

**MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
March 13, 2019**

The regular meeting of the Public Service Board was held Wednesday, March 13, 2019, at the El Paso Water Utilities Public Service Board Meeting Room, 1154 Hawkins Blvd., El Paso, Texas.

PSB MEMBERS PRESENT

Christopher A. Antcliff, Chair
Dr. Ivonne Santiago, Member
Dr. Kristina D. Mena, Member
Bryan Morris, Member

PSB MEMBERS ABSENT

Dee Margo, Ex-Officio Member
Henry Gallardo, Member
Terri Garcia, Vice-Chair

PSB EMPLOYEES PRESENT

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

EPWATER EMPLOYEES PRESENT

Alan Shubert, Vice President
Marcela Navarrete, Vice President
Juan S. Gonzalez, Assistant General Counsel
Art Duran, Chief Financial Officer
Jeff Tepsick, Assistant Chief Financial Officer
Jeanette Cordero, Assistant Chief Financial Officer
Gretchen Byram, Computer Media Specialist
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Jillian Shipp, Executive Assistant
Levi Chacon, Purchasing Agent
Robert Davidson, Contract Construction Administrator
Israel Chavez, Senior Network Administrator
Gilbert Trejo, Chief Technical Officer
Christina Montoya, Marketing and Communications Manager
James Wolff, Senior Land and Contract Administrator
Marilee Adrian, Senior Office Assistant
Michael Dubrule, Heavy Equipment Supervisor
Alma De Anda, Utility Land & Water Rights Manager
Gerardo Gomez, Engineering Program Administrator
Carlos Briano, Lead Public Affairs Coordinator
Lidia Carranco, Utility Treasury & Property Control Manager
Yesenia Castro, Utility Engineer Associate
Francisco Martinez, Utility Engineer

GUESTS

Bijay Basnet, CDM Smith
Jeremy Wyndham, Jacobs
Detective Vanessa Acosta, Law n' Paws
Eydie Prado, Law n' Paws
Karen Perez, FNI
Kelvin Kroelser, HMTB
Marty Bryd, TxDOT
Rick Soto, El Paso Apt Assoc
Michael Villa, Sun Metro
Maria Urbina, Hilltop Securities
Colonel Jim Smith, CRRMA
Eduardo Calvo, HMTB Consulting Firm
Eddie Valtir, TxDOT
Raymond Telles, CRRMA

MEDIA

None

The Public Service Board meeting was called to order by Mr. Antcliff at 8:02 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Ms. Jillian Shipp, in reciting the Pledge of Allegiance.

CONSENT AGENDA

Mr. Morris requested to have items 1, 3, 5, 6, and 7 moved from consent agenda to regular agenda. On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board moved items 1, 3, 5, 6, and 7 to regular agenda.

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

2. CONSIDERED AND APPROVED THE PURCHASE OF TWO SKID STEERS AND THREE HAULING/DUMP TRAILERS FROM WAGNER EQUIPMENT CO. THROUGH TEXAS BUY BOARD TASB CONTRACT NUMBER 515-16, IN THE AMOUNT OF \$167,121.

The Board approved the purchase of two skid steers and three hauling/dump trailers from Wagner Equipment Company through Texas buy board TASB Contract Number 515-16, in the amount of \$167,121.

4. CONSIDERED AND APPROVED THE PURCHASE OF TWO TRAILER COMPRESSORS FROM ATLAS COPCO, VIA AUTHORIZED DEALER WAGNER RENTS, A SUBDIVISION OF WAGNER EQUIPMENT CO., THROUGH BUY BOARD SOURCEWELL COOPERATIVE CONTRACT NUMBER 032515-ACC, IN THE AMOUNT OF \$44,230.

The Board approved the purchase of two trailer compressors from Atlas Copco, via authorized dealer Wagner Rents, a subdivision of Wagner Equipment Co., through buy board Sourcewell Cooperative Contract Number 032515-ACC, in the amount of \$44,230.

REGULAR AGENDA

1. CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETINGS HELD JANUARY 9, 2019 AND FEBRUARY 13, 2019.

Mr. Morris pointed out that on January minutes, item #6, on page 5, items a, b, c, d, and e, has Mr. Bradley Roe erroneously listed as making a motion. Mr. Roe was no longer a member of the Public Service Board

at that time. Chair Antcliff directed staff to review the tape and make corrections as needed.

On a motion made by Dr. Santiago, seconded by Dr. Mena and unanimously carried, the Board approved for the January minutes, as corrected, and the February minutes, as posted.

3. CONSIDERED AND APPROVED THE PURCHASE OF A TRAILER-MOUNTED GENERATOR FROM MULTIQUIP INC., VIA AUTHORIZED DEALER WAGNER RENTS, A SUBDIVISION OF WAGNER EQUIPMENT CO., THROUGH BUY BOARD SOURCEWELL COOPERATIVE CONTRACT NUMBER 052015-MTQ, IN THE AMOUNT OF \$103,435.54.

Mr. Levi Chacon, purchasing agent, addressed questions from Mr. Morris regarding this item.

On a motion made by Mr. Morris, seconded by Dr. Mena and unanimously carried, the Board approved the purchase of a trailer-mounted generator from Multiquip Inc., via authorized dealer Wagner Rents, a subdivision of Wagner Equipment Company, through buy board Sourcewell Cooperative Contract Number 052015-MTQ, in the amount of \$103,435.54.

5. CONSIDERED AND APPROVED THE PURCHASE OF ONE INTERNATIONAL VACUUM JET RODDER TRUCK FROM HOUSTON FREIGHTLINER THROUGH BUY BOARD TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE H-GACBUY CONTRACT NUMBER HT06-18, IN THE AMOUNT OF \$421,217.

Mr. Martin Noriega, Storm Water and Fleet Maintenance Division Manager, addressed questions from Mr. Morris regarding this item.

On a motion made by Mr. Morris, seconded by Dr. Mena and unanimously carried, the Board approved the purchase of one International Vacuum Jet Rodder Truck from Houston Freightliner through buy board Texas Local Government Purchasing Cooperative H-GACBuy Contract Number HT06-18, in the amount of \$421,217.

6. CONSIDERED AND APPROVED THE PURCHASE OF AN 8-TON SIDE BOOM TRUCK FROM FREIGHTLINER OF AUSTIN THROUGH TEXAS BUY BOARD TASB CONTRACT NUMBER 521-16, IN THE AMOUNT OF \$313,135.

Mr. Noriega and Mr. Chacon addressed questions from Mr. Morris regarding this item.

On a motion made by Mr. Morris, seconded by Dr. Mena and unanimously carried, the Board approved the purchase of an 8-Ton Side Boom Truck from Freightliner of Austin through Texas buy board TASB Contract Number 521-16, in the amount of \$313,135.

7. CONSIDERED AND APPROVED THE PURCHASE OF A MOWER FROM TORO PRODUCTS VIA AUTHORIZED DEALER SIMPSON NORTON THROUGH BUY BOARD OMNIA PARTNERS COOPERATIVE (FORMERLY NATIONAL IPA) CONTRACT NUMBER 2017025, IN THE AMOUNT OF \$60,353.20.

Mr. Chacon addressed questions from Mr. Morris regarding this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board tabled this item until the April 10, 2019 meeting.

8. CONSIDERED AND APPROVED THE RECOMMENDATION OF THE 2019 ANNUAL NON-PROFIT STRATEGIC PARTNERSHIP WITH LAW N' PAWS ANIMAL RESCUE.

Mr. Israel Chavez, Senior Network Administrator, provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater has been a long-term community partner in supporting charitable organizations since its inception in 1952. The Public Service Board (PSB) approved the Strategic Partnerships and Alliances with Non-Profit Organizations Administrative Policy in 2009. The policy allows the PSB to select one charitable organization a year for a fundraising project. EPWater receives requests throughout the year to support local and charitable causes. An employee committee comprised of individuals from various EPWater departments made site visits and evaluated 10 candidates for this year's strategic partner. After careful thought and consideration, the employee committee recommended Law N' Paws Animal Rescue. Law N' Paws is a unique rescue group established in 2017 by El Paso Police Detective Vanessa Acosta. Law N' Paws evolved when Detective Acosta began investigating animal cruelty and neglect cases with the Police Department. Detective Acosta soon learned that the offenders involved in hurting animals often were violent criminals, with 20% of arrests related to human violence or family incidents. Law N' Paws focuses on the rescue and adoption of at-risk shelter and abused or neglected animals, as well as the need to educate the community on the humane and loving treatment of all animals and encourage the public to recognize and report animal abuse. The ultimate goal is to find a forever loving home that the animals desperately deserve. Mr. Antcliff praised the committee for their efforts in making the selection.

On a motion made by Mr. Morris, seconded by Dr. Mena and unanimously carried, the Board approved the recommendation of the 2019 Annual Non-Profit Strategic Partnership with Law N' Paws Animal Rescue.

9. CONSIDERED AND APPROVED A RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO SIGN AND SUBMIT A WATERSMART DROUGHT RESPONSE PROGRAM GRANT APPLICATION TO THE U.S. BUREAU OF RECLAMATION IN AN AMOUNT UP TO \$750,000, WHICH WOULD FUND DESALINATION TECHNOLOGY FOR WATER WELL(S) LOCATED IN EL PASO'S MISSION VALLEY, AND TO PROVIDE ANY OTHER DOCUMENTS NECESSARY TO RECEIVE GRANT FUNDING IN CONNECTION WITH THE PROJECT.

Ms. Lisa Rosendorf, Chief Communications and Government Affairs Officer, provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater is planning to submit a grant application that is due March 27, 2019, to apply desalination technologies to 1-2 well(s) in the Mission Valley. As part of drought resilience planning, an assessment of desalination technologies – Reverse Osmosis (RO) and Concentrate Enhanced Recovery Reverse Osmosis (CERRO) – will be conducted in FY 2019-2020 to determine best options to increase capacity at a series of 10 Mission Valley wells. The grant application would help fund the technology on 1-2 well(s). The U.S. Bureau of Reclamation requires a Board resolution authorizing the President/CEO to sign and submit the WaterSMART funding application. Mr. Balliew made additional comments regarding this item.

On a motion made by Dr. Santiago, seconded by Dr. Mena and unanimously carried, the Board approved a Resolution authorizing the President and CEO to sign and submit a WaterSMART Drought Response Program grant application to the U.S. Bureau of Reclamation in an amount up to \$750,000, that would fund desalination technology for water well(s) in El Paso's Mission Valley, and to provide any other documents necessary to receive grant funding in connection with the project.

10. CONSIDERED AND APPROVED TASK ORDER NUMBER 1 - DESIGN PHASE SERVICES FOR WATER TRANSMISSION MAIN REPLACEMENT AT GAS LINE CROSSINGS TO CDM SMITH INC. IN THE AMOUNT OF \$211,000; FURTHER AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN, BID AND CONSTRUCTION PHASE SERVICES IN AN ESTIMATED AMOUNT OF \$500,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.

Mr. Gilbert Trejo, Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files). The project is a multi-phase corrosion prevention program for East El Paso where five Steel Cylinder Concrete Pipe (SCCP) water transmission mains crossing several gas corridors were selected for replacement with plastic pipe. The locations selected were: 1) 24-inch water line on Lee Treviño Drive, between Armour Drive and Vista Del Sol Drive; 2) 20-inch water line on Lee Treviño Drive, between Doug Ford Drive and Pebble Hills Boulevard; 3) 20-inch water line on Yarbrough Drive, between Vista Del Sol Drive and Candlewood Avenue; 4) 48-inch water line on Yarbrough Drive, between Vista Del Sol Drive and Candlewood Avenue; 5) 20-inch water line on Yarbrough Drive, between Kinross Avenue and Jetrock Drive. Design of the five water transmission mains will be bid out in separate or grouped packages depending on funding availability and seasonal considerations. CDM Smith was contracted to provide on-call engineering services for a corrosion prevention evaluation of existing large diameter water transmission mains in the East Side of El Paso. Because of the evaluation, CDM Smith recommended that the five above-mentioned street locations were the best candidates for replacing the water transmission mains because of the probability that the water mains would fail more quickly because of corrosion from crossing gas lines that were cathodically protected by impressed current. CDM Smith submitted a proposal for engineering services to design the replacement of the five water mains at the gas line crossings. Staff has reviewed the scope of work and fee schedule for this project and negotiated with the consultant to come to an agreement on the value to be received for the costs required for the completion of the design of the water main replacements. The negotiated fees are in line with the level of effort required to complete the design of this project and are consistent with similar work done recently for the George Dieter -- Rex Baxter and Montwood 24-inch Water Main Replacement project. Mr. Balliew made additional comments.

On a motion made by Dr. Santiago seconded by Dr. Mena and unanimously carried, the Board approved Task Order Number 1 - Design Phase Services for Water Transmission Main Replacement at Gas Line Crossings to CDM Smith Inc. in the amount of \$211,000; further authorized future task orders or amendments to be issued under this contract for additional design, bid and construction phase services in an estimated amount of \$500,000, provided that funding is available in the approved budget for the task orders or amendments.

11. CONSIDERED AND APPROVED TASK ORDER NUMBER 5 - ARCHITECTURAL DESIGN SERVICES FOR EL PASO WATER MAIN OFFICE BUILDING RENOVATION AND SITE IMPROVEMENTS TO MNK ARCHITECTS INC., IN THE AMOUNT OF \$211,529.44; FURTHER AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR DESIGN SERVICES IN AN ESTIMATED AMOUNT OF \$25,000, PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.

Mr. Alan Shubert, Vice President, provided a presentation to the Board regarding this item (copy on file in Central Files). In an effort to remain proactive in assuring that future growth of the Utility is accounted for and resources are optimized, EPWater conducted an evaluation of the existing Hawkins building as well as several potential alternate locations. In order to develop a more accurate understanding of the feasibility of remodeling the existing Hawkins building and provide a realistic comparison to other sites, a more in-depth assessment is necessary. This assessment would include further developing design drawings, refining costs, determining the exact impact to operations during construction, and providing site development alternatives. MNK Architects has been involved with all phases of the Main Office Building evaluation and are well prepared to further the evaluation and design development of the EPWater Main Office Building. EPWater worked with MNK Architects to develop a scope of architectural services for the evaluation and design of the EPWater Main Office Building. The fee proposal associated with this scope of services was submitted, reviewed and negotiated with the Consultant to reach an agreement on the costs to complete the work. The negotiated fees are in line with the level of effort and hours required to complete the project. Mr. Balliew made additional comments, and Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Dr. Mena, seconded by Dr. Santiago and unanimously carried, the Board approved Task Order Number 5 - Architectural Design Services for El Paso Water Main Office Building Renovation and Site

Improvements to MNK Architects Inc., in the amount of \$211,529.44 and further authorized future task orders or amendments to be issued under this contract for design services in an estimated amount of \$25,000 provided that funding is available in the approved budget for the task orders or amendments.

12. CONSIDERED AND APPROVED CHANGE ORDER NUMBER 2 – BID NUMBER 47-18, HASKELL WASTEWATER TREATMENT PLANT EFFLUENT PIPING IMPROVEMENTS, TO SPIESS CONSTRUCTION CO. INC. IN THE AMOUNT OF \$151,275.

Staff requested to delete this item from the agenda.

On a motion made by Mr. Morris, seconded by Dr. Mena and unanimously carried, the Board deleted this item from the agenda.

13. CONSIDERED AND AUTHORIZED THE PRESIDENT/CEO TO SEND NOTICE OF TERMINATION FOR CONVENIENCE TO KIEWIT WATER FACILITIES SOUTH CO. WITH REGARD TO BID NUMBER 87-18, ROBERTO R. BUSTAMANTE AERATION BASIN INLET CHANNEL IMPROVEMENTS PROJECT; WITH PAYMENT TO CONTRACTOR IN THE AMOUNT OF \$52,965 FOR EXPENSES INCURRED UP TO THE EFFECTIVE DATE OF TERMINATION, AND AUTHORIZED STAFF TO REBID.

Mr. Shubert provided a presentation to the Board regarding this item (copy on file in Central Files). Bid Number 87-18, Roberto R. Bustamante Aeration Basin Inlet Channel was awarded on September 12, 2018, to Kiewit Water Facilities South Co. in the amount of \$287,000. This project had a very aggressive construction schedule, requiring that all construction be accomplished during the winter months to not adversely affect TCEQ discharge permit limits. Bulkhead systems and sluice gates were purchased in advance and scheduled to be delivered in a period that would allow the construction to be completed in the required time frame. During the construction phase, it became evident that the window of opportunity to construct the project was not feasible. As a result, the construction had to be postponed until this coming winter. Discussion by EPWater staff with Contractor and Consultant—Parkhill, Smith and Cooper—on available options confirmed that it would be beneficial for EPWater to terminate the contract for convenience. Kiewit Water Facilities South Co. compiled all direct expenses accrued to date. The detailed expense breakdown was submitted, reviewed and negotiated with the Contractor to reach an agreement on the costs incurred up to the effective date of termination. The total expenses amount to \$52,965. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Dr. Mena, seconded by Mr. Morris and unanimously carried, the Board authorized the President/CEO to send Notice of Termination for Convenience to Kiewit Water Facilities South Co. with regard to the Roberto R. Bustamante Aeration Basin Inlet Channel Improvements Project with payment for expenses incurred up to the effective date of termination in the amount of \$52,965 and authorized staff to rebid.

14. CONSIDERED AND AWARDED BID NUMBER 13-19, PORTABLE CHEMICAL TOILET RENTALS TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, BRUNSON'S INVESTMENT LLC., DBA BRUNSON PUMP SERVICE IN THE ESTIMATED ANNUAL AMOUNT OF \$115,460 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Mr. Chacon provided information to the Board regarding this item. Portable chemical toilet rentals services are used daily to provide staff at work zones with portable sanitary facilities. Two bid proposals were received: Brunson's Investment LLC dba Brunson Pump Service for \$115,460 and El Paso Sanitation Systems Inc. dba Sarabia's Portable Jons for \$124,340. Staff reviewed the bids and determined that the low bidder met all specifications as defined within the bid proposal. Staff recommends award to Brunson's Investment LLC dba Brunson Pump Service in the estimated annual amount of \$115,460.

On a motion made by Dr. Santiago, seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 13-19, Portable Chemical Toilet Rentals to the lowest responsive, responsible bidder, Brunson's

Investment LLC., dba Brunson Pump Service in the estimated annual amount of \$115,460 with the option for two, one-year extensions.

15. CONSIDERED AND AWARDED BID NUMBER SW16-19 FENCE MAINTENANCE, REPAIR AND INSTALLATION SERVICES TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, EGL CONSTRUCTION INC. IN THE ESTIMATED ANNUAL AMOUNT OF \$165,191 WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Mr. Chacon provided information to the Board regarding this item. This bid is for fence maintenance and repair at well sites, pump stations, lift stations, ponds and other protected areas. The previous bid was awarded March 3, 2016, and the new bid is a 2% increase from the previous bid. Staff received four bids from EGL Construction, Grace Construction, Water-Conservation Services Co. and Mirador Enterprises, ranging from \$165,191 to \$333,845. Staff evaluated the bids and determined the low bidder EGL Construction met all the requirements as specified within the bid proposal. Staff recommends award to EGL Construction Inc. Mr. Chacon addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number SW16-19 Fence Maintenance, Repair and Installation Services to the lowest responsive, responsible bidder, EGL Construction Inc. in the estimated annual amount of \$165,191 with the option for two, one-year extensions.

16. CONSIDERED AND APPROVED A SOLE-SOURCE PURCHASE OF A REPLACEMENT SCREW PUMP FOR THE JONATHAN ROGERS WATER TREATMENT PLANT FROM LAKESIDE EQUIPMENT CORP. IN THE AMOUNT OF \$185,000.

Mr. Chacon provided a presentation to the Board regarding this item (copy on file in Central Files). Four screw pumps are used to pump raw water into the sedimentation ponds at the Jonathan Rogers Water Treatment Plant. These pumps have a design capacity of 20 MGD each and a total design capacity of 80 MGD. Since the installation, these pumps have lost some of their capacity through continued normal wear-and-tear after 25 years. The original design called for three pumps with one stand-by. It is now necessary to purchase one replacement pump as part of our pump replacement program. The replaced pump will be kept on-site as a stand-by in case of failure with one of the remaining three pumps. This will assure redundancy and a quick recovery in an emergency situation. Lakeside Equipment Corp. is the sole-source provider of this screw pump. Mr. Chacon addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Dr. Mena and unanimously carried, the Board approved a sole-source purchase of a replacement screw pump for the Jonathan Rogers Water Treatment Plant from Lakeside Equipment Corp. in the amount of \$185,000.

17. CONSIDERED AND AWARDED RFP NUMBER 06-19 BANK DEPOSITORY SERVICES, TO WELLS FARGO BANK N.A AND AUTHORIZED THE PRESIDENT/CEO TO NEGOTIATE AND ENTER INTO A TWO-YEAR CONTRACT, WITH AN OPTION TO RENEW FOR THREE, ONE-YEAR EXTENSIONS.

Mr. Art Duran, Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater issued a Request for Proposal (RFP) for a full line of banking services. Required banking services include providing information services, processing services and funds movement. Information services include online balance reporting and account reconciliation. Processing services include daily deposits of payments received and processing of checks paid. Funds movement services include online incoming/outgoing federal wire transfers, online internal bank transfers, online check cancellation request, ACH services and positive paycheck service. The RFP was advertised and sent to 12 banks. Proposals were received from Wells Fargo, BBVA Compass and WestStar. An evaluation committee, consisting of the Chief Financial Officer, Treasury Manager and the Fiscal Operations Manager, completed an evaluation of each proposal based

on a best value concept. The results of the evaluation ranked Wells Fargo first, BBVA Compass second and WestStar third. Mr. Duran addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Dr. Mena, and carried, with Mr. Morris opposing, the Board awarded RFP Number 06-19 Bank Depository Services, to Wells Fargo Bank N.A and authorized the President/CEO to negotiate and enter into a two-year contract, with an option to renew for three, one-year extensions.

18. CONSIDERED AND APPROVED A RESOLUTION ACCEPTING A GRANT AWARD FROM THE TEXAS WATER DEVELOPMENT BOARD (TWDB) UNDER THE ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP) IN THE AMOUNT OF \$11,450,000, AND FURTHER AUTHORIZED THE PRESIDENT/CEO TO SIGN ANY AND ALL DOCUMENTS NECESSARY TO ACCEPT THE GRANT AWARD.

Mr. Duran provided a presentation to the Board regarding this item (copy on file in Central Files). EPWater will manage a project that will provide Montana Vista with first-time sanitary sewer service. On December 1, 2015, TWDB approved an application for financial assistance in the amount of \$2,800,000 from EDAP funds for the design of the system, and on December 13, 2018, TWDB approved the Utility's financial assistance request for construction of Phase I of this project. An application for funding of the three phases of this project was submitted to TWDB. Because of the limited state funding available under the EDAP program, only phase I was funded for an estimated 816 sewer connections: Mr. Duran 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 Resolution accepting a grant award from the Texas Water Development Board (TWDB) under the Economically Distressed Areas Program (EDAP) in the amount of \$11,450,000, and further authorized the President/CEO to sign any and all documents necessary to accept the grant award.

19. CONSIDERED AND APPROVED A RESOLUTION REQUESTING THE CITY COUNCIL TO AUTHORIZE THE ISSUANCE OF \$1,415,000 OF "CITY OF EL PASO, TEXAS, WATER AND SEWER REVENUE BONDS, SERIES 2019" TO BE SOLD TO THE TEXAS WATER DEVELOPMENT BOARD TO FINANCE FIRST-TIME CUSTOMER WASTEWATER CONNECTIONS FOR THE RESIDENTS OF THE MONTANA VISTA COLONIA.

Mr. Duran provided a presentation to the Board regarding this item (copy on file in Central Files). The Public Service Board (the "Board"), acting on behalf of the City, filed an application seeking financial assistance in the amount of \$12,865,000 from the Economically Distressed Areas Program ("EDAP") Account of the Texas Water Development Fund II to finance first-time customer wastewater connections for the residents of the Montana Vista Colonia. On December 13, 2018, the Texas Water Development Board ("TWDB") adopted a resolution approving a commitment to the Board, acting on behalf of the City, to provide financial assistance in the form of the proposed purchase of \$1,415,000 of "City of El Paso, Texas, Water and Sewer Revenue Bonds, Series 2019", and a grant of \$11,450,000. An application for funding of the three phases of this project was submitted to TWDB. Due to the limited state funding available under the EDAP program only Phase I was funded.

On a motion made by Dr. Mena, seconded by Dr. Santiago and unanimously carried, the Board approved a Resolution requesting City Council to authorize the issuance of \$1,415,000 of "City of El Paso, Texas, Water and Sewer Revenue Bonds, Series 2019" to be sold to Texas Water Development Board to finance first-time customer wastewater connections for the residents of the Montana Vista Colonia.

20. PRESENTATION BY THE CAMINO REAL REGIONAL MOBILITY AUTHORITY (CRRMA) REGARDING THE BORDERLAND EXPRESSWAY PROJECT.

Mr. Balliew introduced Col. Jim Smith, member of CRRMA. Mr. Smith gave some background information regarding the Borderland Expressway Project and all the parties that are involved. Mr. Smith introduced Mr. Eduardo Calvo, Senior Project Manager with HMTB Consulting Firm; Eddie Valtier, Director of Transportation Planning and Development with the Texas Department of Transportation; and Raymond Telles, Executive Director of CRRMA. Mr. Calvo began his presentation with showing project features. The expressway will connect from I-10 at NM404 interchange in Anthony, New Mexico, to Loop 375 (Purple Heart Blvd.) in El Paso. Segments will include an upgrade to the existing NM404 and NM213 and the new facility in Texas, known as the NE Parkway. Mr. Calvo listed some of the key stakeholders; TXDOT, New Mexico Department of Transportation, City of El Paso, Fort Bliss and White Sands Missile Range activities began in 2016. Some of the project features in a typical section are four 12-foot lanes, divided, depressed media, and high-speed freeway with an "ultimate" concept. Mr. Calvo then went over the preliminary costs. For NM404 and NM213 total cost would be \$45.72 million, and for Texas NE Parkway total cost would be \$296.19 million for a grand total of \$341.91 million. The costs include engineering, rights of way/utilities and construction. Because of the high cost, potential funding sources have been considered. Starting with the City of El Paso TRZ #3, it was established in 2010 to support Transmountain NE and NE Parkway projects, updating revenue projections with the City of El Paso and CRRMA. Next, is Public Service Board Right of Way, most of the Rights of Way needed is on PSB property. TXDOT and PSB are exploring Right of Way transfer. Federal sources are also being explored, such as federal funding programs INFRA and BUILD, in addition to Metropolitan Planning Organization funds. Lastly, state contributions are being considered with tradition match to federal programs and innovative funding/financing such as Pass-Through financing. In regards to the Pass-Through financing concepts, Mr. Calvo discussed the Spur 601 model: 7.4 miles, design build, Rights of Way, utilities. CRRMA issued \$233 million in bonds, TXDOT biannual minimum/maximum payments (based on traffic) \$15.65 million/\$17.50 million, with the final payment due in January 2021, bonds retired 11 years. Northeast Parkway proposal will be a similar mechanism for Super 2 (\$279.25 million.) Local entity to issue debt, TXDOT repayments will be based on traffic: 12-15 years approximately. "New" funds, in addition to current El Paso allocations, and compatible and powerful complement to INFRA. Mr. Calvo went over activities that occurred in 2018: developed a new project identity, explored local partnerships, CRRMA took lead Memorandum of Understanding (MOU), performed outreach with stakeholders to include Borderplex Alliance, County of El Paso Commissioners, City of El Paso staff, El Paso Water staff and Fort Bliss leadership. Initiated updates to TRZ #3, initiated Rights of Way discussion with TXDOT and PSB, developed framework for maximizing project benefits and obtained letters/resolutions of support. Mr. Calvo went over the next steps in 2019: Environment (NEPA) clearance for Texas segment anticipated in Fall 2019, complete MOU with key stakeholders, refine benefit cost analysis which includes travel demand model scenarios, reconstruction of I-10, benefits (trade, economic, military installations), continue building support, and continue framework for funding-plan at the federal, state and local/private levels. Mr. Calvo ended his presentation showing a map of what the parkway would look like, which would create a loop around the Borderplex, a new gateway to Santa Teresa, and connectivity and synergy between international crossings. Mr. Calvo, Mr. Valtier and Mr. Smith addressed questions from the Board regarding this item.

21. MANAGEMENT REPORT:

- Wastewater Plant Project Update and Haskell Plant Video - Mr. Shubert provided an update on the Haskell R. Street Wastewater Treatment Plant. He began by explaining to the Board how the plant's capacity is measured by flow and by Biochemical Oxygen Demand (BOD). A certain amount of dissolved oxygen is needed by aerobic biological organisms to break down organic material. It also gauges the effectiveness of wastewater treatment plants. Mr. Shubert went on to discuss Flow versus BOD. TCEQ rates wastewater plants based on flow (MGD) and treatment capacity (BOD and Solids). 30 TAC 217 is the latest TCEQ regulation that was adopted in 2015. Flow rating vs. BOD loading capacity, and all four plants are limited by BOD loading capacity and not flow. A chart was shown of the Combined System Influent Flow for the Roberto Bustamante Wastewater Treatment Plant, the Haskell Plant, John T. Hickerson Water Reclamation Facility, Fred Hervey Water Reclamation Plant and a combined flow for all plants. 96.2 MGD is the permitted flow capacity of all four plants,

and 58.4 MGD is the new 217 TCEQ regulations on treatment capacity. Mr. Shubert shared the wastewater plant history starting with the Haskell Plant, which was built in 1923 and expanded in 1999. Its current capacity is 27.7 MGD. Next was the Hervey Plant, which was built in 1985, expanded in 2007 and 2008. It has a current capacity of 12 MGD. Next was the Hickerson Facility, which was built in 1987, expanded in 1992. Its current capacity is 17.5 MGD. Lastly was the Bustamante Plant, which was built in 1991. Its current capacity is 39 MGD. Next, Mr. Shubert went on to discuss ongoing and past projects for upgrades and rehabilitation. Concerning ongoing and past projects, \$31,739,218 has been invested in the Fred Hervey Water Reclamation Plant from FY2006-2019; \$2,481,058 has been invested in the John T. Hickerson Water Reclamation Facility from FY2014-2015; \$16,331,676 has been invested in the Haskell R. Street Wastewater Treatment Plant from FY2014-2019; \$4,695,300 has been invested in the Roberto R. Bustamante Wastewater Treatment Plant from FY2013-2018. To date, a total of \$55,247,252 has been spent on all four plants. Each plant requires additional updates that need to be done beginning FY2020-2026 for an estimated cost of \$170,324,000. Mr. Shubert ended his presentation with a video of the Haskell Plant. Mr. Shubert and Mr. Balliew addressed questions from the Board.

22. 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 Dr. Santiago, seconded by Mr. Morris, and unanimously carried, the Board retired into Executive Session at 9:35 a.m., March 13, 2019, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Chapter 551, Subchapter D 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 property can be declared inexpedient to the water system: a portion of Lot 2, Block 103, Tierra Del Este Subdivision Unit Twenty-Two, City of El Paso, El Paso County, Texas, totaling approximately 0.5059 acres.

On a motion made by Mr. Morris, seconded by Dr. Mena and unanimously carried, the Board reconvened in open session at 9:46 a.m., March 13, 2019.


DELIBERATED REGARDING WHETHER THE FOLLOWING PROPERTY CAN BE DECLARED INEXPEDIENT TO THE WATER SYSTEM: A PORTION OF LOT 2, BLOCK 103, TIERRA DEL ESTE SUBDIVISION UNIT TWENTY-TWO, CITY OF EL PASO, EL PASO COUNTY, TEXAS, TOTALING APPROXIMATELY 0.5059 ACRES.

On a motion made by Dr. Mena, seconded by Dr. Santiago, and carried that the property generally described as a portion of Lot 2, Block 103, Tierra Del Este Subdivision Unit Twenty-Two, City of El Paso, El Paso County, Texas, totaling approximately 0.5059 acres, is hereby declared inexpedient to the water system; and that the President/CEO be authorized to sign a Memorandum of Understanding transferring the property to the City of El Paso for the appraised value, in accordance with the Joint Resolution between the City of El Paso and the PSB concerning land transfers.

ADJOURNMENT

On a motion made by Dr. Santiago, seconded by Mr. Morris and unanimously carried, the meeting adjourned at 9:47 a.m., March 13, 2019.

ATTEST:



Secretary-Treasurer



Terri Garcia, Vice-Chair

