQ400 DISCRETE ANALYZER TO SEAL ANALYTICAL INC. IN THE AMOUNT OF \$49,425.

Ms. Diana Velazquez provided a presentation to the Board regarding this item (copy on file in Central Files). The current SEAL AQ2 Discrete Analyzer is 12 years old and will no longer be eligible for service support. Additionally, the software is not compatible with Windows 10. This instrument is used daily to analyze water, wastewater, stormwater and industrial pretreatment samples. The Discrete Analyzer is unique among other types of Flow Injection Analyzers in that it utilizes extremely small amounts of chemical reagents, which significantly reduce the cost to dispose hazardous chemicals. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board approved a sole source purchase of an AQ400 Discrete Analyzer to SEAL Analytical Inc. in the amount of \$49,425.

7. CONSIDERED AND APPROVED THE SOLE SOURCE CONTRACT WITH HILLS BROTHERS CHEMICAL COMPANY, FOR THE PURCHASE OF A THIOGUARD-TECHNICAL GRADE MAGNESIUM HYDROXIDE, IN THE ANNUAL ESTIMATED AMOUNT OF \$124,420 FOR A ONE-YEAR TERM WITH THE OPTION OF TWO, ONE-YEAR EXTENSIONS CONTINGENT UPON HILL BROTHERS CHEMICAL COMPANY PROVIDING YEARLY DOCUMENTATION ATTESTING TO THEIR SOLE SOURCE STATUS.

Ms. Velazquez provided a presentation to the Board regarding this item (copy on file in Central Files). Magnesium Hydroxide is injected at the Coates Lift Station as an odor control mechanism. Magnesium Hydroxide is delivered to the lift station and stored in a 10,000-gallon tank. The chemical is injected into the sanitary sewer collection system at a manhole located at the station site. This chemical has provided excellent results decreasing odors generated by sewer flow in the collection system for the past 12 months.

On a motion made by Dr. Santiago, seconded by Ms. Garcia and unanimously carried, the Board approved the Sole Source Contract with Hills Brothers Chemical Company, for the purchase of a Thioguard-Technical Grade Magnesium Hydroxide, in the annual estimated amount of \$124,420 for a one-year term with the option of two, one-year extensions contingent upon Hill Brothers Chemical Company providing yearly documentation attesting to their sole source status.

8. CONSIDERED AND APPROVED AN INCREASE OF \$660,000 TO THE CURRENT MASTER CONTRACT WITH JAMES, COOKE AND HOBSON, INC. TO INCLUDE THE SOLE SOURCE PURCHASES AND REPAIR SERVICES FOR XYLEM FLYGT, XYLEM SANITAIRE, AURORA, AND SINGER CONTROL VALVES, AND TO AMEND THE TERM OF THE MASTER CONTRACT BY ADDING THE OPTION OF TWO, ONE-YEAR EXTENSIONS, FOR THE ESTIMATED ANNUAL AMOUNT OF \$1,010,000 CONTINGENT UPON JAMES, COOKE AND HOBSON, INC. PROVIDING YEARLY DOCUMENTATION ATTESTING TO THE STATUS OF ITS PROPRIETARY OR PATENTED TECHNOLOGIES, PROCESSES, AND PARTS.

Ms. Velazquez provided a presentation to the Board regarding this item (copy on file in Central Files). James, Cooke and Hobson, Inc. provides EPWater with sole source pumps, parts, piping, valves and maintenance to ensure continued operation of pumps, valves and aeration piping. James, Cooke and Hobson, Inc. is the Sole Source Distributor of Xylem Flygt, Xylem Sanitaire, and Aurora pumps, and Singer Control valves. Ms. Velazquez and Mr. Art Duran, Chief Financial Officer, addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Dr. Santiago and unanimously carried, the Board approved an increase of \$660,000 to the current Master Contract for sole source purchases and repair services with James, Cooke and Hobson, Inc., the manufacturer's sole representative for the following companies: Xylem Flygt; Xylem Sanitaire; Aurora Pump, a Pentair Company; and Singer Control Valves, a Muller Company, and to amend the term of the Master Contract by adding the option of two, one-year extensions, for the estimated annual amount of \$1,010,000 contingent upon James, Cooke and Hobson, Inc. providing yearly documentation attesting to the status as the manufacturer's sole representative for these companies.

9. CONSIDERED AND AWARDED THE SOLE SOURCE PURCHASE OF ONE REFURBISHED AERATION BLOWER FROM HOWDEN ROOTS, LLC, IN THE AMOUNT OF \$157,000 AND AUTHORIZE THE USE OF COMMERCIAL PAPER.

Mr. Gilbert Trejo, Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files). On May 28, 2020, the Fred Hervey WRP aeration system blower Number 1 was damaged, rendering the plant with no stand-by blower capacity. Howden Roots, LLC provided a rental blower to replace the blower on a four-month lease agreement, which expires on December 31, 2020. The unit will be returned to Howden Roots, LLC for refurbishment and returned to the plant as a permanent purchased unit. This unit is successfully serving as the stand-by blower to the existing two blower units. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Mr. Morris and unanimously carried, the Board awarded the sole source purchase of one Refurbished Aeration Blower from Howden Roots, LLC in the amount of \$157,000 and authorize the use of commercial paper.

10. CONSIDERED AND APPROVED A PROFESSIONAL SERVICES CONTRACT FOR THE EVALUATION AND DESIGN OF THE FRED HERVEY WATER RECLAMATION PLANT'S RECLAIMED WATER SYSTEM UPGRADES TO CAROLLO ENGINEERS, INC. IN AN ESTIMATED AMOUNT OF \$75,000 AND AUTHORIZE FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN, BID AND CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$325,000; PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS, AND AUTHORIZE THE USE OF COMMERCIAL PAPER.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files). While reviewing the design for the Fred Hervey Water Reclamation Plant (WRP) New Blower Room and Aeration System Improvements project, due to the larger size of the new blowers to be installed, staff identified that the capacity of the reclaimed water system, that will serve as cooling water for the new blowers, needs to be increased. This evaluation will provide improvement recommendations to adequately design the reclaimed water system upgrades. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Mr. Morris and unanimously carried, the Board approved a Professional Services Contract for the evaluation and design of the Fred Hervey Water Reclamation Plant's Reclaimed Water System Upgrades to Carollo Engineers, Inc. in an estimated amount of \$75,000 and authorize future task orders or amendments to be issued under this contract for additional design, bid and construction phase services in the estimated amount of \$325,000; provided that funding is available in the approved budget for the task orders or amendments, and authorize the use of commercial paper.

11. CONSIDERED AND AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES TO CARL DANIELS ARCHITECTS, HUITT-ZOLLARS, INC., AND MIJARES-MORA ARCHITECTS, INC., EACH IN A MAXIMUM AMOUNT OF \$750,000 WITH A TERM OF THREE YEARS FOR EACH, AND AUTHORIZE THE USE OF COMMERCIAL PAPER.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater uses architectural firms to provide professional services that includes preparation of schematic designs, design development, construction costs, construction documents and construction administration of improvements to buildings, including but not limited to roof, wall, interior or exterior doors and windows, reflective ceilings, equipment rooms, restrooms to meet American with Disabilities Act requirements, or design of new buildings. Services may also include reprogramming of existing building uses. Through a subconsultant, the architect may be required to design structural repairs, mechanical, electrical and plumbing facilities, evaluation of existing or design of structures/electrical systems, civil site improvements (landscaping/beautification), and cost estimating. Mr. Trejo and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Mr. Gallardo and unanimously carried, the Board awarded professional services contracts for On-Call Professional Architectural and Engineering Services to Carl Daniels Architects, Huitt-Zollars, Inc., and Mijares-Mora Architects, Inc., each in a maximum amount of \$750,000 with a term of three years for each, and authorize the use of commercial paper.

12. CONSIDERED AND AWARDED BID NUMBER 56-20, FRED HERVEY WATER RECLAMATION PLANT VIRGIN CARBON FEED UPGRADE TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SMITHCO CONSTRUCTION, INC., IN THE AMOUNT OF \$1,227,500 AND AUTHORIZE THE USE OF COMMERCIAL PAPER.

Mr. Trejo provided a presentation to the Board regarding this item (copy on file in Central Files). The Fred Hervey Water Reclamation Plant (WRP) was constructed in 1982 including a virgin carbon silo with a feeder unit. After 38 years, this feeder needs to be replaced. Work for this contract includes removal and replacement of the existing carbon feed silo, electrical upgrades, instrumentation and control connections, a compressor building, replacement of a collapsed segment of pipe under a roadway, and potential abatement of the silo to be removed.

On a motion made by Mr. Morris, seconded by Mr. Antcliff and unanimously carried, the Board awarded Bid Number 56-20, Fred Hervey Water Reclamation Plant Virgin Carbon Feed Upgrade to the lowest responsive, responsible bidder, Smithco Construction, Inc., in the amount of \$1,227,500 and authorize the use of commercial paper.

13. CONSIDERED AND APPROVED THE 2021 PUBLIC SERVICE BOARD MEETING SCHEDULE.

Mr. Balliew addressed the Board regarding this item (copy on file in Central Files). The schedule for 2021 will remain the same with the current format of the second Wednesday of the month.

On a motion made by Mr. Antcliff, seconded by Mr. Morris and unanimously carried, the Board approved the 2021 Public Service Board Meeting Schedule.

14. CONSIDERED AND APPROVED THE PROPOSED PSB MEMBER SELECTION TIMELINE.

Mr. Balliew addressed the Board regarding this item (copy on file in Central Files). The schedule for the PSB Member Selection Timeline will remain as presented to the Board.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board approved the proposed PSB Member Selection Timeline.

15. PRESENTATION OF FY 2021-2022 STORMWATER FEE INCREASE SCENARIOS.

Mr. Balliew provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater presented the proposed FY 2021-2022 Stormwater Budget at a Public Service Board (PSB) meeting on November 30, 2020. The budget presented did not include an adjustment to the Stormwater fees. In this meeting, the PSB requested that staff present two additional scenarios for their review, one with an increase of \$0.25 to the fees, and one with an increase of \$0.50. Mr. Balliew addressed questions from the Board regarding this item.

No action required for this item.

16. MANAGEMENT REPORT

PSB meeting start time- Mr. Balliew proposed a new start time to the 2021 Public Service Board Meeting Schedule by looking at the network traffic an early start time is possible during the duration of the online meetings. The board agreed on a start time of 9:30am beginning January 2021.

- Report on City CARES Act grant funding for water utility assistance-Ms. Lisa Rosendorf, Chief Communications and Government Affairs Officer, reported all applications were due November 30, 2020 on all reporting's were due the end of December to the federal government (copy on file in Central Files). Ms. Rosendorf provided an update on how the CARES Act money helped El Paso Water customers with their water, gas and electric bills. She went on discussing those EPWater customers that were assisted through Project Amistad, 417 customers were assisted with a credit amount of \$147,063; under Project Bravo, 119 customers were assisted with a credit amount of \$28,671. Ms. Rosendorf provided an update with the EPWater program receiving 3,800 applications with 50% of those that were approved and have expended all funds that were provided and will be in the process of preparing all final documentation for reimbursement. A total of 2,437 EPWater customers with an amount of \$675,734 was provided as credit for overdue water bills. The Board commented and thanked everyone involved.
- Status of pavement cuts and plates on streets-Felipe Lopez, Utility Chief Operations Officer, began his presentation reminding the Board that Mr. Alan Shubert presented an update a year ago on the progress of the current contractor responsible for repairing streets and highways. In June 2019, Hawk Construction began their contract and inherited about 80 paving requests that were not completed by the previous contractor. Unfortunately, Hawk Construction fell behind on work due only having 2 full time crews to complete the work. In August 2019, EPWater requested a plan of action that would lead them to an 85% completion rate and discussed their plan on a monthly basis. Mr. Lopez further discussed Hawk's plan which the contractor moved quickly to get additional crew members, staff and subcontractors to complete the work as requested. EPWater has issued 1,303 paving requests and Hawk has completed 1,196 about 92% completion rate, exceeding the percentage rate given of 85%.

Mr. Lopez went on to discuss the monitoring of steel plates on City or County Streets. As of May 2020, there were 557 steel plates at 267 sites and as of December, there are 277 plates at 172 sites. Out of these steel plates, 15 plates at 8 sites are older than 6 months. Hawk Construction has come a long way and are progressing on the requirements. The Board commented and thanked everyone involved for a job well done.

Construction Change Order Annual Report-Ivan Hernandez, Engineering Division Manager, began with reminding the Board of a presentation that was provided to them last year on the performance of the utility with regards to construction change orders and will be providing an update of their performance since then. Mr. Hernandez briefly explained what a change order was, what triggers a change order and the types of classifications, EPWaters goal is 5% of the contract price and within the 30 days of the contract time (copy on file in Central Files). Mr. Hernandez went on to discuss last year's 5-year running change order average was 8.15% compiled from 84 completed projects that were evaluated. Since then, a slight improvement in our overall performance, our 6-year running change order average has decreased to 7.48%, out of a total of about 104 projects that have been evaluated. The Board thanked and appreciated the report provided.

17. 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.

Comments were heard by Judy Ackerman regarding the recharge of the Hueco Bolson and asked for a brief update or where to find more information. Mr. Trejo and Mr. Balliew addressed the question regarding this item.

EXECUTIVE SESSION

On a motion made by Mr. Antcliff, seconded by Mr. Morris, and unanimously carried, the Board retired into Executive Session at 11:20 a.m., December 9, 2020, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Section 551.071 through 551.076 to discuss the following:

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

a. Section 551.072 Deliberation regarding Real Property

The Board will deliberate regarding whether the following parcels legally described as a portion of the Santa Teresa Grant situated within Township 28 South, Range 3 East, New Mexico Principal Meridian, being U.S.R.S. Tracts 32-13A2 and 32-13-B2, in Dona Ana County, New Mexico; a portion of the Santa Teresa Grant within Township 28 South, Range 3 East, New Mexico Principal Meridian, being a portion of U.S.R.S. Tract 32-13A1 and all U.S.R.S. Tract 32-13B1, Dona Ana County, New Mexico; a portion of the Santa Teresa Grant within Township 28 South, Range 3 East, New Mexico Principal Meridian, being a portion of U.S.R.S. Tract 32-13A1 in Dona Ana County, New Mexico; Tract 13, Block 9, Upper Valley Surveys, in the City of El Paso, El Paso County, Texas; Portions of fractional Lots 11 and 12, in Section 22, Township 27 South, Range 3 East, New Mexico Principal Meridian, Dona Ana County, New Mexico; portions of Lot 5 and Tract 197, in Section 22, Township 27 South, Range 3 East, New Mexico Principal Meridian, Dona Ana County, New Mexico; a portion of Tract 198, in Section 22, Township 27 South, Range 3 East, New Mexico Principal Meridian, Dona Ana County, New Mexico; a portion of Tract 198, Sections 14, 15, 22, and 23, Township 27 South, Range 3 East, New Mexico Principal Meridian, Dona Ana County, New Mexico; a parcel of land lying in Section 9, Township 27 South, Range 3

East, New Mexico Principal Meridian Surveys, Dona Ana County, New Mexico; U.S.R.S. Tracts 31-78, in the Santa Teresa Grant and projected Section 9, Township 28 South, Range 3 East, New Mexico Principal Meridian, Dona Ana County, New Mexico; can be declared inexpedient to the water system.

On a motion made by Ms. Garcia seconded by Mr. Morris and unanimously carried, the Board reconvened in open session at 11:32 p.m.

THE BOARD DELIBERATED REGARDING WHETHER THE FOLLOWING PARCELS LEGALLY DESCRIBED AS A PORTION OF THE SANTA TERESA GRANT SITUATED WITHIN TOWNSHIP 28 SOUTH, RANGE 3 EAST, NEW MEXICO PRINCIPAL MERIDIAN, BEING U.S.R.S. TRACTS 32-13A2 AND 32-13B2, IN DONA ANA COUNTY, NEW MEXICO; A PORTION OF THE SANTA TERESA GRANT WITHIN TOWNSHIP 28 SOUTH, RANGE 3 EAST, NEW MEXICO PRINCIPAL MERIDIAN, BEING A PORTION OF U.S.R.S. TRACT 32-13A1 AND ALL U.S.R.S. TRACT 32-13B1, DONA ANA COUNTY, NEW MEXICO; A PORTION OF THE SANTA TERESA GRANT WITHIN TOWNSHIP 28 SOUTH, RANGE 3 EAST, NEW MEXICO PRINCIPAL MERIDIAN, BEING A PORTION OF U.S.R.S. TRACT 32-13A1 IN DONA ANA COUNTY, NEW MEXICO; TRACT 13, BLOCK 9, UPPER VALLEY SURVEYS, IN THE CITY OF EL PASO, EL PASO COUNTY, TEXAS; PORTIONS OF FRACTIONAL LOTS 11 AND 12, IN SECTION 22, TOWNSHIP 27 SOUTH, RANGE 3 EAST, NEW MEXICO PRINCIPAL MERIDIAN, DONA ANA COUNTY, NEW MEXICO; PORTIONS OF LOT 5 AND TRACT 197, IN SECTION 22, TOWNSHIP 27 SOUTH, RANGE 3 EAST, NEW MEXICO PRINCIPAL MERIDIAN, DONA ANA COUNTY, NEW MEXICO; A PORTION OF TRACT 198, IN SECTION 22, TOWNSHIP 27 SOUTH, RANGE 3 EAST, NEW MEXICO PRINCIPAL MERIDIAN, DONA ANA COUNTY, NEW MEXICO; A PORTION OF TRACT 198, SECTIONS 14, 15, 22, AND 23, TOWNSHIP 27 SOUTH, RANGE 3 EAST, NEW MEXICO PRINCIPAL MERIDIAN, DONA ANA COUNTY, NEW MEXICO; A PARCEL OF LAND LYING IN SECTION 9, TOWNSHIP 27 SOUTH, RANGE 3 EAST, NEW MEXICO PRINCIPAL MERIDIAN SURVEYS, DONA ANA COUNTY, NEW MEXICO; U.S.R.S. TRACTS 31-78, IN THE SANTA TERESA GRANT AND PROJECTED SECTION 9, TOWNSHIP 28 SOUTH, RANGE 3 EAST, NEW MEXICO PRINCIPAL MERIDIAN, DONA ANA COUNTY, NEW MEXICO; CAN BE DECLARED INEXPEDIENT TO THE WATER SYSTEM.

Motion made by Ms. Garcia and seconded by Mr. Morris and carried that the described land be declared inexpedient to the water system and that the President and 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 thereafter to forward to City of El Paso a recommendation to sell the properties, and to sign any and all documents necessary to complete the sale of the properties.

ADJOURNMENT

On a motion made by Mr. Antcliff, seconded by Dr. Santiago and unanimously carried, the meeting adjourned at 11:33 a.m., December 9, 2020.

ATTEST:

Kristina Mena-Chair

Secretary-Treasurer