MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
January 11, 2024

The regular meeting of the Public Service Board was held in person, Wednesday, January 11, 2024

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

PSB MEMBERS ABSENT
Dr. Ivonne Santiago, Chair

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
Gilbert Trejo, Vice President-Operations & Technical Services
Art Duran, Chief Financial Officer
Claudia Duran, Chief of Staff
Edith Lara, Executive Assistant to the President/CEO
Irazema Rojas, Chief Technical Officer
Luz Holguin, Assistant Chief Financial Officer
Christina Montoya, Communications and Marketing Manager
Alberto Gomez, Support Services I
Sol Cortez, Deputy General Counsel
Jeff Tepsick, Utility Assistant Chief Financial Officer
Martin Noriega, Chief Operations Officer
Felipe Lopez, Chief Operations Officer
Angel Bustamante, Wastewater Systems Division Manager
Elmer Beeler, Chief Support and Logistics Officer
Ruben Rodriguez, Chief Water Quality Compliance Officer
Jennifer Barr, Water Conservation/TecH2O Manager
Adam Holguin, Public Information Coordinator
Nicadam Keese, Support Services I
Denis Arras, PC/LAN Specialist
Gisela Dagnino, Chief Operations Officer
Lisa Rosendorf, Chief Communications & Government Affairs Officer
Ivan Hernandez, Engineer Division Manager
Rose Guevara, Purchasing and Contracts Manager
Geoffrey Espineli, Engineer Division Manager
George Quinlan, Chief Safety Security & Emergency Response Officer
Melinda Becker, Assistant General Counsel
Christian Stack, Purchasing Agent
Alex Fashing, Water Conservation Specialist
Laura Foster, Chief Architect

GUESTS
Lisa Tuner
Ken Hall
Richard Dayoub
Hector Hinojos
Fernando Diaz
Mario Hinojos

MEDIA
KFOX/CBS4
KTDO – Telemundo
KVIA
KINT - Univision

The Public Service Board meeting was called to order by Mr. Morris at 8:03 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.

CONSENT AGENDA

On a single motion made by Mayor Leeser and seconded by Dr. Kristina Mena 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 DECEMBER 13, 2023.**

2. **CONSIDERED AND APPROVED AN INCREASE IN THE CAPACITY OF MASTER CONTRACT MC00000521 ISSUED TO SUN CITY WINNELSON CO., FOR MAINTENANCE, REPAIR AND OPERATION (MRO) EQUIPMENT, SUPPLIES, MATERIAL AND SERVICES THROUGH ESC REGION 19 ALLIED STATES COOPERATIVE CONTRACT NUMBER NO. 22-7434 BY AN ADDITIONAL AMOUNT OF $1,000,000 TO INCREASE THE EXISTING MASTER CONTRACT TO A CUMULATIVE AMOUNT OF $1,500,000; AND AUTHORIZED THE ISSUANCE OF FUTURE MASTER CONTRACTS IN THE ANNUAL AMOUNT OF $1,500,000 TO SUN CITY WINNELSON CO. FOR AS LONG AS THE TERM OF ESC REGION 19 ALLIED STATES COOPERATIVE CONTRACT NO. 22-7434 IS IN PLACE.**

3. **CONSIDERED AND APPROVED AN INCREASE IN CAPACITY OF MASTER CONTRACT MC00000511 ISSUED TO GRAINGER THROUGH OMNIA PARTNER PUBLIC SECTOR CONTRACT NUMBER R192002 BY AN ADDITIONAL AMOUNT OF $1,000,000 TO INCREASE THE EXISTING MASTER CONTRACT TO A CUMULATIVE AMOUNT OF $1,500,000; AND AUTHORIZED THE ISSUANCE OF FUTURE MASTER CONTRACTS IN THE ANNUAL AMOUNT OF $1,500,000 TO GRAINGER FOR AS LONG AS THE TERM OF OMNIA PARTNER PUBLIC SECTOR CONTRACT NUMBER R192002 IS IN PLACE.**

4. **CONSIDERED AND APPROVED AN INCREASE IN CAPACITY OF MASTER CONTRACT MC00000622, PURSUANT TO SECTION 252.022(A)(7)(A) AND (D) OF THE TEXAS LOCAL GOVERNMENT CODE, FOR PARTS AND SERVICES ISSUED TO 4RIVERS EQUIPMENT, JOHN DEERE'S AUTHORIZED INDEPENDENT DEALER, BY AN ADDITIONAL ANNUAL AMOUNT OF $150,000 TO INCREASE THE EXISTING MASTER CONTRACT TO A CUMULATIVE AMOUNT OF $200,000; AND AUTHORIZED THE ISSUANCE OF FUTURE SOLE SOURCE MASTER CONTRACTS IN THE ANNUAL AMOUNT OF $200,000 EACH TO 4RIVERS EQUIPMENT FOR THE NEXT FIVE YEARS PROVIDED THAT THE VENDOR SUBMIT SOLE SOURCE DOCUMENTATION ANNUALLY.**

5. **CONSIDERED AND APPROVED AMENDMENT NUMBER 1 TO THE PROFESSIONAL ENGINEERING SERVICES AGREEMENT FOR THE JOHN T. HICKERSON WATER RECLAMATION FACILITY REHABILITATION - HEADWORKS AND ULTRAVIOLET DISINFECTION – PART 2 PROJECT AWARDED TO PARKHILL, SMITH AND COOPER, INC., FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES IN THE AMOUNT OF $866,381 AND AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF $750,000.**

6. **CEO MONTHLY UPDATE REGARDING UTILITY MANAGEMENT AND/OR OPERATIONS:**
   - **PAVING PROGRESS**
   - **CONSTRUCTION FORUM- JANUARY 22, 2024 AT TECH2O**

7. **MANAGEMENT REPORT:**
   - **CONSTRUCTION UPDATE**
   - **CONSTRUCTION OUTREACH UPDATE**
   - **DRAFT DROUGHT CONTINGENCY PLAN – OVERVIEW/TIMELINE/PUBLIC COMMENT**
   - **VIDEO FROM COMMUNICATIONS**
   - **RECOGNITION OF DR. KRISTINA MENA**

8. **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.**

Mr. Hector Hinojos signed up to speak on item 6.

9. **CONSIDERED AND ADOPTED THE WATER, WASTEWATER, AND RECLAIMED WATER ANNUAL BUDGET FOR FISCAL YEAR 2024-2025, AND ADOPTED RESOLUTIONS AMENDING RULES AND REGULATIONS NO. 1, NO. 5, NO. 6, NO. 7, AND NO. 11 WITH PROPOSED CHANGES TO THE RATES, FEES, AND OTHER NECESSARY AMENDMENTS.**

Art Duran, Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Water, Wastewater, and Reclaimed Water Annual Budget for Fiscal Year 2024-2025, if approved will be effective March 1, 2024. Mr. Duran answered questions from the Board on this item.

Ms. Lisa Turner signed up to speak on item 9.

On a motion made by Dr. Mena, seconded by Ms. Saenz, and unanimously carried, the Board adopted the Water, Wastewater, and Reclaimed Water Annual Budget for Fiscal Year 2024-2025, and adopted resolutions amending Rules and Regulations No. 1, No. 5, No. 6, No. 7, and No. 11 with proposed changes to the rates, fees, and other necessary amendments. The board asked for additional amendments on Rule 7 to be approved the following month.

10. **CONSIDERED AND AWARDED BID NUMBER 92-23, GENERATOR MAINTENANCE AND SERVICES, TO THE SOLE RESPONSIVE, RESPONSIBLE BIDDER, INTERTECH POWER SYSTEMS LLC., IN THE ESTIMATED ANNUAL AMOUNT OF $684,600 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.**

Mr. Elmer Beeler, Chief Support and Logistics Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) EPWater has 115 generators in use for backup power to water and wastewater plants, wells, pump stations, and support facilities located throughout the El Paso area. Under this contract the vendor will be responsible for the maintenance and services required on all generators. Mr. Beeler answered questions from the Board on this item.

On a motion made by Dr. Mena, seconded by Mr. Intebi, and unanimously carried, the Board awarded Bid Number 92-23, Generator Maintenance and Services, to the sole responsive, responsible bidder, Intertech Power Systems LLC., in the

estimated annual amount of $684,600 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.

11. CONSIDER AND AWARD BID NUMBER 83-23 MISCELLANEOUS CHEMICALS AND SUPPLIES TO THE SOLE RESPONSIVE, RESPONSIBLE BIDDER MIDLAND SCIENTIFIC, INC., IN THE ESTIMATED ANNUAL AMOUNT OF $1,500,000 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.

Ruben Rodriguez, Chief Water Quality Compliance Officer provided a presentation to the Board regarding this item (copy on file in Central Files.) This catalog bid is for items used by EPWater International Water Quality Laboratory (IWQL), including chemicals, consumables, assorted measurement and analysis items, glassware, plasticware, microbiology, metals, and inorganic and organic standards. EPWater plant operators and field employees also use this contract for their operational needs. Mr. Rodriguez answered questions from the Board on this item.

On a motion made by Mayor Leeser, seconded by Ms. Saenz, and unanimously carried, the Board rejected Bid Number 83-23 Miscellaneous Chemicals and Supplies to the sole responsive, responsible bidder Midland Scientific, Inc., in the estimated annual amount of $1,500,000 for a term of one year, with the option for four one-year extensions and requested a re-bid.

12. APPROVED THE RATIFICATION OF EXPENDITURES IN THE AMOUNT OF $1,982,503 BEYOND THE ORIGINAL APPROVED ESTIMATED CONTRACT AMOUNT OF $2,000,000 TO FUQUAY, INC. THROUGH BUYBOARD COOPERATIVE PURCHASING CONTRACT NUMBER 635-21 FOR PIPE REHABILITATION THROUGH TRENCHLESS TECHNOLOGY.

Art Duran, Chief Financial Officer provided a presentation to the Board regarding this item (copy on file in Central Files.) On June 9, 2021, the Public Service Board (Board) approved a contract with Fuquay Inc. through Buyboard Cooperative Purchasing Contract Number 635-21 for an estimated amount of $2,000,000. EPWater uses this contract to rehabilitate stormwater and wastewater pipes. Due to an administrative misinterpretation of the Board's approval, EPWater has incurred expenses in the amount of $1,982,503 beyond the estimated approved amount of $2,000,000. Mr. Duran answered questions from the Board on this item.

On a motion made by Mr. Intebi, seconded by Ms. Saenz, and unanimously carried, the Board approved the ratification of expenditures in the amount of $1,982,503 beyond the original approved estimated contract amount of $2,000,000 to Fuquay, Inc. through Buyboard Cooperative Purchasing Contract Number 635-21 for pipe rehabilitation through trenchless technology.

13. CONSIDERED AND APPROVED A MASTER CONTRACT FOR THE PURCHASE OF PIPELINE REHABILITATION THROUGH TRENCHLESS TECHNOLOGY WITH FUQUAY, INC., THROUGH BUYBOARD PURCHASING COOPERATIVE CONTRACT NUMBER 635-21 IN THE ESTIMATED AMOUNT OF $3,000,000 DURING THE TERM OF THE BUYBOARD PURCHASING COOPERATIVE CONTRACT NUMBER 635-21.

Art Duran, Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Pipe location, utility conflicts, and traffic impacts significantly affect the type of rehabilitation method used by the Utility. Fuquay, Inc. provides pipeline rehabilitation through trenchless technology through Buyboard Purchasing Cooperative Contract Number 635-21, which is utilized for stormwater and wastewater collection systems that have surpassed their useful life and are in need of rehabilitation. These trenchless technology rehabilitation systems have proven effective in the past. Mr. Duran answered questions from the Board on this item.

On a motion made by Ms. Saenz, seconded by Dr. Mena, and unanimously carried, the Board approved a master contract for the purchase of pipeline rehabilitation through trenchless technology with Fuquay, Inc., through Buyboard Purchasing Cooperative Contract Number 635-21 in the estimated amount of $3,000,000 during the term of the Buyboard Purchasing Cooperative Contract Number 635-21.

14. CONSIDERED AND APPROVED THE RATIFICATION OF THE PURCHASE OF LIQUID CARBON DIOXIDE IN THE AMOUNT OF $178,256 FROM RELIANT GASES LTD PURSUANT TO SECTION 252.022(A)(2) OF THE TEXAS LOCAL GOVERNMENT CODE, A PROCUREMENT NECESSARY TO PRESERVE OR PROTECT THE PUBLIC HEALTH OR SAFETY OF THE MUNICIPALITY'S RESIDENTS.

Art Duran, Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Liquid carbon dioxide is a chemical used for pH adjustment at the Fred Hervey Water Reclamation Plant and at the Arsenic Treatment Facilities. This chemical is necessary to meet permit requirements and national primary drinking water standards at EPWater facilities. The contract for the purchase of liquid carbon dioxide expired on October 11, 2023 and an emergency purchase order was issued to Reliant Gases Ltd in the amount of $178,256. This emergency purchase for liquid carbon dioxide was necessary to continue to meet the treatment requirements under state regulations and to preserve and protect the public health and safety of the customers pursuant to Section 252.022(a)(2) of the Texas Local Government Code. A new solicitation for the purchase of liquid carbon dioxide was advertised and will be presented at the January 10, 2024 Public Service Board for consideration.

On a motion made by Mr. Leeser, seconded by Dr. Mena, and unanimously carried, the Board approved the ratification of the purchase of liquid carbon dioxide in the amount of $178,256 from Reliant Gases Ltd pursuant to Section 252.022(a)(2) of the Texas Local Government Code, a procurement necessary to preserve or protect the public health or safety of the municipality's residents.

15. CONSIDERED AND AWARDED RFP NO. 85-23 LIQUID CARBON DIOXIDE TO SYOXSA, INC., THE HIGHEST RANKED PROPOSER, IN THE ESTIMATED ANNUAL AMOUNT OF $700,000 FOR A TERM OF ONE YEAR, WITH FOUR ONE-YEAR EXTENSIONS.

Art Duran, Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Liquid carbon dioxide is a chemical used for pH adjustment at the Fred Hervey Water Reclamation Plant and the Arsenic Treatment Facilities. The previous bid was awarded on April 8, 2020. The new proposal pricing on a per unit basis is 31% lower than the emergency purchase order issued to the vendor.

On a motion made by Mr. Leeser, seconded by Dr. Mena, and unanimously carried, the Board awarded RFP No. 85-23 Liquid Carbon Dioxide to Syoxsa, Inc., the highest ranked proposer, in the estimated annual amount of $700,000 for a term of one year, with four one-year extensions.

16. CONSIDERED AND APPROVED A GUARANTEED MAXIMUM PRICE AMENDMENT TO THE STANDARD FORM OF AGREEMENT BETWEEN OWNER AND CONSTRUCTION MANAGER AS CONSTRUCTOR WITH HENSEL PHELPS CONSTRUCTION CO. FOR THE EPWATER MAIN ADMINISTRATION BUILDING PROJECT AND ACCEPTED THE GUARANTEED MAXIMUM PRICE NUMBER 3 IN THE AMOUNT OF $39,410,494.

Irazema Rojas, Utility Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) In June 2022, the Public Service Board approved a Preconstruction Services Agreement for the New Main Administration Building with Hensel Phelps Construction Co. In January 2023, the Public Service Board approved a Construction Management-At-Risk (CMAR) construction contract with Hensel Phelps Construction Co. for the EPWater Main Administration Building project and accepted GMP1 for the parking structure and site work. On November 8, 2023, the Public Service Board approved GMP2 for the foundations and building structure. GMP3 scope includes construction of the new main building, decommissioning and demolition of the existing administration building, and all landscape and site improvements. Mrs. Rojas answered questions from the Board on this item.

On a motion made by Mr. Intebi, seconded by Dr. Mena, and unanimously carried, the Board approved a Guaranteed Maximum Price Amendment to the Standard Form of Agreement Between Owner and Construction Manager as Constructor with Hensel Phelps Construction Co. for the EPWater Main Administration Building project and accepted the Guaranteed Maximum Price Number 3 in the amount of $39,410,494.

17. CONSIDERED AND APPROVED A CONSTRUCTION MANAGER AT-RISK (CMAR) CONSTRUCTION CONTRACT WITH MGC CONTRACTORS, INC., FOR THE FRED HERVEY WATER

RECLAMATION PLANT HEADWORKS, FILTER, ODOR CONTROL, CLARIFIER, AND OZONE IMPROVEMENTS PROJECT, RFP 33-23 AND ACCEPTED THE GUARANTEED MAXIMUM PRICE NUMBER 1 (GMP1) IN THE AMOUNT OF $26,239,293.

Irazema Rojas, Utility Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Fred Hervey Water Reclamation Plant has several capital improvement projects planned and budgeted to keep the plant in its reliable condition. These projects are being delivered through the Construction Manager At-Risk (CMAR) delivery method. In May 2023, the Public Service Board approved the CMAR preconstruction agreement with MGC Contractors, Inc. (MGC). MGC proposes to deliver the project in multiple work packages: Work Package 1 will include rehabilitation of the lime reactor clarifier, recarbonation clarifiers, headworks, grit system, odor control, meter vaults, influent line improvements, electrical improvements, and process isolation sluice gates and valves. Work Package 2 will include granulated activated carbon replacement, cloth media filter, and associated electrical improvements. Work Package 3 will include the rehabilitation of two primary clarifiers, four powder-activated carbon treatment clarifiers, denitrification basins, and associated electrical and control improvements. This agenda item is to approve Guaranteed Maximum Price Number 1 (GMP1) for Work Package 1.

On a motion made by Dr. Mena, seconded by Mr. Intebi, and unanimously carried, the Board approved a Construction Manager At-Risk (CMAR) construction contract with MGC Contractors, Inc., for the Fred Hervey Water Reclamation Plant Headworks, Filter, Odor Control, Clarifier, and Ozone Improvements project, RFP 33-23 and accepted the Guaranteed Maximum Price Number 1 (GMP1) in the amount of $26,239,293.

18. PRESENTATION AND DISCUSSION OF EPWATER'S THIRD QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FISCAL YEAR 2023-24 FOR THE PERIOD ENDING NOVEMBER 30, 2023.

Jeff Tepsick, Assistant Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Public Service Board requires regular financial reporting from the President/CEO and staff on the financial condition of the Utility.

No action was taken on this item.

19. PRESENTATION AND DISCUSSION OF EPWATER'S THIRD QUARTER INVESTMENT REPORT FY 2023-24 FOR THE PERIOD ENDING NOVEMBER 30, 2023.

Jeff Tepsick, Assistant Chief Financial Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Public Funds Investment Act (PFIA) requires a quarterly report to be submitted. Mr. Tepsick answered questions from the Board about this item.

No action was taken on this item.

EXECUTIVE SESSION

On a motion made by Ms. Saenz, seconded by Dr. Mena and unanimously carried, the Board retired into Executive Session 10:55 a.m., January 10, 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. **CONSULTATION WITH ATTORNEY ON THE TEXAS OPEN MEETINGS ACT AND LEGAL DISTINCTIONS FOR PUBLIC COMMENT OPPORTUNITIES. (551.071)**

No action was taken on this item.

ADJOURNMENT

On a motion made by Mr. Leeser, seconded by Ms. Saenz and unanimously carried, the meeting adjourned at 11:42 a.m., January 10, 2024.

ATTEST:

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Dr. Ivonne Santiago, Chair

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Mr. Charlie Intebi, Secretary-Treasure