MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
August 14, 2024

The regular meeting of the Public Service Board was held in person, Wednesday, August 14, 2024

PSB MEMBERS PRESENT
Bryan Morris, Chair
Charlie Intebi, Vice-Chair
Stefanie Block Uribarri, Secretary-Treasurer
Dr. Anna Gitter, Member
Lisa Saenz, Member
Mayor Oscar Leeser

PSB MEMBERS ABSENT
Dr. Hector Ocaranza

PSB EMPLOYEES PRESENT
John E. Balliew, P.E., President and Chief Executive Officer
Daniel Ortiz, Deputy General Counsel

EPWATER EMPLOYEES PRESENT
Ana Sanchez, Vice President
Art Duran, Chief Financial Officer
Claudia Duran, Chief of Staff
Edith Lara, Executive Assistant to the President/CEO
Luz Holguin, Assistant Chief Financial Officer
Alberto Gomez, Support Services I
Sol Cortez, Deputy General Counsel
Ruben Rodriguez, Chief Water Quality Compliance Officer
Eric Lugo, Computer Programmer
Lisa Rosendorf, Chief Communications & Government Affairs Officer
Rose Guevara, Purchasing and Contracts Manager
Geoffrey Espineli, Engineer Division Manager
Melinda Becker, Assistant General Counsel
Adriana Castillo, Engineer Division Manager
Elmer Beeler, Chief Support & Logistics Officer
Richard Wilcox, Water Supply Manager
Gustavo Hurtado, Fiscal Operations Manager

GUESTS
Juan Lopez, PCL Construction
Shane Piersall, PCL Construction

MEDIA
None

The Public Service Board meeting was called to order by Bryan Morris at 8:02 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Mrs. Sol Cortez in reciting the Pledge of Allegiance.

REGULAR AGENDA

1. **ADMINISTER OATH TO NEW BOARD MEMBER.**

   On a motion made by Ms. Saenz, seconded by Mayor Leeser, the Board approved the request to postpone this item by one month.

2. **APPOINTMENT OF BOARD MEMBERS TO THE FOLLOWING COMMITTEES:**
(1) ARCHITECT/ENGINEER SELECTION ADVISORY COMMITTEE: BRYAN MORRIS, CHARLIE INTEBI
(2) COMMUNICATIONS COMMITTEE: STEFANIE BLOCK URIBARRI, ANNA GITTER, NEW BOARD MEMBER
(3) AUDIT, FINANCE, AND INVESTMENT COMMITTEE: STEFANIE BLOCK URIBARRI, LISA SAENZ, ANNA GITTER
(4) DEVELOPMENT COMMITTEE: BRYAN MORRIS, CHARLIE INTEBI, NEW BOARD MEMBER

On a motion made by Bryan Morris, seconded by Mayor Leeser, with the change to add Ms. Lisa Saenz to the Development Committee in place of Dr. Hector Ocaranza, and unanimously carried, the Board approved the appointment of board members to the following committees:

(1) Architect/Engineer Selection Advisory Committee: Bryan Morris, Charlie Intebi
(2) Communications Committee: Stefanie Block Uribarri, Anna Gitter, Hector Ocaranza
(3) Audit, Finance, and Investment Committee: Stefanie Block Uribarri, Lisa Saenz, Anna Gitter
(4) Development Committee: Bryan Morris, Charlie Intebi, Lisa Saenz

3. **ELECTION OF THE PUBLIC SERVICE BOARD CHAIR, VICE-CHAIR AND SECRETARY-TREASURER OFFICERS.**

On a motion made by Mayor Leeser, seconded by Lisa Saenz, and unanimously carried, the Board elected Mr. Morris as Public Service Board Chair.

On a motion made by Bryan Morris, seconded by Lisa Saenz, and unanimously carried, the Board elected Mr. Intebi as Public Service Board Vice-Chair.

On a motion made by Maylor Leeser, seconded by Lisa Saenz, and unanimously carried, the Board elected Ms. Block Uribarri as Secretary-Treasurer.

CONSENT AGENDA

On a motion made by Mrs. Saenz and seconded by Mayor Leeser, item 12 was pulled from the Consent Agenda and placed into the Regular Agenda.

On a single motion made by Mayor Leeser, seconded by Mr. Intebi, and unanimously carried, the Board took action on the following consent agenda items:

4. **CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON JULY 10, 2024.**

5. **CONSIDERED AND APPROVED A LEASE CONTRACT FOR 100 GOLF CARTS FOR PAINTED DUNES GOLF COURSE FROM E-Z-GO DIVISION OF TEXTRON INC., FINANCED THROUGH PNC EQUIPMENT FINANCE, THROUGH OMNIA PARTNERS PURCHASING COOPERATIVE CONTRACT NO. R210201 IN THE ESTIMATED ANNUAL AMOUNT OF $143,700 FOR A TERM OF UP TO FIVE YEARS.**

6. **CONSIDERED AND APPROVED A SOLE SOURCE AGREEMENT WITH CLINISYS, INC. FOR THE SOFTWARE LICENSE, SUPPORT, MAINTENANCE AND MANAGED SERVICES RELATED TO THE CLINISYS LABORATORY INFORMATION MANAGEMENT SYSTEM, PURSUANT TO SECTION 252.022(A)(7)(A) OF THE TEXAS LOCAL GOVERNMENT CODE, FOR A TERM OF ONE YEAR WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS, CONTINGENT UPON THE VENDOR**

PROVIDING ANNUAL DOCUMENTATION ATTESTING TO THEIR SOLE SOURCE STATUS, FOR A COST OF $96,707 FOR THE FIRST YEAR, $101,542 FOR OPTION-YEAR ONE, AND $106,618 FOR OPTION-YEAR TWO; AND AUTHORIZED AN ADDITIONAL ANNUAL AMOUNT OF $25,000 FOR THE PURCHASE OF ADDITIONAL CLINISYS SOFTWARE LICENSES AND SERVICES ON AN AS-NEEDED BASIS.

7. **CONSIDERED AND APPROVED A SOLE SOURCE CONTRACT WITH ROMCO EQUIPMENT CO., LLC PURSUANT TO SECTION 252.022(A)(7)(A) AND (D) OF THE TEXAS LOCAL GOVERNMENT CODE, FOR GENUINE VOLVO, DOOSAN, AND BOBCAT PARTS AND SERVICES IN THE ESTIMATED ANNUAL AMOUNT OF $500,000 FOR A TERM OF FIVE YEARS, FOR A TOTAL ESTIMATED CUMULATIVE AMOUNT OF $2,500,000 CONTINGENT UPON THE VENDOR PROVIDING ANNUAL DOCUMENTATION ATTESTING TO THEIR SOLE SOURCE STATUS.**

8. **CONSIDERED AND APPROVED AMENDMENT NUMBER 1 TO THE PROFESSIONAL ENGINEERING SERVICES CONTRACT AWARDED TO MICHAEL BAKER INTERNATIONAL, INC., FOR THE FORT BLISS RESILIENCY STUDY FOR WATER, WASTEWATER AND STORMWATER INFRASTRUCTURE – RFS 114-22 PROJECT TO INCREASE THE CONTRACT AMOUNT BY AN ADDITIONAL $250,000.**

9. **CONSIDERED AND APPROVED A CHANGE ORDER FOR BID NO. 32-22 SECURITY GUARD SERVICES WITH UNIVERSAL PROTECTION SERVICE, LP DBA ALLIED UNIVERSAL SECURITY SERVICES IN THE ESTIMATED ANNUAL AMOUNT OF $388,000 FOR OPTION YEAR ONE, FOR A TOTAL CUMULATIVE AMOUNT OF $1,942,781.02 AND AUTHORIZED THE PRESIDENT/CEO OR DESIGNEE TO APPROVE A CHANGE ORDER FOR OPTION YEAR TWO OF THE CONTRACT IN THE AMOUNT OF $388,000 FOR A TOTAL CUMULATIVE AMOUNT OF $1,942,781.02, IF THE SECOND OPTION YEAR IS EXERCISED.**

10. **CONSIDERED AND APPROVED A CHANGE ORDER FOR BID NO. 80-22 LIQUID FERRIC CHLORIDE WITH KEMIRA WATER SOLUTIONS INC., FOR THE PURCHASE OF LIQUID FERRIC CHLORIDE IN THE AMOUNT OF $366,000 FOR THE CURRENT OPTION YEAR FOR A TOTAL CUMULATIVE AMOUNT OF $1,831,230, AND AUTHORIZED THE PRESIDENT/CEO OR DESIGNEE TO APPROVE A CHANGE ORDER FOR OPTION YEAR TWO OF THE CONTRACT IN THE AMOUNT OF $366,000 FOR A TOTAL CUMULATIVE AMOUNT OF $1,831,230, IF THE SECOND OPTION YEAR IS EXERCISED.**

11. **CONSIDERED AND APPROVED CHANGE ORDER NUMBER 2 (FINAL) FOR BID NO. 06-23, PECOS PLANNED WATER AND SEWER LINE REPLACEMENT TO TAO INDUSTRIES, INC. DBA HAWK CONSTRUCTION IN THE AMOUNT OF $112,688.30.**

REGULAR AGENDA

12. **CONSIDERED AND APPROVED CHANGE ORDER NUMBER 3 FOR BID NO. 30-22, NORTHEAST AQUIFER STORAGE AND RECOVERY (ASR) ENHANCED ARROYO PHASE I WITH ZTEX CONSTRUCTION, INC. IN THE AMOUNT OF $207,600 AND INCREASE TO CONTRACT TIME BY 6 DAYS.**

Ivan Hernandez, Engineer Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) In June 2022, the Public Service Board awarded the construction bid to ZTEX Construction, Inc. for the Northeast Aquifer Storage and Recovery (ASR) Enhanced Arroyo Phase I. The project was put on administrative hold while clearance was obtained after the environmental impact assessment was completed. This assessment was required by the U.S. Bureau of Reclamation through the grant awarded for this project. Work resumed on March 2023 and is now nearing completion. In January of 2022 EPWater submitted a request to El Paso Electric (EPE) to provide electrical service

to the new ASR project. During design of the project, it was discovered that an existing overhead electrical transmission main was in conflict with the proposed arroyo alignment and had to be relocated. At the same time EPWater and EPE began discussions and negotiations on the need to relocate the conflicting overhead electrical transmission main. An agreement with EPE was reached in May 2022 and a non-refundable payment considered as a Contribution in Aid of Construction requested by EPE to cover the costs associated with the necessary relocation was submitted by EPWater in June of 2022. The anticipated start date for the relocation by EPE was scheduled for December 2022, however due to holidays and EPE backlog the work was postponed. EPWater frequently followed up with EPE. Ultimately, the relocation of the utility power poles and overhead transmission lines were completed by EPE in July 2023. This delay impacted the contractor's rate of performance as there was a need to modify the excavation approach related to the location of the existing utility power poles. This change order is to cover costs associated with the additional labor and equipment necessary due to this delay. The contractor's first price increase request submitted was $597,600, however through good faith negotiations contractor and EPWater have agreed to a negotiated amount of $207,600 or 3.3% or the contract price and adds six days to the contract time. Change orders 1 and 2 have been approved administratively which results in a cumulative contract price increase of just over 5%.

On a motion made by Ms. Saenz, seconded by Mayor Leeser, and unanimously carried, the Board approved Change Order Number 3 for Bid No. 30-22, Northeast Aquifer Storage and Recovery (ASR) Enhanced Arroyo Phase I with ZTEX Construction, Inc. in the amount of $207,600 and increase to contract time by 6 days.

13. **CEO MONTHLY UPDATE REGARDING UTILITY MANAGEMENT AND/OR OPERATIONS:**
    - **TEXAS MONTHLY – AUGUST ISSUE**
    - **METERS PROJECT CORRECTING WATER LOSS INACCURACIES**
    - **DISTINGUISHING THE FOUNTAINS CONSTRUCTION FROM EPWATER'S HEADQUARTERS PROJECT**
    - **GRANT - SOLAR PROJECT AT THE FRED HERVEY RECLAMATION PLANT**
    - **GRANT IN FINAL REVIEW – MCCOMBS WELL COLLECTOR PIPELINE – SERVING MCGREGOR RANGE**

14. **MANAGEMENT REPORT:**
    - **CONSTRUCTION UPDATE**
    - **NEW ADMINISTRATION BUILDING UPDATE**
    - **VIDEO FROM COMMUNICATIONS**

15. **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.**

No one signed up for public comment on subjects not on the agenda.

16. **CONSIDERED AND APPROVED A 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 1 (GMP 1) IN THE AMOUNT OF $13,983,463.**

Juan Lopez and Shayne Piersall, PCL Construction, signed up to speak.

Geoffrey Espineli, Utility Engineer Division Manager, 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 30MGD, due to increased strength of the wastewater. Further, the Texas Commission on Environmental Quality 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.In July 2022, the Public Service Board approved the CMAR preconstruction agreement with PCL/Sundt, a joint venture. There are 2 phases for this project. Phase 1 is the construction of the new 12MGD treatment train and the project estimate is $585 million. Phase 2 is the rehabilitation of the existing 39MGD plant to restore 9MGD of treatment capacity to the plant and currently estimated at $200 million. At the completion of the project the Bustamante WWTP will have gained 21MGD of treatment capacity. PCL/Sundt proposed to deliver the Phase 1 CMAR project in 4 GMPs. GMP 1 will be for early work package that includes
mobilization, foundation work and early procurement of equipment. Phase 2 of the project is currently planned to be delivered
in 2 GMPs.

On a motion made by Ms. Saenz, seconded by Mr. Intebi, and unanimously carried, the Board approved a 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 accept the Guaranteed Maximum Price Number 1 (GMP 1) in the amount of 13,983,463.

17. **CONSIDERED AND AWARDED BID NO. 37-24, PLANNED WATER LINE REPLACEMENT PROGRAM PH. XII–B, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, TAO INDUSTRIES INC. DBA HAWK CONSTRUCTION IN THE AMOUNT OF $7,110,554.30.**

Ivan Hernandez, Engineer Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Planned Water Line Replacement Program is a multiple-phased program of replacing deteriorated water distribution cast-iron, galvanized, and other aging pipelines throughout the city since 1998. Phase XII-B of the program is located throughout central El Paso and the scope of work consists of replacing approximately 3.3 miles of existing pipeline. The scope of work will also include the replacement of approximately 300 water service connections along nine different streets & alleys, pavement restoration, and all other ancillary work necessary to complete the project.

On a motion made by Mr. Intebi, seconded by Ms. Saenz, and unanimously carried, the Board awarded Bid No. 37-24, Planned Water Line Replacement Program Ph. XII – B, to the lowest responsive, responsible bidder, Tao Industries Inc. dba Hawk Construction., in the amount of $7,110,554.30.

18. **CONSIDERED AND AWARDED BID NO. 58-24, LIQUEFIED CHLORINE GAS TO PVS DX, INC., THE SOLE RESPONSIVE, RESPONSIBLE BIDDER, IN THE ESTIMATED ANNUAL AMOUNT OF $4,329,875 FOR A TERM OF ONE YEAR WITH THE OPTION FOR FOUR ONE-YEAR EXTENSIONS AND AUTHORIZED THE PRESIDENT/CEO OR DESIGNEE TO APPROVE AN ANNUAL PRICE ESCALATION OF UP TO 2% OF THE ORIGINAL UNIT PRICES FOR EACH OF THE OPTION YEARS.**

Richard Wilcox, Water Supply Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) Liquefied chlorine gas is used to disinfect treated water. This chemical is used by the treatment plants as well as at numerous well sites. The previous bid was awarded in May 2022 in the estimated annual amount of $1,977,900. Through the term of the previous bid, the unit price increased by 23%. Due to this increase staff decided to rebid this contract. This bid includes increased quantities and an allowance line item for unforeseen demand of this chemical. The new bid price is 3% higher than the current contract price.

On a motion made by Mayor Leeser, seconded by Ms. Gitter, and unanimously carried, the Board awarded Bid No. 58-24, Liquefied Chlorine Gas to PVS DX, Inc., the sole responsive, responsible bidder, in the estimated annual amount of $4,329,875 for a term of one-year with the option for four one-year extensions and authorize the President/CEO or designee to approve an annual price escalation of up to 2% of the original unit prices for each of the option years.

19. **CONSIDERED AND RATIFIED AN EMERGENCY CONTRACT WITH MATHESON TRI-GAS, INC. FOR THE PURCHASE OF LIQUID OXYGEN IN THE AMOUNT OF $380,877.31 PURSUANT TO SECTION 252.022(A)(2) OF THE TEXAS LOCAL GOVERNMENT CODE, AN EXEMPTION TO THE COMPETITIVE BIDDING STATUTE FOR PROCUREMENTS NECESSARY TO PRESERVE OR**

PROTECT THE PUBLIC HEALTH AND SAFETY OF EPWATER CUSTOMERS.

Richard Wilcox, Water Supply Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) Liquid oxygen is used to produce ozone to disinfect the treated water which is needed to protect the public health and safety of EPWater customers and for odor control. In April 2022, the Public Service Board (PSB) awarded Bid No. 34-22 for Liquid Oxygen to Matheson Tri-Gas, Inc. In the first option year ending in May 2024, there was an increase in the quantities of liquid oxygen used in operations and an increase in the per unit price which resulted in a need for a separate emergency contract to continue the purchase of liquid oxygen. The increase in quantities was due to the extended irrigation season in 2024 and the unit price increase is due to market conditions. Staff is in the process of rebidding this contract.

On a motion made by Mayor Leeser, seconded by Ms. Block Uribarri, and unanimously carried, the Board ratified an emergency contract with Matheson Tri-Gas, Inc. for the purchase of liquid oxygen in the amount of $380,877.31 pursuant to Section 252.022(a)(2) of the Texas Local Government Code, an exemption to the competitive bidding statute for procurements necessary to preserve or protect the public health and safety of EPWater customers.

20. **CONSIDERED AND ACCEPTED THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDING FEBRUARY 29, 2024.**

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

On a motion made by Ms. Saenz, seconded by Ms. Block Uribarri, and unanimously carried, the Board accepted the El Paso Water Utilities Public Service Board Annual Comprehensive Financial Report for the Fiscal Year ending February 29, 2024.

EXECUTIVE SESSION

On a motion made by Mr. Morris, seconded by Ms. Saenz and unanimously carried, the Board retired into Executive Session 9:32 a.m., August 14, 2024, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Section 551.071 through 551.089 to discuss the following:

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

Discussion and action on the following:

a) THE BOARD WILL DELIBERATE ON THE VALUE OF THE REAL PROPERTIES LEGALLY DESCRIBED AS ALL OF LOTS 1-8, BLOCK 73, COTTON ADDITION, AND ALL OF LOTS 1-16 AND 22-32, AND THE VACATED ALLEY WITHIN BLOCK 72, COTTON ADDITION, EL PASO, EL PASO COUNTY, TEXAS, AND CONSISTING OF APPROXIMATELY 2.6 ACRES; AND WHETHER THE SAME CAN BE SOLD TO RESCUE MISSION OF EL PASO, INC., A TEXAS NONPROFIT ORGANIZATION. (551.071) (551.072)

On a motion made by Ms. Block Uribarri and seconded by Mayor Leeser, and unanimously carried, the Board moved that the President and CEO be authorized to forward a recommendation to City Council to sell the property identified as 210 N. Lee St. to the Rescue Mission of El Paso Inc. in the amount of $1,475,000 and to

sign any and all documents necessary, and that any portions of the property reserved or excepted from the sale shall remain a part of the El Paso Water System.

On a motion made by Ms. Saenz, seconded by Mayor Leeser and unanimously carried, the Board reconvened in open session at 09:52 a.m., August 14, 2024.

Adjournment.

On a motion made by Ms. Saenz, seconded by Mr. Leeser and unanimously carried, the meeting adjourned at 9:52 a.m., August 14, 2024.

ATTEST:

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Bryan Morris, Chair

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Ms. Stefani Block Uribarri, Secretary-Treasurer