

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
July 9, 2025

The regular meeting of the Public Service Board was held in person, Wednesday, July 9, 2025.

PSB MEMBERS PRESENT

Bryan Morris - Chair
Stefanie Block – Treasurer
Dr. Anna Gitter - Member
Charlie Intebi, Vice-Chair
Lane Gaddy – Member
Mayor Renart U. Johnson

PSB EMPLOYEES PRESENT

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

EPWATER EMPLOYEES PRESENT

Ana Sanchez, Vice President of Financial and Management Services
Gilbert Trejo, Vice President of Operations and Technical Services
Adam Wickersham, Vice President of IT
Art Duran, Chief Financial Officer
Claudia Duran, Chief of Staff
Edith Lara, Executive Assistant to the President/CEO
Melinda Becker, Assistant General Counsel
Alberto Gomez, Utility Video Production Manager
Alessa Contreras, Multimedia Design Specialist
Robert Evans, Software Developer I
David Rodriguez, Support Services Manager
Elmer Beeler, Chief Support & Logistics Officer
Felipe Lopez, Utility Chief Engineering Officer
Rose Guevara, Utility Purchasing & Contracts Manager
Veronica Garcia, Senior Purchasing Agent
Luz Elena Holguin, Utility Assistant Chief Financial Officer
Martin Noriega, Utility Chief Operations Officer
Ivan Hernandez, Utility Engineering Division Manager
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Jeff Tepsick, Interim Chief Finance Officer
Sol Cortez, Deputy General Counsel
Irazema Rojas, Utility Chief Engineering Officer
Richard Wilcox, Water Supply Manager
Angel Bustamante, Wastewater Systems Division Manager
Scott Reinert, Water Resource Manager
Pablo Mejia, Capital Improvement Project Manager
Juan Cervantes, Utility Data Systems Administrator
Ruben Rodriguez, Chief Quality Compliance Officer
Adriana Castillo, Utility Engineering Division Manager
Robert Evans, Software Developer I
Ricardo Gomez Jr., PC/LAN Specialist I
Amy Castner, Utility Engineering Division Manager
Jennifer Barr, Water Conservation/TechH2O Manager
Gisela Dagnino, Utility Chief Operations Officer
Daniel Cortes, Business and Financial Manager

Gustavo Hurtado, Fiscal Operations Manager
Becky Hart, Utility Treasury and Property
Geoffrey Espineli, Utility Engineering Division Manager

GUEST

Jose Garibay, President, Open Space Advisory Board

The Public Service Board meeting was called to order by Mr. Morris at 8:32 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Art Duran in reciting the Pledge of Allegiance.

On a single motion made by Mr. Gaddy and seconded by Dr. Gitter and unanimously carried, the Board took action on the following consent agenda items:

CONSENT AGENDA

1. **CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON JUNE 11, 2025.**
2. **CONSIDERED AND APPROVED THE ISSUANCE OF A MASTER CONTRACT TO VEGA AMERICAS, INC. UNDER THE ESC REGION 19 COOPERATIVE CONTRACT NO. 25-7517 FOR THE PURCHASE OF LEVEL SENSORS FOR \$1,000,000 AND AUTHORIZED THE ISSUANCE OF FUTURE ANNUAL MASTER CONTRACTS FOR \$1,000,000 FOR THE DURATION OF THE ESC REGION 19 CONTRACT.**
3. **CONSIDERED AND APPROVED A SOLE SOURCE CONTRACT WITH HENNESY MECHANICAL SALES LLC PURSUANT TO SECTION 252.022(A)(7) OF THE TEXAS LOCAL GOVERNMENT CODE, FOR MAINTENANCE AND REPAIR SERVICES OF FAIRBANKS MORSE AND WEMCO PUMPS, INCLUDING TRAVEL, IN THE ESTIMATED ANNUAL AMOUNT OF \$1,250,000 FOR A TERM OF ONE YEAR AND FOUR ONE-YEAR OPTIONS TO EXTEND, CONTINGENT UPON THE VENDOR PROVIDING ANNUAL DOCUMENTATION ATTESTING TO THEIR SOLE SOURCE STATUS.**
4. **CONSIDERED AND APPROVED AN INCREASE TO THE EXISTING MASTER CONTRACT WITH PAYMENTUS GROUP, INC. UNDER ESC REGION 19 CONTRACT NO. 25-7520 TO PROVIDE PAYMENT SERVICES TO CUSTOMERS BY AN ADDITIONAL \$2,000,000, FOR A TOTAL OF \$2,500,000 AND AUTHORIZED THE ISSUANCE OF FUTURE MASTER CONTRACTS IN THE ANNUAL AMOUNT OF \$2,500,000 FOR THE DURATION OF THE ESC REGION 19 CONTRACT TERM.**
5. **CONSIDERED AND APPROVED THE SOLE SOURCE CONTRACT IN ACCORDANCE WITH SECTION 252.022(A)(7)(A) OF THE TEXAS LOCAL GOVERNMENT CODE WITH THATCHER COMPANY OF ARIZONA, INC. TO CONTINUE SUPPLYING THE TI-2904 POLY/ORTHOPHOSPHATE BLEND TO EPWATER IN THE ESTIMATED ANNUAL AMOUNT OF \$2,000,000 FOR A ONE-YEAR TERM WITH THE OPTION FOR FOUR ONE-YEAR EXTENSIONS CONTINGENT UPON THE VENDOR PROVIDING ANNUAL DOCUMENTATION ATTESTING TO THEIR SOLE SOURCE STATUS.**
6. **CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE JUSTUS POND & STORMWATER DRAINAGE SYSTEM RFS SW68-24, TO MORENO CARDENAS, INC. FOR DESIGN AND BID PHASE SERVICES FOR \$1,664,781 AND AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$1,100,000.**
7. **CONSIDERED AND AUTHORIZED THE PRESIDENT/CEO OR DESIGNEE TO SIGN AN ADVANCED FUNDING AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION FOR THE RELOCATION OF WATER AND WASTEWATER INFRASTRUCTURE RELATED TO THE ALPS DRIVE BRIDGE REPLACEMENT PROJECT, WITH A TOTAL WATER AND WASTEWATER**

INFRASTRUCTURE RELOCATION PROJECT COST ESTIMATED AT \$300,000; AND AUTHORIZED THE PRESIDENT/CEO TO APPROVED ANY FUTURE AMENDMENTS RELATED TO THE AGREEMENTS UP TO \$200,000.

8. CONSIDERED AND AUTHORIZED THE PRESIDENT/CEO OR DESIGNEE TO SIGN AN ADVANCED FUNDING AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION FOR THE RELOCATION OF WATER INFRASTRUCTURE RELATED TO THE CONCEPCION STREET BRIDGE REPLACEMENT PROJECT, WITH A TOTAL WATER RELOCATION PROJECT COST ESTIMATED AT \$100,000; AND AUTHORIZED THE PRESIDENT/CEO TO APPROVED ANY FUTURE AMENDMENTS RELATED TO THE AGREEMENTS UP TO \$150,000.
9. CONSIDERED AND APPROVED CHANGE ORDER NUMBER 1 UNDER CSP NO. 30-23, ON-CALL CONSTRUCTION SERVICES FOR THE REPAIR OF STREET RIGHTS-OF-WAY, FOR DOUBLE H CONTRACTING, INC., IN THE AMOUNT OF \$943,687.50.
10. CONSIDERED AND APPROVED THE RATIFICATION OF AN ADDITIONAL ESTIMATED AMOUNT OF \$200,000 IN EXPENDITURES BEYOND THE ADMINISTRATIVELY APPROVED CONTRACT AMOUNT WITH SUNSTATE EQUIPMENT CO., LLC FOR SITE SAFETY EQUIPMENT PURSUANT TO SECTION 252.022(A)(2) OF THE TEXAS LOCAL GOVERNMENT CODE, A PROCUREMENT NECESSARY TO PRESERVE AND PROTECT THE HEALTH OR SAFETY OF THE RESIDENTS AND AUTHORIZED THE INCREASE OF THE CURRENT CONTRACT BY AN ADDITIONAL ESTIMATED AMOUNT OF \$400,000 PURSUANT TO THE SAME PROCUREMENT EXEMPTION.

REGULAR AGENDA

CEO MONTHLY UPDATE REGARDING UTILITY MANAGEMENT AND/OR OPERATIONS:

- EPWATER LEADERSHIP ANNOUNCEMENTS: JEFF TEPSICK, INTERIM CHIEF FINANCIAL OFFICER AND RETIREMENT OF ART DURAN
- CITIZENS ACADEMY GRADUATION
- STATUS OF PAVING INITIATIVE

MANAGEMENT REPORT:

- CONSTRUCTION UPDATE - GILMORE WAY
- AGUACARES PROGRAM OUTCOMES
- EPWATER'S FIRST QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT
- EPWATER'S FIRST QUARTER INVESTMENT REPORT
- VIDEO FROM COMMUNICATIONS: WATERWISE BUSINESS REBATE PROGRAM - MAGOFFIN HOME STATE HISTORIC SITE

PUBLIC COMMENT: THE PSB WILL PERMIT PUBLIC COMMENT ON SUBJECTS NOT ON THE AGENDA BUT MAY NOT DELIBERATE ON THESE ITEMS IF NOT POSTED FOR DISCUSSION. THE CHAIR MAY IMPOSE REASONABLE TIME LIMITS FOR EACH SPEAKER.

Mr. Garibay signed up to speak on an item not on the agenda.

REGULAR AGENDA (CONTINUED)

14. **PRESENTATION AND DISCUSSION ON THE EXPECTED LIMITED RIO GRANDE WATER DELIVERIES FOR 2026 AND CONSIDER AND ADOPT A DROUGHT RESOLUTION AUTHORIZING THE PRESIDENT/CEO OR DESIGNEE TO CONTRACT AND PURCHASE WITHOUT FURTHER ACTION OF THE PUBLIC SERVICE BOARD, PURSUANT TO ANY AND ALL APPLICABLE EXEMPTIONS TO THE BID STATUTE UNDER TEXAS LOCAL GOVERNMENT CODE SECTION 252.022(A), INCLUDING TEXAS LOCAL GOVERNMENT CODE SECTION 252.022(A)(2), AN EXEMPTION TO THE COMPETITIVE BIDDING REQUIREMENTS, FOR PROCUREMENTS NECESSARY TO PRESERVE OR PROTECT THE HEALTH AND SAFETY OF THE RESIDENTS.**

Irazema Rojas, Utility Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) In recent years, water deliveries from the Rio Grande have been highly variable because of the record drought conditions in the region and the Rio Grande Basin. The water delivered from the Rio Grande in 2025 has decreased as compared to recent years. The scheduled releases from the reservoir for the remainder of this irrigation season are expected to reduce the volume of water held in storage to 1.5% of the reservoir capacity. By the current irrigation season's end, reservoir storage is estimated to be lower than in previous drought years (2012, 2014, 2018, and 2020-2024). Limited reservoir storage indicates that EPWater will receive a limited annual allocation of surface water in 2026, comparable to the 2013 irrigation season, greatly reducing the duration of the irrigation season in El Paso County. As a result of this drought condition, the Utility will need to produce more groundwater to meet peak summer demands. The Texas Local Government Code Section 252.022(a) provides exemptions to the competitive bidding statutes for procurements, including Section 252.022(a)(2) of the Texas Local Government Code for procurements necessary to preserve and protect the health or safety of residents. An approved drought resolution will allow for expedited procurement of contracted consultants and construction services under this exemption to the general bidding statutes related to drought relief projects, including but not limited to drilling and equipping new wells, reconditioning existing wells, optimizing reclaimed and surface water production, purchase and installation of pumps and optimizing production of the Kay Bailey Hutchison Desalination Plant. The goal of this resolution is to allow drought relief projects to be completed before the peak demands of next summer by reducing procurement durations. Mrs. Rojas answered questions from the board on this item.

On a motion made by Mayor Johnson seconded by Dr. Gitter, and unanimously carried, the Board authorized the presentation and discussion on the expected limited Rio Grande water deliveries for 2026 and consider and adopt a drought resolution authorizing the President/CEO or designee to contract and purchase without further action of the public service board, pursuant to any and all applicable exemptions to the bid statute under Texas Local Government Code section 252.022(a), including Texas Local Government Code section 252.022(a)(2), an exemption to the competitive bidding requirements, for procurements necessary to preserve or protect the health and safety of the residents.

15. **DEEMED ALLEN CONCRETE LLC AS NON-RESPONSIBLE AND CONSIDERED AND AWARDED BID NUMBER SW02-25, MAGNOLIA PUMP STATION AND SAIPAN POND IMPROVEMENTS, TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER, BLACK STALLION CONTRACTORS INC., FOR \$555,124.24.**

Gisela Dagnino, Utility Chief Operations Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Magnolia Pump Station and Saipan Pond Pump Station receives stormwater runoff from the central area watershed. The collected runoff is pumped and conveyed through stormwater conduits downstream to the Rio Grande. This runoff routinely carries significant debris, requiring stormwater maintenance after every rain event to ensure the system remains operational. The proposed improvements are aimed at reducing maintenance efforts and protecting the stormwater infrastructure. At the Magnolia Pump Station, a desilting basin will be constructed and sediment filter fabric bags will be installed to prevent debris from entering the pumps. At Saipan Pond, the existing steel grate will be demolished and replaced with a new sliding steel grate designed to facilitate easier maintenance access and improve operational efficiency. Mrs. Dagnino answered questions from the board on this item.

On a motion made by Mrs. Block, seconded by Mr. Gaddy, and unanimously carried, the Board deemed Allen Concrete LLC as non-responsible and consider and awarded bid number SW02-25, Magnolia Pump Station and Saipan Pond improvements, to the lowest, responsive, responsible bidder, black stallion contractors inc., for \$555,124.24.

16. **CONSIDERED AND APPROVED AN AMENDMENT TO THE CONSTRUCTION MANAGER AT-RISK (CMAR) CONSTRUCTION CONTRACT WITH PCL/SUNDT, A JOINT VENTURE, FOR THE PURE WATER CENTER PROJECT AND ACCEPTED GUARANTEED MAXIMUM PRICE NO. 4 (GMP 4) IN THE AMOUNT OF \$13,833,948.**

Irazema Rojas, Utility Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) EPWater is advancing efforts to diversify EPWater's water supply portfolio by implementing direct potable reuse through the development of the Pure Water Center. Once operational, the Pure Water Center will provide a new, drought-resistant water source, delivering up to 10 million gallons per day directly into EPWater's distribution system. This innovative facility will be the first of its kind in the region, transforming treated effluent from the secondary clarifiers at the Roberto R. Bustamante Wastewater Treatment Plant into high-quality drinking water. The water will undergo a multi-barrier purification process at the Pure Water Center, including membrane microfiltration, reverse osmosis, ultraviolet light with advanced oxidation, granular activated carbon filtration, and chlorine disinfection. Construction is scheduled to begin in summer 2025, with completion anticipated by late 2028. The estimated construction cost is \$296 million. The project is being delivered by the CMAR method. PCL/Sundt proposed to deliver the CMAR project in multiple GMPs. GMP 4 contains fifteen work packages: Masonry, Wet Fire Ext, Roofing, Metal Lab Casework, Paving, Overhead Coiling Doors, Landscape, Flooring and Tile, Roller Window Shades, Fencing, Liquid Chemical Magnetic Drive Gear Rotary, Metals and FRP, Doors and Glazing, Granular Activated Carbon and the Submersible Chemical Liquid Sump Pumps Package. Mrs. Rojas answered questions from the board on this item.

On a motion made by Dr. Gitter, seconded by Mrs. Block, and unanimously carried, the Board considered and approved an amendment to the construction manager at-risk (CMAR) construction contract with PCL/Sundt, a joint venture, for the Pure Water Center project and accepted guaranteed maximum price no. 4 (GMP 4) in the amount of \$13,833,948.

17. **CONSIDERED AND APPROVED AN AMENDMENT TO THE CONSTRUCTION MANAGER AT-RISK CONSTRUCTION CONTRACT WITH PCL/SUNDT, A JOINT VENTURE, FOR THE ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT EXPANSION AND IMPROVEMENTS PROJECT AND ACCEPTED THE GUARANTEED MAXIMUM PRICE NUMBER 7 (GMP 7) IN THE AMOUNT OF \$39,759,063.**

Irazema Rojas, Utility Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Bustamante Plant was designed for a treatment flow capacity of 39 MGD in 1991. A study conducted in 2019 revealed that the organic treatment capacity of the plant has been reduced to 30 MGD, due to increased strength of the wastewater. Further, the Texas Commission on Environmental Quality (TCEQ) requires planning an expansion of the wastewater treatment plant once 75% of the plant's flow capacity is exceeded for three consecutive months. In addition to the lower treatment capacity, the Bustamante Plant is also at 75% of the permitted flow capacity due to growth in east El Paso, requiring EPWater to expand the plant to an increased capacity of 51 MGD. The project is divided into two phases. Phase 1 involves the construction of a new 21.4 MGD treatment train, with an estimated cost of \$585 million. Phase 2 includes the rehabilitation of the existing 39 MGD infrastructure to restore 9 MGD of treatment capacity, with a current estimated cost of \$200 million. Upon completion of both phases, the Bustamante Wastewater Treatment Plant will have gained a total of 30.4 MGD in treatment capacity. This agenda item requests approval of the GMP 7 work package for Phase 1. The scope of this package includes yard pipe package and additional general conditions expenses secondary clarifiers, earthwork, excavation support systems, cranes, and additional general conditions expenses. Mrs. Rojas answered questions from the board on this item.

On a motion made by Mr. Gaddy, seconded by Dr. Gitter and unanimously carried, the Board considered and approved an amendment to the Construction Manager At-Risk Construction contract with PCL/Sundt, a joint venture, for the Roberto R. Bustamante Wastewater Treatment Plant expansion and improvements project and accepted the guaranteed maximum price number 7 (GMP 7) in the amount of \$39,759,063.

EXECUTIVE SESSION

On a motion made by Mayor Johnson, seconded by Dr. Gitter and unanimously carried, the Board retired into Executive Session 9:53 a.m. July 9, 2025, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Section 551.071 through 551.089 to discuss the following:

The Public Service Board will retire into Executive Session pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 through 551.089. (The items listed below are matters of the sort to be discussed in Executive Session; however, the Public Service Board may move any item of this agenda to Executive Session, consistent with the terms of the Open Meetings Act.)

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

- a. **THE BOARD WILL DELIBERATED REGARDING WHETHER THE FOLLOWING PROPERTY CAN BE DECLARED INEXPEDIENT TO THE WATER, WASTEWATER AND STORMWATER SYSTEMS: TRACTS 6B1B AND 6C3, BLOCK 18, UPPER VALLEY SURVEY; APPROXIMATELY 35 ACRES. (551.071) (551.072)**

On a motion made by Mrs. Block seconded by Mayor Johnson, and unanimously carried that the property as described in the posting language, be declared inexpedient to the water, wastewater and stormwater systems.

- b. **SAAB SITE CONTRACTORS, L.P. VS. EL PASO WATER UTILITIES PUBLIC SERVICE BOARD, CAUSE NO. 2020DCV3826 IN THE COUNTY COURT AT LAW NUMBER SIX (551.071)**

On a motion made by Mrs. Block seconded by Mr. Gaddy, and unanimously carried to authorized the Office of General Counsel to participate in the settlement negotiations in connection with Cause No. 2020DCV3826, SAAB Site Contractors, L.P. vs. El Paso Water Utilities Public Service Board, in the County Court at Law Number Six, to the extent and in accordance with the direction of the Board and defend the interests of the utility in connection with this matter.

Any action as a result of these discussions will be taken at the re-opening of this meeting or at a subsequent meeting.

On a motion made by Mayor Johnson, seconded by Mrs. Block, and unanimously carried, the Board reconvened in open session at 10:51 a.m., July 9, 2025.

On a motion made by Mr. Gaddy, seconded by Mrs. Block, and unanimously carried, the meeting adjourned at 10:52 a.m., July 9, 2025.

ATTEST:



Stefanie Block Uribarri, Secretary-Treasurer



Bryan Morris, Chair