

**MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
October 13, 2021**

The regular meeting of the Public Service Board was held in person, Wednesday, October 13, 2021.

PSB MEMBERS PRESENT

Dr. Kristina D. Mena, Chair
Christopher A. Antcliff, Secretary-Treasurer
Dr. Ivonne Santiago, Vice Chair
Charlie Intebi, Member
Bryan Morris, Member
Lisa Saenz, Member

PSB MEMBERS ABSENT

Mayor Oscar Leeser, Ex-Officio Member

PSB EMPLOYEES PRESENT

Daniel Ortiz, General Counsel

PSB EMPLOYEES ABSENT

John E. Balliew, P.E., President and Chief Executive Officer

EPWATER EMPLOYEES PRESENT

Alan Shubert, Vice President
Marcela Navarrete, Vice President
Art Duran, Chief Financial Officer
Claudia Duran, Executive Assistant to the President/CEO
Gilbert Trejo, Chief Technical Officer
Sol Cortez, Deputy General Counsel
Lisa Rosendorf, Chief Communications & Government Affairs Officer
Geoffrey Espineli, Engineering Division Manager
Gisela Dagnino, Engineering Division Manager
Paul Rivas, Chief Operations Officer
Denise Parra, Lead Public Affairs Coordinator
Martin Noriega, Chief Operations Officer
Christina Montoya, Marketing and Communications Manager
Felipe Lopez, Chief Operations Officer
Rose Guevara, Senior Purchasing Agent
Raquel Izaguirre, Support Services II
Luz Holguin, Treasury & Property Control Manager
Jeff Tepsick, Assistant Chief Financial Officer
James Wolff, Real Estate Manager
Alma de Anda, Land & Water Rights Manager
Lidia Carranco, Assistant Chief Financial Officer
Martha Koester, Public Information Coordinator
Irazema Rojas, Capital Improvement Program Manager

GUESTS

Lori Kuczanski, International Boundary and Water Commission
Gilbert Anaya, International Boundary and Water Commission

MEDIA

KFOX

The Public Service Board meeting was called to order by Dr. Mena at 8:03 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Gilbert Trejo in reciting the Pledge of Allegiance.

CONSENT AGENDA

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

1. CONSIDERED AND APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON SEPTEMBER 8, 2021.

2. CONSIDERED AND APPROVED THE SOLE SOURCE PURCHASE IN ACCORDANCE WITH SECTION 252.022(A)(7)(A) OF THE TEXAS LOCAL GOVERNMENT CODE WITH PURE TECHNOLOGIES U.S. INC., TO CONDUCT AN ELECTROMAGNETIC CONDITION ASSESSMENT OF THREE SEGMENTS OF THE 42/48-INCH DIAMETER CROSS CITY FEEDER TOTALING 2.4 MILES IN LENGTH IN THE AMOUNT OF \$375,000 AND APPROVED THE USE OF COMMERCIAL PAPER.

3. CONSIDERED AND APPROVED A RESOLUTION AUTHORIZING THE PRESIDENT/CEO'S SUBMISSION OF A GRANT APPLICATION TO THE U.S. BUREAU OF RECLAMATION UNDER FUNDING OPPORTUNITY NUMBER R22AS00023 "WATERSMART GRANTS: WATER AND ENERGY EFFICIENCY GRANTS FOR FISCAL YEAR 2022" IN THE AMOUNT OF \$2,000,000 IN GRANT FUNDING OF A FIRST PHASE IN REPLACEMENT OF 20,000 TRADITIONAL METERS WITH SMART METERS IN EL PASO COUNTY, TEXAS; AUTHORIZED EL PASO WATER'S FUNDING COMMITMENT TO ALLOCATE \$2,200,000; AND FURTHER AUTHORIZED THE PRESIDENT/CEO TO PROVIDE AND SIGN ANY DOCUMENTS NECESSARY IN CONNECTION WITH THE GRANT APPLICATION, GRANT AGREEMENT AND ACCEPTANCE OF THE FUNDS FOR THIS PROJECT.

4. CONSIDERED AND AWARDED BID NUMBER SW19-21, OLD SPANISH TRAIL SPILLWAY RECONSTRUCTION, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, MARTINEZ BROS. CONTRACTORS, LLC, IN THE AMOUNT OF \$565,894.90.

5. CONSIDERED AND APPROVED THE INCREASE OF A MASTER CONTRACT AWARDED TO MYTHICS, INC. THROUGH ORACLE AMERICA, INC. TEXAS DIR CONTRACT NUMBER DIR-TSO-4158 FOR ORACLE DATABASE PRODUCTS AND SERVICES, BY AN ADDITIONAL \$250,000 TO INCREASE THE MASTER CONTRACT FOR A TOTAL AMOUNT OF \$750,000.

6. CONSIDERED AND APPROVED THE INCREASE OF A MASTER CONTRACT AWARDED TO MORSCO SUPPLY, LLC DBA MORRISON SUPPLY COMPANY, THROUGH ESC REGION 19 COOPERATIVE CONTRACT NUMBER 18-7278 FOR VALVES, SUPPLIES, AND RELATED GOODS AND SERVICES, BY AN ADDITIONAL \$1,400,000 FOR A TOTAL AMOUNT OF \$1,500,000.

7. CONSIDERED AND APPROVED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR CONSTRUCTION ADMINISTRATION SERVICES FOR REHABILITATION OF REDD ROAD RESERVOIR WITH AECOM TECHNICAL SERVICES, INC., IN THE AMOUNT OF \$128,852.25; AND AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT TO PROVIDE ADDITIONAL CONSTRUCTION ADMINISTRATION SERVICES IN THE ESTIMATED AMOUNT OF \$100,000 PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS.

REGULAR AGENDA

8. CONSIDERED AND AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE ALFALFA LIFT STATION REHABILITATION AND 6 MGD EXPANSION – RFS 32-21

TO GARVER, LLC FOR PRELIMINARY DESIGN PHASE SERVICES IN THE AMOUNT OF \$386,145; AUTHORIZED FUTURE TASK ORDERS OR AMENDMENTS TO BE ISSUED UNDER THIS CONTRACT FOR ADDITIONAL DESIGN AND CONSTRUCTION PHASE SERVICES IN THE ESTIMATED AMOUNT OF \$750,000 PROVIDED THAT FUNDING IS AVAILABLE IN THE APPROVED BUDGET FOR THE TASK ORDERS OR AMENDMENTS AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Geoffrey Espineli, Engineering Division Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Alfalfa Lift Station was built in 1966. Rated at 4.32 MGD, the lift station serves the central area of El Paso which includes wastewater from the Marathon Petroleum El Paso Refinery and conveys flow to the Roberto R. Bustamante Wastewater Treatment plant (RRBWWTP) for treatment. A study in 2019 identified issues at the lift station which include corrosion of pumps, piping, and manifold, and odor control systems. Furthermore, as part of the Texas Commission on Environmental Quality's requirements to operate the future Advanced Water Purification Facility, the refinery's wastewater flow from RRBWWTP must be diverted to Haskell R. Street Wastewater Treatment Plant (HRSWWTP), creating the need for additional pumping capacity at the lift station. The upgraded Alfalfa Lift Station will be commissioned to capture and divert projected wastewater flow to HRSWWTP. This preliminary design will also include a route study for a 5-mile force main to convey the wastewater flow from Alfalfa Lift Station to HRSWWTP. Mr. Espineli answered questions from the Board on this item.

On a motion made by Mr. Antcliff, seconded by Dr. Santiago and unanimously carried, the Board awarded a professional engineering services contract for the Alfalfa Lift Station Rehabilitation and 6 MGD Expansion – RFS 32-21 to Garver, LLC for preliminary design phase services in the amount of \$386,145; authorized future task orders or amendments to be issued under this contract for additional design and construction phase services in the estimated amount of \$750,000 provided that funding is available in the approved budget for the task orders or amendments and authorized the use of commercial paper.

9. CONSIDERED AND ACCEPTED EPWATER'S SECOND QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING AUGUST 31, 2021.

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. Mr. Tepsick answered questions from the Board on this item.

On a motion made by Mr. Antcliff, seconded by Ms. Saenz and unanimously carried, the Board accepted EPWater's Second Quarter Financial and Performance Measures Report for period ending August 31, 2021.

10. CONSIDERED AND ACCEPTED EPWATER'S SECOND QUARTER INVESTMENT REPORT FY 21-22 FOR THE PERIOD ENDING AUGUST 31, 2021.

Luz Holguin, Vice President, 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.

On a motion made by Dr. Santiago, seconded by Mr. Antcliff and unanimously carried, the Board accepted EPWater's Second Quarter Investment Report FY 21-22 for the period ending August 31, 2021.

11. CONSIDERED AND ADOPTED A NEW PURCHASING & CONTRACTS POLICY AND AUTHORIZED THE PRESIDENT/CEO OR DESIGNEE TO MAKE NON-MATERIAL MODIFICATIONS TO THE POLICY WITHOUT FURTHER APPROVAL OF THE PUBLIC SERVICE BOARD. IN ADDITION, CONSIDERED AND APPROVED A RESOLUTION ADOPTING THE RESTATED AND AMENDED EL PASO WATER COMPETITIVE SEALED PROPOSAL POLICY TO COMPLY WITH REVISIONS TO CHAPTER 2269 OF THE TEXAS GOVERNMENT CODE AS ADOPTED BY HB 2581 DURING THE 87TH TEXAS LEGISLATIVE SESSION, TO BE INCORPORATED IN THE PURCHASING & CONTRACTS POLICY.

Rose Guevara, Interim Utilities Purchasing and Contracts Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) The current Purchasing Policy and Procedures Manual was adopted by the Board on September 14, 2011 and amended on June 11, 2015. The current Purchasing Policy also includes procurement procedures that have changed over the years. Staff wrote a new document “Purchasing & Contracts Policy” and created a new separate manual for procedures related to the Policy. One of the goals of updating this Policy was to remove the step-by-step procedures that should not be part of a Purchasing Policy. The new Policy has been updated to be more user friendly with an easier flow and updated language regarding legal requirements as well as to be more elaborate on procurement methods and current policies. In addition, material revisions to the Purchasing & Contracts Policy will continue to require PSB approval. Related to the new Purchasing & Contracts Policy are proposed revisions to the Competitive Sealed Proposal Policy to comply with the new requirements of HB 2581 to be incorporated in the Purchasing & Contracts Policy. The restated and amended EPWater Competitive Sealed Proposal Policy in Exhibit A of the resolution incorporates the new legislative changes. The legislative changes include provisions regarding the weight assigned to price criterion, information published in solicitations regarding the methodology for scoring each criterion and information made public to offerors after award of a contract. Ms. Guevara answered questions from the board on this item.

On a motion made by Mr. Morris, seconded by Dr. Santiago and unanimously carried, the Board considered and adopted a new Purchasing & Contracts Policy and authorized the President/CEO or designee to make non-material modifications to the Policy without further approval of the Public Service Board. The Board, on the same motion, considered and approved a resolution adopting the Restated and Amended El Paso Water Competitive Sealed Proposal Policy to comply with revisions to Chapter 2269 of the Texas Government Code as adopted by HB 2581 during the 87th Texas Legislative Session, to be incorporated in the Purchasing & Contracts Policy.

12. CONSIDERED AND APPROVED THE STORMWATER AND WATER, WASTEWATER, AND RECLAIMED WATER ANNUAL BUDGET SCHEDULE FOR FISCAL YEAR 2022-2023, AND PROPOSED RULES AND REGULATION CHANGES.

Marcela Navarrete, Vice President, provided a presentation to the Board regarding this item (copy on file in Central Files.) A budget workshop open to the public is proposed for November 30, 2021 to review the proposed capital and operations annual budgets for Stormwater and the Water, Wastewater, and Reclaimed Water for Fiscal Year 2022-2023, and proposed Rules and Regulation changes. In addition, an optional budget workshop is proposed for December 6, 2021 if further discussion is needed. Budget approval and adoption and changes to Rules and Regulation is scheduled during the regular board meeting of January 12, 2022.

On a motion made by Mr. Antcliff, seconded by Ms. Saenz and unanimously carried, the Board approved the Stormwater and Water, Wastewater, and Reclaimed Water Annual Budget Schedule for Fiscal Year 2022-2023, and proposed Rules and Regulation changes.

13. CONSIDERED AND APPROVED THE PROPOSED TIMELINE FOR SELECTION OF A NEW PSB MEMBER IN THE AREA OF CONSUMER OR CITIZEN ADVOCACY.

Marcela Navarrete, Vice President, provided a presentation to the Board regarding this item (copy on file in Central Files.) The Public Service Board position in the area of consumer or citizen advocacy will be vacant beginning in February.

On a motion made by Mr. Antcliff, seconded by Mr. Morris and unanimously carried, the Board approved the proposed timeline for selection of a new PSB member in the area of consumer or citizen advocacy.

14. MANAGEMENT REPORT:

- **FRONTERA UPDATE**

Gilbert Trejo, Chief Technical Officer, provided a presentation to the Board regarding this item (copy on file in Central Files.) Mr. Trejo spoke about the plan of action milestones for the Frontera Force Main. The by-pass of the Frontera Lift Station to stop all wastewater discharges in the ROW to continue discharging in the river began between September 13 -15, 2021. Groundwater dewatering operation began on September 24-27, 2021. The South pipeline break happened on October 6th and the new pipeline

installation began between October 18-20 as well as phase 2 of the river by-pass operation to the Haskell Waste Water Treatment Plant. The tie-connections at the Frontera Lift Station and car dealership location were set to begin on November 8, 2021 and the tie-ins were set to be completed on November 19, 2021. Complete testing and stopping the by-pass of Frontera List Station to stop groundwater dewatering was set to be completed on December 3, 2021. In another slide, Gilbert explained the continued repair of the south pipe and spoke of new leaks that were developed in the process of pipe replacements. Dewatering was ongoing and Mr. Trejo explained the pipe and fitting delays were due to labor shortage at ports in Houston. In another slide, Mr. Trejo spoke about the wastewater discharge into the river and the mitigation plan, which included coordination with TCEW, IBWC, Border Patrol and EPCWID#1 and the plan to capture 100% wastewater flow from the river and cover it to the Roberto R. Bustamante Plant for treatment. Mr. Trejo further explained the spill mitigation plan, which includes frequent water quality sampling and testing of water along the river, video documentation of the river using drone technology flying weekly, hired environmental engineering consultant experts to begin environmental assessment and impacts to the river, hired historical and archeologist experts to assess historical site impacted by Frontera temporary holding pond, completed phase 1 of the diversion at the river to treat the Bustamante plant and additional coordination with Ysleta Del Sur Pueblo. An update was made on the impacts to reclaimed water customers that a more reliable and permanent connection has been made at Hickerson Facility to ensure customers are served now and in the future. Mr. Trejo spoke of the commitment from EPWater to accelerate replacement of the line, execute mitigation of impacts, have transparency with the public and stakeholders and work with neighbors. Photos of the status of the Frontera project were shown. Mr. Trejo answered questions from the Board on this item.

- **THE PRESIDENT/CEO'S PLAN TO PRESENT THE BOARD WITH AN AFTER-ACTION REPORT TO ASSESS THE EMERGENCY RESPONSE TO THE FRONTERA FORCE MAIN BREAKS INCLUDING:**
 - 1) **THE PRUDENCE OF THE ENGINEERING OPTIONS SELECTED TO REPAIR THE MAIN;**
 - 2) **THE STATUS OF THE FINANCIAL AND TECHNICAL ABILITIES TO RESTORE THE SYSTEM;**
 - 3) **MITIGATION EFFORTS MADE TO PROTECT THE PUBLIC HEALTH AND THE ENVIRONMENT; AND**
 - 4) **CONTINUED COMMITMENT TO MONITORING AND MAINTAINING THE WASTEWATER SYSTEM.**

Daniel Ortiz, General Counsel, made statements to the Board regarding this item. Mr. Ortiz let the Public Service Board know of the President and CEO's plan for an after-action report upon the completion of the consultant study and review from a management perspective of how the situation was handled. Direct information and factual analysis would be provided such as the prudence of the engineering options selected to repair the main, the status of the financial and technical abilities to restore the system, mitigation efforts made to protect the public health and the environment, and continued commitment to monitoring and maintaining the wastewater system. Mr. Ortiz answered questions from the Board on this item.

- **CIP UPDATE**

Irazema Rojas, Capital Improvement Program Manager, provided a presentation to the Board regarding this item (copy on file in Central Files.) Ms. Rojas spoke of the leading priorities for improved infrastructure, which included reliability, growth, flood control and modernization with an anticipated infrastructure investment by end of fiscal year of \$152 million dollars. The infrastructure reliability includes expanding well capacity for drought resilience, improvements to water storage facilities, upgraded pumping system to protect water quality, improved pipeline integrity, upgraded water treatment plants, rehabilitation at wastewater treatment plants and improved capacity utilization.

Growth includes water storage added to meet new demand, new pumping systems for growing areas, water pipes installed to reach growth areas, and wastewater pipes installed to reach growth areas. Flood control includes improved stormwater structures. Modernization includes new facilities and new technologies transforming utility operations. Ms. Rojas showed a graph depicting a positive trend for water and wastewater infrastructure investments and another graph showing the stormwater system investments over the years.

- **VIDEO FROM COMMUNICATIONS.**

Christina Montoya, Marketing and Communications Manager, provided a video presentation.

One person was signed up to speak on item #14, Mr. Gilbert Anaya, Division Chief of the Environmental Division of the International Boundary and Water Commission. Mr. Anaya explained IBWC's role to coordinate activities related to the Frontera wastewater spill and notify Mexico, Sunland Park, NM, border patrol and other stakeholders in the area to ensure there was no contact with the river water and that proper precautions were taken. Also Mr. Anaya expressed thanks to El Paso Water for handling a difficult situation and expressed continued cooperation.

15. 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.

There were no comments from the public.

EXECUTIVE SESSION

On a motion made by Dr. Santiago, seconded by Mr. Morris, and unanimously carried, the Board retired into Executive Session at 9:19 a.m., October 13, 2021, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Section 551.071 through 551.076 to discuss the following:

Section 551.071	Consultation with Attorney
Section 551.072	Deliberation Regarding Real Property
Section 551.073	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. Whether the property legally described as a portion of Section 33 and 40, Block 80, Township 2, T&P TT Survey, City of El Paso, El Paso County, Texas, consisting of approximately 1.44 acres can be declared inexpedient to the water system. (551.071) (551.072)
- b. The claim of John Guye for a motor vehicle accident on April 12, 2021. (551.071)
- c. Property damage claims pursuant to Texas Local Government Code Section 552.912 resulting from the wastewater pipeline breaks associated with Frontera Force Main construction project. (551.071)

On a motion made by Dr. Santiago, seconded by Mr. Morris and unanimously carried, the Board reconvened in open session at 10:30 a.m., October 13, 2021.

- a. **WHETHER THE PROPERTY LEGALLY DESCRIBED AS A PORTION OF SECTION 33 AND 40, BLOCK 80, TOWNSHIP 2, T&P TT SURVEY, CITY OF EL PASO, EL PASO COUNTY, TEXAS, CONSISTING OF APPROXIMATELY 1.44 ACRES CAN BE DECLARED INEXPEDIENT TO THE WATER SYSTEM. (551.071) (551.072)**

Motion made by Christopher Antcliff and seconded by Bryan Morris that the described land be declared inexpedient to the water system and that the President and CEO be authorized to proceed in the manner approved by the Board and in accordance with the terms and conditions specified by the Board, and thereafter to forward to City of El Paso a recommendation to sell the property, and to sign any and all documents necessary to complete the sale of the property.

b. **THE CLAIM OF JOHN GUYE FOR A MOTOR VEHICLE ACCIDENT ON APRIL 12, 2021. (551.071)**

Motion made by Christopher Antcliff and seconded by Bryan Morris that the claim of John Guye for a motor vehicle accident on April 12, 2021 be denied and further authorize its General Counsel to take any and all action necessary to defend the interest and position of the Utility, both affirmative and defensive, to include but not be limited to, the response to any litigation in connection with this claim.

c. **PROPERTY DAMAGE CLAIMS PURSUANT TO TEXAS LOCAL GOVERNMENT CODE SECTION 552.912 RESULTING FROM THE WASTEWATER PIPELINE BREAKS ASSOCIATED WITH FRONTERA FORCE MAIN CONSTRUCTION PROJECT. (551.071)**

No action was taken on this item.

ADJOURNMENT

On a motion made by Mr. Antcliff, seconded by Mr. Morris and unanimously carried, the meeting adjourned at 10:32 a.m., October 13, 2021.

ATTEST:



Kristina Mena, Chair



Christopher Antcliff, Secretary-Treasurer