

**MINUTES  
PUBLIC SERVICE BOARD  
CITY OF EL PASO  
October 12, 2016**

The regular meeting of the Public Service Board was held Wednesday, October 12, 2016, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

**PSB MEMBERS PRESENT**

Henry Gallardo, Chair  
Christopher Antcliff, Vice Chair  
Terri Garcia, Secretary-Treasurer  
Mayor Oscar Leeser, Ex-Officio Member  
Dr. Ivonne Santiago, Member  
Bradley Roe, Member  
Dr. Kristina Mena, Member

**PSB MEMBERS ABSENT**

None

**PSB EMPLOYEES PRESENT**

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

**EPWU EMPLOYEES PRESENT**

Matthew Behrens, Assistant General Counsel  
Daniel Ortiz, Assistant General Counsel  
Alan Shubert, Vice President  
Marcela Navarrete, Vice President  
Art Duran, Chief Financial Officer  
Gilbert Trejo, Chief Technical Officer  
Fernie Rico, Chief Operations Officer  
Cynthia Osborn, Real Estate Manager/Counsel  
Gretchen Byram, Computer Media Specialist  
Georgette Webber, Executive Assistant  
Rosemary Guevara, Senior Purchasing Agent  
Robert Davidson, Temporary Employee  
Levi Chacon, Purchasing Agent  
Christina Montoya, Marketing and Communications Manager  
Isabel Rodriguez, Public Information Coordinator  
Angel Bustamante, Water Systems Division Manager  
Ron Varnell, Wastewater Lift Station Superintendent  
Amy Castner, Engineering Division Manager  
Jeff Tepsick, Fiscal Operations Manager  
Lidia Carranco, Utility Treasury & Property Control Manager  
Fred Murillo, Wastewater Plant Superintendent  
Art Hernandez, Wastewater Plant Superintendent  
Robert Hernandez, Wastewater Plant Superintendent  
Sergio Castro, Wastewater Plant Assistant Superintendent  
Alberto Ramos, Fleet & Building Maintenance Assistant Superintendent  
Richard Wilcox, Utility Laboratory Service Manager

Francisco Ramos, Wastewater Construction Superintendent  
Aide Zamarron, Water Production Manager  
Bernie Cardenas, Pretreatment Inspector Supervisor

#### **GUESTS**

Taylor Moreno, City of El Paso  
Steve Ainsa, AECOM  
Sanaan Villalobos, Carollo  
Pam Farone, Citizen  
Michael Ancell, CH2M Hill  
Sam Irrinki, Weston Solutions  
Alex Acosta, Bickerstaff Heath Delgado Acosta  
Maria Urbina, First Southwest  
Ralph Crouse, Desert East Golf Driving Range  
Gabino Cortez, Goodwill Industries International  
Melinda Jordan, Goodwill Industries International

#### **MEDIA**

None

The Public Service Board meeting was called to order by Mr. Gallardo at 8:10 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Dr. Santiago, in reciting the Pledge of Allegiance.

#### **CONSENT AGENDA**

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board took action on the following agenda items:

#### **APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON SEPTEMBER 14, 2016.**

The Board approved the minutes of the regularly scheduled meeting held on September 14, 2016.

#### **AUTHORIZED THE RENEWAL OF A LETTER OF ENGAGEMENT WITH BICKERSTAFF HEATH DELGADO ACOSTA, LLP TO PROVIDE SPECIALIZED OUTSIDE LEGAL SERVICES.**

The Board authorized the renewal of a Letter of Engagement with Bickerstaff Heath Delgado Acosta, LLP to provide specialized outside legal services.

#### **AUTHORIZED THE RENEWAL OF A LETTER OF ENGAGEMENT WITH KEMP SMITH, LLP TO PROVIDE SPECIALIZED OUTSIDE LEGAL SERVICES.**

The Board authorized the renewal of a Letter of Engagement with Kemp Smith, LLP to provide specialized outside legal services.

#### **REGULAR AGENDA**

#### **PRESENTATION OF THE SAFEST SECTION OF THE QUARTER AWARDS (FIRST AND SECOND QUARTERS 2016).**

Ms. Christina Montoya, Marketing and Communications Manager, made brief introductory comments regarding this item. The Safest Section of the Quarter Awards are for the sections with the lowest accident rate for the first quarter (January, February, and March) and second quarter (April, May, and June) of 2016. The winning sections were "Accident Free" during the first and second quarters. All of the members of these sections have performed their jobs safely as a group and as individuals, and deserve special recognition. Mr. Balliew and Mayor Leeser presented awards to representatives from the

following sections:

First Quarter Winners:

Plant Facilities – Roberto R. Bustamante Wastewater Treatment Plant; Field/Construction – Wastewater Lift Stations; Support Services – Fleet Maintenance; Compliance Materials – Laboratory Services

Second Quarter Winners:

Plant Facilities – Roberto R. Bustamante Wastewater Treatment Plant; Field/Construction – Wastewater System Repair and Construction; Support Services – Water Production; Compliance/Materials – Industrial Pretreatment

**PRESENTATION OF THE 2015 PEAK PERFORMANCE AWARDS FROM THE NATIONAL ASSOCIATION OF CLEAN WATER AGENCIES: PLATINUM AWARD TO THE JOHN T. HICKERSON WATER RECLAMATION FACILITY; GOLD PEAK AWARD TO THE ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT; GOLD PEAK AWARD TO THE FRED HERVEY WATER RECLAMATION PLANT; SILVER PEAK AWARD TO THE HASKELL R. STREET WASTEWATER TREATMENT PLANT.**

Ms. Montoya made introductory comments regarding this item. El Paso Water (EP Water) is a member of the National Association of Clean Water Agencies (NACWA). NACWA recognizes member agency facilities that meet Peak Performance award criteria for compliance with wastewater discharge permits. For 2015, NACWA recognized four EP Water wastewater plants with Peak Performance awards. The John T. Hickerson Water Reclamation Facility (Northwest Plant) received the Platinum Award. The NACWA Platinum award recognizes facilities that achieve 100% compliance with wastewater discharge permits for at least five consecutive years. The John T. Hickerson Water Reclamation Facility received the Platinum Award for perfect compliance over the last 17 consecutive years of operation. The Roberto R. Bustamante Wastewater Treatment Plant and the Fred Hervey Water Reclamation Plant received the Gold Award. The Gold Award recognizes treatment plants that have achieved 100 percent compliance with their permits for an entire calendar year. The Haskell R. Street Wastewater Treatment Plant received the Silver Award, which recognizes facilities that have received no more than five permit violations per calendar year. Mr. Balliew and Mayor Leeser presented the awards to representatives from each of the recognized plants.

**AWARDED A PROFESSIONAL SERVICES CONTRACT FOR SAM SNEAD STORM DRAIN SYSTEM TO MORENO CARDENAS, INC. IN THE AMOUNT OF \$365,000.**

Mr. Gilbert Trejo, Chief Technical Officer, made a PowerPoint Presentation to the Board regarding this item (copy on file in Central Files). This project was identified in the City of El Paso Stormwater Master Plan (SWMP) as Lomaland Basin System – Pico Norte Improvements Phase I (EA6). Sam Snead Storm Drain System is located in east El Paso, along Sam Snead Drive, east of Pico Norte Pond, which is currently being improved to increase its capacity to contain a 100-year runoff event. The Sam Snead area experiences flooding due to flat terrain and large contributing areas, flow from residential streets accumulate along large collector streets. This project is part of a series of phased improvements to the Lomaland System Basin, as identified in the SWMP.

El Paso Water (EPWater) received eight proposals on July 6, 2016. The Architectural/Engineering Selection Advisory Committee met on August 10, 2016, to review and recommend selection of the engineering firm for this service. Submittals were scored in the areas of minimum qualifications, team and project manager, and past project experience. Moreno Cardenas was selected as the firm that best meets the needs of the Utility for this important project and demonstrated excellent abilities in all the evaluated categories. The fee for the Sam Snead Storm Drain System was negotiated based on similar projects and is in line with the level of effort and hours required to complete the project.

On a motion made by Mayor Leeser, seconded by Mr. Roe and unanimously carried, the Board awarded a professional services contract for Sam Snead Storm Drain System to Moreno Cardenas, Inc. in the amount of \$365,000.

**AWARDED A PROFESSIONAL SERVICES CONTRACT FOR THE FRONTERA LIFT STATION FORCE MAINS CONDITION ASSESSMENT STUDY TO CH2M HILL ENGINEERS, INC. IN THE AMOUNT OF \$322,550 AND AUTHORIZED FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.**

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Frontera Lift Station force mains are critical for the operation of the wastewater collection system as they convey flow from the entire westside, 3.5 miles, to the John T. Hickerson Water Reclamation Facility. The Frontera Lift Station pumps a total of 10 million gallons per day of wastewater through two force mains - each with pipe diameters ranging from 30, 36, and 42-inch.

The dual force mains have operated without any major issues since their installation over 20 years ago, but are in need of a physical assessment to fully understand the condition of the valves and pipe. The consulting engineers will be tasked with performing pipeline inspection, evaluation, and develop a detailed design for the rehabilitation and/or replacement as recommended from the condition assessment findings.

The Architectural/Engineering Selection Advisory Committee met on August 10, 2016 to review and recommend selection of the engineering firm for the above-referenced project. Proposals were scored in the areas of technical competence, project approach, team organization and availability and project management and quality control. CH2M Hill Engineers (CH2M) was selected as the most qualified firm that best meets the needs of the Utility for these important services and demonstrated excellent abilities in all the evaluated categories. El Paso Water staff worked with CH2M to develop the scope of services required for this project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant for the defined scope of work. The negotiated fees are in line with the level of effort required to complete the task and consistent with similar work completed recently. Mr. Trejo and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Mr. Roe and unanimously carried, the Board awarded a professional services contract for the Frontera Lift Station Force Mains Condition Assessment Study to CH2M Hill Engineers, Inc. in the amount of \$322,550 and authorized funding through the Commercial Paper Program. **(Resolution attached)**

**APPROVED AN AMENDMENT TO THE CONSTRUCTION PHASE SERVICES CONTRACT FOR THE HASKELL R. STREET WASTEWATER TREATMENT PLANT CLARIFIER REHAB (BIO-SCRUBBERS) PROJECT WITH CDM SMITH, INC. IN THE AMOUNT OF \$331,911 AND AUTHORIZED FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.**

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Bio-Scrubbers treat odorous air to remove hydrogen sulfide and other odor causing compounds. These bio-scrubbers continue the ongoing \$13.5 million odor improvement program at Haskell R. Street Wastewater Treatment Plant (HWWTP). This project will reduce odor emissions from the wastewater treatment plant. CDM Smith designed the bio-scrubber treatment system improvements to be installed at HWWTP. Task Order Number 6, Engineering and Construction Administration Services will provide engineering support with the administration of the project, as well as a Resident Project Representative (RPR) to oversee the construction of the improvements and develop a safety program for the project. Staff worked with the consultant, CDM Smith, to develop the scope of work for the project construction administration and safety program development. A fee proposal associated with the scope of services was negotiated with the consultant. The negotiated construction services fees are in line with the level of effort and hours required to complete the project.

On a motion made by Dr. Santiago, seconded by Mr. Roe and unanimously carried, the Board approved an amendment to the construction phase services contract for the Haskell R. Street Wastewater Treatment Plant Clarifier Rehab (Bio-Scrubbers) project with CDM Smith, Incorporated in the amount of \$331,911 and authorized funding through the Commercial Paper Program. **(Resolution attached)**

**APPROVED CHANGE ORDER NUMBER 5 - KAY BAILEY HUTCHISON SERVICE LINES TO ENVIRO WATER MINERALS FACILITY TO SMITHCO CONSTRUCTION, INC. IN AN AMOUNT NOT TO EXCEED \$340,000 AND AUTHORIZED FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.**

Mr. Alan Shubert, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water (EPWater) has contracted with Enviro Water Minerals Company (EWM) to provide the facilities necessary to transport concentrate produced from the Kay Bailey Hutchison (KBH) Desalination Plant to EWM's new facility currently under construction. The facility will extract the minerals and salt products from the concentrate and return potable water back to EPWater. The project was awarded by the Board on April 13, 2016 to Smithco Construction in the amount of \$2,024,945. The project is scheduled to go online January 2017. Change Orders 1 through 4 have been approved totaling \$162,928.64. Change Order Number 5 is to construct a booster station and purchase pumping equipment to overcome the pressure at the KBH Plant based on the analysis performed by CDM Smith and as directed by EPWater.

The return potable water flow rate was determined by EWM Engineers to be 1,474 gallons per minute (gpm) with a pressure of 6.6 psi. This exceeds the original estimated returned potable water. CDM Smith performed a hydraulic analysis and concluded that there will not be enough pressure to overcome the pressure back into KBH. Approval of Change Order Number 5 is needed to purchase and install the pumping equipment as soon as possible because the pumps are a long-lead item and the booster station has to be in operation before the EWM facility goes online. Total Change Orders are 24.83% of the original contract awarded. Mr. Shubert and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mayor Leaser, seconded by Mr. Antcliff and unanimously carried, the board approved Change Order Number 5 - Kay Bailey Hutchison Service Lines to Enviro Water Minerals Facility to Smithco Construction, Incorporated in an amount not to exceed \$340,000 and authorized funding through the Commercial Paper Program. **(Resolution attached)**

**AWARDED BID NUMBER SW50-16, KENTUCKY DAM (DAM 5) IMPROVEMENTS-PHASE I, TO SAAB SITE CONTRACTORS, L.P. AS THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER IN THE AMOUNT OF \$3,783,650.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Kentucky Dam is part of the Central area system that helps prevent flooding on Interstate Highway 10 (IH-10) and reduces the amount of water conveyed along Elm Street. The project includes deepening the north and south ponds, constructing concrete flumes, perimeter rock wall, storm drain inlets and piping, and relocation of water and sewer lines.

El Paso Water (EPWater) received seven bids for this project on August 30, 2016 ranging from \$3,783,650 to \$7,826,231. The Engineer's Estimate was \$4,217,936. The project consulting engineer, Moreno Cardenas, evaluated the bids and determined that Saab Site Contractors meets the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. EPWater staff reviewed the engineer's evaluation matrix and recommended award of the contract for Bid Number SW50-16, Kentucky Dam (Dam 5) Improvements-Phase I to the lowest, responsive, responsible bidder, Saab Site Contractors in the amount of \$3,783,650. Mr. Shubert and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board awarded Bid Number SW50-16, Kentucky Dam (Dam 5) Improvements-Phase I, to Saab Site Contractors, L.P. as the lowest, responsive, responsible bidder in the amount of \$3,783,650.

**APPROVED A CONTRACT FOR 8-INCH AND 16-INCH WATER LINE REHABILITATION USING PIPE-BURSTING THROUGH THE EDUCATION SERVICE CENTER REGION 19 ALLIED STATES COOPERATIVE CONTRACT NUMBER 13-6903 TO MURPHY PIPELINE CONTRACTORS, INC. IN THE AMOUNT OF \$700,582, AND AUTHORIZED FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water (EPWater) has identified four locations throughout the City that require water line replacement due to the age of the pipelines and high frequency of breaks. Replacement of these pipelines using traditional open-trench installation at these sites would require a significant amount of pavement replacement, traffic control, and relocation of adjacent utilities, making these relocations expensive and an inconvenience to the traveling public. Pipe-bursting is a well-established trenchless method that is widely used for the replacement of deteriorated pipes with a new pipe of the same or larger diameter. It is an economic pipe replacement alternative that reduces disturbance to residents and business. This will be the first time EPWater uses this pipeline replacement technique and if successful will be used for future, hard to access, pipelines in need of replacement. A quote was received from Murphy Pipeline Contractors utilizing the Education Service Center Region 19 Allied States Cooperative RFP Number 13-6903. Staff evaluated the quote and recommended approval of a purchase order to Murphy Pipeline Contractors. Mr. Shubert, Mr. Balliew and Ms. Amy Castner, Engineering Division Manager, addressed questions from the Board regarding this item.

On a motion made by Mayor Leeser, seconded by Mr. Roe and unanimously carried, the Board approved a contract for 8-Inch and 16-Inch Water Line Rehabilitation using Pipe-Bursting through the Education Service Center Region 19 Allied States Cooperative Contract Number 13-6903 to Murphy Pipeline Contractors, Incorporated in the amount of \$700,582, and authorized funding through the Commercial Paper Program. **(Resolution attached)**

**APPROVED A SOLE SOURCE PURCHASE FROM PURE TECHNOLOGIES U.S. INC. TO CONDUCT AN ELECTROMAGNETIC CONDITION ASSESSMENT OF 2.1 MILES OF 48-INCH DIAMETER WATER MAIN IN THE AMOUNT OF \$200,700.**

Mr. Angel Bustamante, Water Systems Division Manager presented the Board with information regarding this item. Many of El Paso Water's water transmission mains are approaching or have passed their design life. EPWater continues to assess the condition of its older transmission mains to determine which pipe segments need replacement or rehabilitation before these main segments start showing evidence of severe distress, such as leaks and breaks. The 2006 CH2MHill "City-Wide Large Diameter Waterline Condition and Performance Evaluation, Monitoring, and Improvement Program" study identified and prioritized specific pipeline projects for future assessment and possible replacement. Six of the top ten priority projects identified are part of the SCCP 48" cross-city feeder transmission system. In FY 2016-17, \$200,000 was approved to conduct magnetic condition assessments for three of these projects, totaling 2.1 miles in length. Staff is unaware of a technology other than PureEM, a robotic electromagnetic inspection technology patented by Pure Technologies, that can detect breaks in the wires of prestressed concrete cylinder pipe in a nondestructive and accurate manner. Consequently, a proposal was requested and received from Pure Technologies to conduct this assessment for a total fee of \$200,700. This purchase is exempt from the bidding statute in accordance with the sole source exception found in Texas Local Government Code Section 252.022(a)(7)(D). Mr. Bustamante and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mayor Leeser, seconded by Mr. Antcliff, and unanimously carried, the Board approved a sole source purchase from Pure Technologies U.S. Inc. to conduct an electromagnetic condition assessment of 2.1 miles of 48-inch diameter water main in the amount of \$200,700.

**DECLARED OXBOW ACTIVATED CARBON, LLC NOT RESPONSIBLE, AND AWARDED BID NUMBER 66-16, POWDERED ACTIVATED CARBON FOR DRINKING WATER TREATMENT TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER, STANDARD PURIFICATION (A DONAU CARBON CORPORATION COMPANY), IN THE ESTIMATED ANNUAL AMOUNT OF \$68,400, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

Mr. Art Duran, Chief Financial Officer, presented the Board with information regarding this item (copy on file in Central Files). Powdered activated carbon (PAC) is used for taste and odor elimination in the water treatment process at the Robertson/Umbenhauer Water Treatment Plant. EPWater received seven bids and one no-bid.

Staff evaluated the bids and although Oxbow Activated Carbon submitted the lowest bid amount of \$0.52 per pound/\$62,400, their PAC product, Oxpure Steam Activate Carbon, is not ANSI/NSF 61 certified under official National Sanitation Foundation (NSF) accreditation as specified in this bid. Staff also evaluated the second low bidder, and determined that Standard Purification met all the specifications outlined in the bid proposal and staff recommended award to the lowest, responsive, responsible bidder, Standard Purification, in the estimated annual amount of \$68,400. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board declared Oxbow Activated Carbon, LLC not responsible, and awarded Bid Number 66-16, Powdered Activated Carbon for Drinking Water Treatment, to the lowest, responsive, responsible bidder, Standard Purification (a Donau Carbon Corporation company), in the estimated annual amount of \$68,400, with the option for two one-year extensions.

**AWARDED A JANITORIAL SERVICES CONTRACT TO THE TEXAS INDUSTRY FOR THE BLIND AND HANDICAPPED IN THE ESTIMATED ANNUAL AMOUNT OF \$330,355.92 WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS, UNDER THE EXCEPTION TO BIDDING STATUTE FOR SERVICES PERFORMED BY BLIND OR SEVERELY DISABLED PERSONS.**

Mr. Duran presented the Board with information regarding this item. There are currently nineteen El Paso Water facilities that require janitorial services. The Texas Industry for the Blind and Handicapped (TIBH), in partnership with Goodwill Industries International, is a private non-profit corporation responsible for coordinating programs and employment opportunities for individuals with disabilities. All TIBH services are exempt from competitive bidding requirements in accordance with Texas Local Government Code Section 252.022. Mr. Duran, Mr. Balliew and Mr. Gabino Cortez, representative from Goodwill Industries International, addressed questions from the Board regarding this item.

On a motion made by Mayor Leeser, seconded by Mr. Antcliff and unanimously carried, the Board awarded a janitorial services contract to the Texas Industry for the Blind and Handicapped in the estimated annual amount of \$330,355.92 with the option for two one-year extensions, under the exception to bidding statute for services performed by blind or severely disabled persons.

**ADOPTED A RESOLUTION REQUESTING CITY COUNCIL TO AUTHORIZE THE ISSUANCE OF \$100,000,000 OF CITY OF EL PASO WATER AND SEWER SYSTEM REVENUE BONDS SERIES 2016A THROUGH THE TEXAS WATER DEVELOPMENT BOARD'S STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS.**

Mr. Duran introduced Ms. Maria Urbina of First Southwest, to make a PowerPoint presentation to the Board regarding this item. On July 21, 2016, the Texas Water Development Board (TWDB) approved the Public Service Board's multi-year assistance request of \$150,000,000 from the State Water Implementation Revenue Fund for Texas (SWIRFT). The Utility requested \$100,000,000 for 2016 and the remaining \$50,000,000 for 2017. The loan proceeds will be used for the acquisition of lands with water rights in Hudspeth County. The land acquisitions will assist in providing a portion of the water rights identified in the Far West Texas Region Water Plan (Region E). Different financing alternatives were evaluated and the funding offered through the TWDB's SWIRFT was selected due to the low interest cost.

The State Water Implementation Fund for Texas (SWIFT)/State Water Implementation Revenue Fund for Texas (SWIRFT) Program provides affordable financing for projects in the State Water plan. Projects include conservation and reuse, desalinating ground-water and seawater, building new pipelines, developing reservoirs and well fields, purchasing water rights, as well as other projects similar in scope. The SWIFT program will fund over \$27 billion in State Water Plan projects over the next 50 years. On July 21, 2016, TWDB approved a funding commitment to EPWate for a total of \$150 Million of project funds under the SWIFT program. Approved financing will include two 20-year low-interest, fixed-rate loans. Interest rate subsidy is 35% below

the TWDB's cost of funds for 20-year loans. The TWDB is rated 'AAA' by S&P and Fitch. TWDB subsidized rates, will save EPWater approximately \$11.6 million over the life of the bonds. Ms. Urbina reviewed the approval schedule for this bond issue. Mr. Balliew and Ms. Marcela Navarrete, Vice President, addressed questions from the Board.

On a motion made by Mayor Leeser, seconded by Mr. Roe and unanimously carried, the Board adopted a resolution requesting City Council to authorize the issuance of \$100,000,000 of City of El Paso Water and Sewer System Revenue Bonds Series 2016A through the Texas Water Development Board's State Water Implementation Revenue Fund for Texas. **(Resolution attached)**

**APPROVED THE 2ND QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING AUGUST 31, 2016.**

Mr. Duran made a PowerPoint 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 El Paso Water. In regards to the Water and Wastewater Utilities, operating revenue through the second quarter was \$15.14 million more than the same period last year mainly due to the approved eleven percent water and wastewater rate increase effective March 1, 2016. Operations and maintenance expenses were \$1.73 million more than last year mainly due to an increase of \$1.42 million in maintenance, \$614,000 increase in chemicals and an increase of \$300,000 in water purchased from El Paso County Water Improvement District #1 (EPCWID#1), offset by a decrease of \$510,000 in utilities. EP Water expects meet all of its operating, capital and debt service obligations this year.

Regarding the Stormwater Utility, the total operating revenues through the second quarter were \$1.11 million more than for the same period last year mainly due to the approved eleven percent fee increase effective March 1, 2016. Operating expenditures were \$48,000 more than last year mainly due to an increase in salaries. EPWater is on target to meet all its operating, capital and debt service requirements this year. Mr. Duran addressed questions and comments from the Board regarding this item.

On a motion made by Mayor Leeser, seconded by Ms. Garcia and unanimously carried, the Board approved the 2nd Quarter Financial and Performance Measures Report for period ending August 31, 2016.

**APPROVED THE 2ND QUARTER INVESTMENT REPORT FOR PERIOD ENDING AUGUST 31, 2016, AND APPROVED SAMUEL A. RAMIREZ & CO., INC. AS A NEW QUALIFIED INVESTMENT BROKER DEALER FIRM.**

Mr. Duran made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Public Funds Investment Act (PFIA) requires a quarterly report be submitted and the approval of new investment broker dealers. El Paso Water's Investment Committee, consisting of Board members Terri Garcia and Ivonne Santiago; the President & CEO; the Vice President of Strategic; Financial and Management Services; the General Counsel; Chief Financial Officer; Fiscal Operations Manager; Treasury Manager; and the Water and Wastewater Economic Analyst met on October 5, 2016, to review the 2nd quarter investment report and to discuss the addition of Samuel A. Ramirez & Co. as a new authorized investment broker dealer. During the second quarter of FY 2016-17, the portfolio par value was \$246,009,157. The weighted average maturity was 60 days. During the quarter, EPWater bid 48 investments totaling \$37.79 million. The overall yield for the quarter was 0.54%. Currently, the following eligible business organizations are authorized to transact investment business with EPWater: Raymond James; Hilltop Securities, Inc.; Wells Fargo Securities; and Piper Jaffray & Co. Mr. Duran reviewed the qualifications of Samuel A. Ramirez & Co., Inc. and recommended adding the organization to the list of broker/dealers. Mr. Duran addressed several questions and comments from the Board regarding this item.

On a motion made by Mayor Leeser, seconded by Ms. Garcia and unanimously carried the Board approved the 2nd Quarter Investment Report for period ending August 31, 2016, and approved Samuel A. Ramirez & Co.,



Inc. as a new qualified investment broker dealer firm.

**APPROVED A REVISION TO THE EL PASO WATER UTILITIES' PURCHASING MANUAL TO DEFINE AND SET CRITERIA FOR ACCURATELY DETERMINING THE SAFETY RECORD OF A BIDDER FOR PURPOSES OF DETERMINING RESPONSIBILITY IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE SECTION 252.0435.**

On a motion made by Mr. Gallardo, seconded by Ms. Garcia and unanimously carried, the Board moved this item into Executive Session under Section 551.071 of the Texas Government Code for consultation with its attorney.

On a motion made by Mr. Gallardo, seconded by Mr. Antcliff and unanimously carried, the Board retired into Executive Session at 10:00 a.m., October 12, 2016, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 through 551.076 to discuss this item along with the items posted on the Executive Session agenda.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board reconvened in open session at 11:07 a.m., October 12, 2016.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). As identified in the strategic plan, El Paso Water (EPWater) is looking to more fully integrate safety activities into all aspects of our business. EPWater has continuously engaged its employees in the safety decision-making processes, and EPWater is raising expectations for how contractors effectively manage safety within their own organizations. EPWater staff proposed revisions to the purchasing policy to include safety standards and requirements as related to a contractor's safety record in order to bid on qualifying EPWater projects. The proposed policy includes requirements related to a contractor's experience modification ratio (EMR); injury or illness rates as reported from the Occupational Safety and Health Administration (OSHA); and number of serious, willful, and repeat violations as reported by OSHA. Staff researched and benchmarked the safety requirements with other water utilities in Texas and identified it as fair and in line with the industry. Mr. Shubert addressed questions from members of the Board regarding this item.

Mr. Matthew Behrens, Assistant General Counsel, clarified the Board's requested amended language to be placed in the policy as follows:

*"...The Safety Record shall consist of (1) the bidder's workers' compensation experience modification ratio (EMR), **or that of the leasing company from which it leases its staff, from their respective insurance provider...**"*

*"...The bidder shall be deemed not responsible if the bidder (1) fails to provide a complete Safety Record; (2) reports an EMR for itself **or its staff leasing company** greater than 1.25;..."*

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried with Mayor Leiser absent from the vote, the Board approved a revision, to include the Board's amended language, to the El Paso Water Utilities' Purchasing Manual to define and set criteria for accurately determining the safety record of a bidder for purposes of determining responsibility in accordance with Texas Local Government Code Section 252.0435.

**STAFF REPORT ON THE STORMS FOR MONSOON 2016, OPERATIONS RESPONSE, PROGRESS OF PROJECTS, AND ACTIONS GOING FORWARD FOR THE STORMWATER UTILITY.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). He reviewed historic data pertaining to average annual rainfall in El Paso and said the average annual rainfall was 6.75 inches. A total of 19 storm events took place from April 2016 to September 30, 2016. Mr. Shubert

provided a brief overview of the stormwater operations during the monsoon season to include benchmarks, service requests received and sandbag distribution. Mr. Shubert also gave an update on the 2016 Stormwater Public Awareness Campaign. Mr. Shubert, Mr. Balliew and Mr. Duran addressed questions and comments from the Board regarding this item.

**MANAGEMENT REPORT:**

Mr. Balliew informed the Board of the following upcoming events:

- H2O4Texas Statewide Water Tour – October 25<sup>th</sup> – 26<sup>th</sup>
- Mayor's 2016 Municipal Investor Fam Tour at Hotel Indigo – October 26<sup>th</sup> 5:00 p.m. – 6:00 p.m.
- Aquifer Recharge Field Trip (w/ Celebration of the Mountains) – October 29<sup>th</sup> 10:00 a.m. – 11:30 a.m.

**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.**

The Board heard comments from Mr. Ralph Crouse from the Desert East Golf Driving Range.

**EXECUTIVE SESSION**

On a motion made by Mr. Gallardo, seconded by Mr. Antcliff, and unanimously carried, the Board retired into Executive Session at 10:00 a.m., October 12, 2016, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 through 551.076 to discuss any of the following:

Section 551.071	Consultation with Attorney
Section 551.072	Deliberation Regarding Real Property
Section 551.074	Personnel Matters

**a. Section 551.071 Consultation with Attorney**

The Board will consult with General Counsel regarding Priscilla Meraz, et. al v. City of El Paso, the El Paso Water Utilities Public Service Board, and Cubic Water, LLC. (2016DCV2883).

**b. Section 551.071 Consultation with Attorney**

The Board will consult with General Counsel regarding Dorys A. Reyes, et. al. v. Cubic Water, LLC, City of El Paso, Texas, and the El Paso Water Utilities Public Service Board (2015DCV3874).

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board reconvened in open session at 1107 a.m., October 12, 2016.

**CONSULTED WITH GENERAL COUNSEL REGARDING PRISCILLA MERAZ, ET. AL V. CITY OF EL PASO, THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD, AND CUBIC WATER, LLC. (2016DCV2883).**

No action taken on this item.

**CONSULTED WITH GENERAL COUNSEL REGARDING DORYS A. REYES, ET. AL. V. CUBIC WATER, LLC, CITY OF EL PASO, TEXAS, AND THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD (2015DCV3874).**

No action taken on this item.

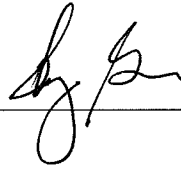
**ADJOURNMENT**

The meeting adjourned at 11:19 a.m., October 12, 2016.

ATTEST:

Secretary-Treasurer

Chair

A handwritten signature in black ink, appearing to be 'J. S.', written above a horizontal line.

**RESOLUTION**

**A RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO APPROVE AN AMENDMENT TO THE CONSTRUCTION PHASE SERVICES CONTRACT FOR THE HASKELL R. STREET WASTEWATER TREATMENT PLANT CLARIFIER REHAB (BIO-SCRUBBERS) PROJECT WITH CDM SMITH, INC. AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.**

\*\*\*\*\*

**WHEREAS**, the bio-scrubber installation at the Haskell R. Street Wastewater Treatment Plant ("Bid No. 35-16") involves collecting hydrogen sulfide gas from the primary clarifiers and conveying it to bio-scrubbers for treatment causing both El Paso Water ("EPWater") staff and contractors to be exposed to hazardous environments while completing this work; and,

**WHEREAS**, CDM Smith, Inc. ("Contractor") is performing the construction phase services for El Paso Water on Bid Number 35-16 through a contract approved by the Public Service Board on January 23, 2011 ("Construction Phase Contract"); and,

**WHEREAS**, Contractor experience in working with hazardous wastewater environments, including experience with training and implementing OSHA regulations in the field; and,

**WHEREAS**, EPWater staff worked with Contractor to develop the scope of work for the project construction administration and safety program development ("Project"); and,

**WHEREAS**, a fee proposal associated with such services was negotiated with Consultant, and such fees are in line with the level of effort and hours required to complete the Project; and,

**WHEREAS**, in order to take advantage of favorable interest rates and reduce financing costs, the Public Service Board ("PSB") and City Council have authorized a Commercial Paper Program to finance PSB construction projects and engineering services; and,

**NOW, THEREFORE, BE IT RESOLVED** by the PUBLIC SERVICE BOARD of the City of El Paso El Paso Water Utilities:

**Section 1.** That the findings and recitations set out in the preamble to this Resolution are true and correct and are hereby adopted by the Public Service Board and made a part of this Resolution for all purposes.

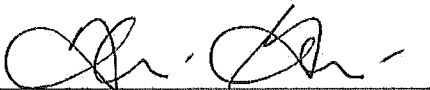
**Section 2.** That the Public Service Board hereby authorizes the President/CEO to amend the Construction Phase Contract to add the Project to the scope of work and increase the total contract price by an amount not to exceed \$331,911.00.

**Section 3.** That the Public Service Board hereby authorizes funding of this project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in the CIP#S4226, FY 2016-2017, Account Number 1916-019, in an amount not to exceed \$331,911.00.

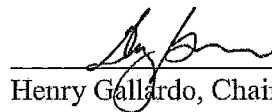
**PASSED AND APPROVED** at the regular meeting of the Public Service Board of the City of El Paso Texas, this 12<sup>th</sup> day of October, 2016, at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001 et. seq.

EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD

ATTEST:



Terri Garcia  
Secretary-Treasurer



Henry Gallardo, Chair

APPROVED AS TO FORM:



Lee Ann B. Koehler  
General Counsel

**RESOLUTION**

**A RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO APPROVE CHANGE ORDER NUMBER 5 KAY BAILEY HUTCHISON SERVICE LINES TO ENVIRO WATER MINERALS FACILITY TO SMITHCO CONSTRUCTION, INC. AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.**

\*\*\*\*\*

**WHEREAS**, El Paso Water has contracted with Enviro Water Minerals Company (“EWM”) to provide the facilities necessary to transport concentrate produced from the Kay Bailey Hutchison Desalination Plant (the “Plant”) to Enviro Water Minerals (EWM) new facility currently under construction by Smithco Construction, Inc. in order to extract the minerals and salt products from the concentrate and return potable water back to El Paso Water; and,

**WHEREAS**, the return potable water flow rate was initially underestimated and CDM Smith was engaged to design a booster station to overcome the pressure at the Plant; and,

**WHEREAS**, approval of change order number 5 is needed to purchase and install the pumping equipment as soon as possible because the pumps are a long-lead item and the booster station has to be in operation before the EWM facility goes online in January 2017; and,

**WHEREAS**, in order to take advantage of favorable interest rates and reduce financing costs, the Public Service Board (“PSB”) and City Council have authorized a Commercial Paper Program to finance PSB construction projects and engineering services; and,

**NOW, THEREFORE, BE IT RESOLVED** by the PUBLIC SERVICE BOARD of the City of El Paso El Paso Water Utilities:

**Section 1.** That the findings and recitations set out in the preamble to this Resolution are true and correct and are hereby adopted by the Public Service Board and made a part of this Resolution for all purposes.

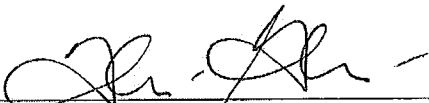
**Section 2.** That the Public Service Board hereby authorizes the President/CEO to approve Change Order Number 5 Kay Bailey Hutchison Service Lines to Enviro Water Minerals Facility in an amount not to exceed \$340,000.


**Section 3.** That the Public Service Board hereby authorizes funding of this project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in the CIP#W1402, FY 2016-2017, Account Number 1215-094, in an amount not to exceed \$340,000.00.

**PASSED AND APPROVED** at the regular meeting of the Public Service Board of the City of El Paso Texas, this 12<sup>th</sup> day of October, 2016, at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001 et. seq.


EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD

ATTEST:

  
\_\_\_\_\_  
Terri Garcia  
Secretary-Treasurer

  
\_\_\_\_\_  
Henry Gallardo, Chair

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Lee Ann B. Koehler  
General Counsel

**RESOLUTION**

**A RESOLUTION TO AWARD A CONTRACT FOR 8-INCH AND 16-INCH WATER LINE REHABILITATION USING PIPE-BURSTING THROUGH THE EDUCATION SERVICE CENTER REGION 19 ALLIED STATES COOPERATIVE CONTRACT NUMBER 13-6903 TO MURPHY PIPELINE CONTRACTORS, INC. AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.**

\*\*\*\*\*

**WHEREAS**, El Paso Water (“EPWater”) has identified four locations throughout the City that require water line replacements due to the age of the pipelines and high frequency of breaks and replacement of these pipelines using traditional open-trench installation at these sites would require a significant amount of pavement replacement, traffic control, and relocation of adjacent utilities; making these relocation expensive and an inconvenience to the traveling public; and,

**WHEREAS**, pipe-bursting is a well-established trenchless method that is widely used for the replacement of deteriorated pipes with a new pipe of the same or larger diameter as it is an economic pipe replacement alternative that reduces disturbance to residents and businesses; and,

**WHEREAS**, EPWater received a quote from Murphy Pipeline Contractors, Inc. utilizing the Education Service Center Region 19 Allied States Cooperative RFP Number 13-6903, which staff evaluated and recommends ; and

**WHEREAS**, in order to take advantage of favorable interest rates and reduce financing costs, the Public Service Board (“PSB”) and the City Council authorized a Commercial Paper Program to finance PSB construction projects and engineering services and this Project is eligible for such Program.

**NOW, THEREFORE, BE IT RESOLVED** by the Public Service Board of the City of El Paso, El Paso Water Utilities:

**Section 1.** The findings and recitations set out in the preamble to this Resolution are true and correct and are hereby adopted by the Public Service Board for all purposes.

**Section 2.** That the Public Service Board hereby approves award of a contract for 8-inch and 16-inch water line rehabilitation using pipe-bursting to Murphy Pipeline Contractors, Inc. through the Education Service Center Region 19 Allied States Cooperative Contract Number 13-7903 in an amount of \$700,582.

**Section 3.** That the Public Service Board hereby authorizes funding of the required project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in CIP#W5645, Account Number 1216-066, Budget FY 2016-2017, in an amount not to exceed \$700,582.00.



8-inch and 16-Inch Water Line Rehab Contract

Page 2 of 2

**PASSED AND APPROVED** at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 12th day of October, 2016, at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001, et. seq.

EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD

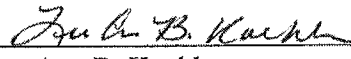
ATTEST:



Terri Garcia  
Secretary-Treasurer

  
Henry Gallardo, Chair

APPROVED AS TO FORM:

  
Lee Ann B. Koehler  
General Counsel

RESOLUTION

**A RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO AWARD AN ENGINEERING PROFESSIONAL SERVICES CONTRACT FOR FRONTERA LIFT STATION FORCE MAINS CONDITION ASSESSMENT STUDY TO CH2M HILL ENGINEERS, INC. AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.**

\*\*\*\*\*

**WHEREAS**, Frontera Lift Station force mains are critical for the operation of the wastewater collection system as they convey flow from the entire westside, 3.5 miles, to the John T. Hickerson Water Reclamation Facility; and

**WHEREAS**, the dual force mains have operated without any major issues since their installation over 20 years ago, but are in need of a physical assessment to fully understand the condition of the valves and pipe, which will include performing pipeline inspection, evaluation, and developing a detailed design for the rehabilitation and/or replacement as recommended from the findings of the assessments; and,

**WHEREAS**, the Architectural/Engineering Selection Advisory Committee met on August 10, 2016, to review and recommend selection of the engineering firm for the Project and selected CH2M Hill Engineers, Inc. ("Contractor") as the firm that best meets the needs of the Utility for these important services, that demonstrated excellent abilities in all the evaluated categories, and that was most qualified to complete the Project; and

**WHEREAS**, El Paso Water's Project Management worked with Contractor to develop the scope of services required for this project, and the negotiated fees are in line with the level of effort required to complete the task and consistent with similar work completed recently; and,

**WHEREAS**, in order to take advantage of favorable interest rates and reduce financing costs, the Public Service Board (PSB)-and City Council have authorized a Commercial Paper Program to finance PSB construction projects and engineering services; and,

**NOW, THEREFORE, BE IT RESOLVED** by the PUBLIC SERVICE BOARD of the City of El Paso, El Paso Water Utilities:

**Section 1.** That the findings and recitations set out in the preamble to this Resolution are true and correct and are hereby adopted by the Public Service Board and made a part of this Resolution for all purposes.

**Section 2.** That the Public Service Board hereby authorizes the President/CEO to award a Professional Engineering Services Contract for the Frontera Lift Station Force Mains Condition Assessment Study to CH2M Hill Engineers, Inc. in an amount not to exceed \$322,550.

**Section 3.** That the Public Service Board hereby authorizes funding of this project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in the CIP#S4307, FY 2016-17, Account Number 1916-039, in an amount not to exceed \$300,000 with the remainder of \$22,550.00 from the Improvement Fund.

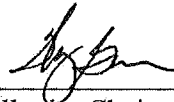
**PASSED AND APPROVED** at the regular meeting of the Public Service Board of the City of El Paso Texas, this 12<sup>th</sup> day of October, 2016, at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001 et. seq.

EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD

ATTEST:

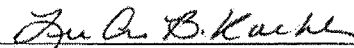


Terri Garcia  
Secretary-Treasurer



Henry Gallardo, Chair

APPROVED AS TO FORM:



Lee Ann B. Koehler  
General Counsel

## **RESOLUTION**

A RESOLUTION REQUESTING THE EL PASO CITY COUNCIL APPROVE THE ISSUANCE AND SALE OF UP TO ONE HUNDRED MILLION AND NO/100 DOLLARS (\$100,000,000.00) OF EL PASO, TEXAS, WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2016A, TO BE ISSUED THROUGH THE TEXAS WATER DEVELOPMENT BOARD WITH STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS (SWIRFT) FUNDING, TO FINANCE THE PURCHASE OF WATER RIGHTS LAND IN HUDSPETH COUNTY, TEXAS.

**WHEREAS**, the City Council of the City of El Paso, Texas established the El Paso Texas Water and Sewer Utilities System by Ordinance Number 752, May 22, 1952;

**WHEREAS**, the City Council as authorized by State law vested the complete management and control of the El Paso Texas Water Utilities System in a board of trustees, said board being the El Paso Water Utilities Public Service Board (“PSB”);

**WHEREAS**, EPWU has historically worked with funding agencies to obtain the necessary resources to invest in sustainable, long-term water solutions for the City of El Paso;

**WHEREAS**, on September 30, 2014, the City Council adopted a resolution delegating authority to apply for funding from the State Water Implementation Fund of Texas on behalf of the City of El Paso to the El Paso Water Utilities Public Service Board of Trustees, President/CEO;

**WHEREAS**, the PSB passed a resolution on May 11, 2016, to authorize the President/CEO to request financial assistance from the Texas Water Development Board in an amount not to exceed \$150,000,000.00 in loans from Texas Water Development Board for land and water rights acquisition under the State Water Implementation Fund for Texas program (“SWIFT”);

**WHEREAS**, on July 21, 2016, the Texas Water Development Board approved the El Paso Water Utilities request for a multi-year assistance in the amount of \$150,000,000.00 to purchase water rights land in Hudspeth County, Texas;

**WHEREAS**, the sale and issuance of up to \$100,000,000.00 in City of El Paso Texas Water and Sewer System Revenue Bonds, Series 2016A, issued through the Texas Water Development Board is necessary to receive SWIRFT funding; and

**WHEREAS**, the PSB finds that it is in the best interest of the water and sewer system utility ratepayers for this funding and financing to take place;

**NOW, THEREFORE, BE IT RESOLVED BY THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD OF THE CITY OF EL PASO, TEXAS:**

Section 1. That the findings and recitations set out in the preamble to this Resolution are true and correct and are hereby adopted by the El Paso Water Utilities Public Service Board, which has been vested with the complete management and control of the El Paso Texas Water and Sewer System, and made a part of this Resolution by this reference for all purposes.

Section 2. That the El Paso Water Utilities Public Service Board requests the El Paso City Council to approve the issuance and sale of up to ONE HUNDRED MILLION AND NO/100 DOLLARS (\$100,000,000.00) in City of El Paso, Texas, Water and Sewer System Revenue Bonds, Series 2016A, to be issued through the Texas Water Development Board with State Water Implementation Revenue Fund for Texas funding to finance the purchase of water rights land in Hudspeth County, Texas.

Section 3. That all actions heretofore taken by the PSB's President/CEO, the City's Financial Advisor and the PSB's Bond Counsel with respect to this matter are hereby ratified and approved.

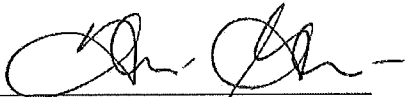
**PASSED AND APPROVED** at a regular meeting of the El Paso Water Utilities Public Service Board of the City of El Paso, Texas, this, 12<sup>th</sup> day of October, 2016, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. seq.

EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD




Henry Gallardo  
Chair

ATTEST:



Terri Garcia  
Secretary/Treasurer

APPROVED AS TO FORM:



Lee Ann B. Koehler  
General Counsel

**SPECIAL MEETING MINUTES OF THE  
PUBLIC SERVICE BOARD  
AND THE  
PUBLIC SERVICE BOARD SELECTION COMMITTEE  
CITY OF EL PASO**

**October 26, 2016**

A special meeting of the Public Service Board and the Public Service Board Selection Committee was held Wednesday, October 26, 2016, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

**PSB SELECTION COMMITTEE MEMBERS PRESENT**

Mayor Oscar Leeser, Committee Chair  
Dr. Ivonne Santiago, PSB Member  
Bradley Roe, PSB Member  
Dr. Kristina Mena, PSB Member  
Dr. Richard Teschner, Representing District 1  
Richard Castro, Representing District 3  
Sam Shallenburger, Representing District 5  
Richard Martinez, Representing District 7  
Charlie Wakeem, Representing District 8

**PSB SELECTION COMMITTEE MEMBERS ABSENT**

Henry Gallardo, PSB Chair  
Christopher Antcliff, PSB Vice-Chair  
Terri Garcia, PSB Secretary-Treasurer  
Joe Cardenas, Representing District 2  
Vacant, Representing District 4  
Donna AlHakeem, Representing District 6

**PSB EMPLOYEES PRESENT**

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

**EPWU EMPLOYEES PRESENT**

Alan Shubert, Vice President  
Lisa Rosendorf, Chief Communications and Government Affairs Officer  
Georgette Webber, Executive Assistant

**MEDIA**

None

**GUESTS**

None

The special meeting was called to order by Mayor Leeser at 5:33 p.m. A quorum of the Public Service Board and the Public Service Board Selection Committee, (here therefore known as the "Committee") was present.

**CONSIDERED AND TOOK ACTION REGARDING PUBLIC SERVICE BOARD APPLICATIONS RECEIVED AFTER THE POSTED DEADLINE.**

Ms. Lee Ann Koehler, General Counsel, said EPWater did not receive any additional applications after the established deadline. Therefore, no additional action was taken.

**TOOK ACTION, TO INCLUDE SELECTION OF THE TOP THREE CANDIDATES, RANKING OF THE TOP CANDIDATES AND RECOMMENDATION TO CITY COUNCIL, AND OTHER RELATED MATTERS, IN REGARDS TO THE APPLICATIONS THAT MEET THE SELECTION CRITERIA OF HAVING EXPERTISE IN THE AREA OF GENERAL BUSINESS MANAGEMENT.**

Mayor Leeser said there were three applications received for the General Business Management position. He opened the floor for comments from the Committee regarding each candidate. After deliberation, the Committee determined that all three candidates should be ranked and presented to Council for consideration. Mayor Leeser asked each Committee member to rank the top three candidates with the highest scores in order of personal preference using the following method:

1st preference = 3 points                      2nd preference = 2 points                      3rd preference = 1 point

Once each Committee member ranked the top three candidates by personal preference, the points were tallied for each of the three candidates with the following results:

J. Xavier Banales	18 points
Henry Gallardo	25 points
Charlie Intebi	11 points

The candidates were ordered and ranked 1st, 2nd and 3rd based on the total preference points received.

1 <sup>st</sup>	Henry Gallardo	25 points
2 <sup>nd</sup>	J. Xavier Banales	18 points
3 <sup>rd</sup>	Charlie Intebi	11 points

Mayor Leeser opened the floor for comments and discussion from the Committee. Additional comments were made by the Committee. Once deliberation ended, Mayor Leeser requested a motion to approve and submit the candidates to City Council for consideration and selection.

On a motion made by Mr. Wakeem, seconded by Mr. Roe and unanimously carried, the Committee approved the following candidates to be submitted to City Council for review and consideration, in the ranking preference noted below, for the General Business Management position on the Public Service Board (**Resolution attached**):

1 <sup>st</sup>	Henry Gallardo
2 <sup>nd</sup>	J. Xavier Banales
3 <sup>rd</sup>	Charlie Intebi

**TOOK ACTION, TO INCLUDE SELECTION OF THE TOP THREE CANDIDATES, RANKING OF THE TOP CANDIDATES AND RECOMMENDATION TO CITY COUNCIL, AND OTHER RELATED MATTERS, IN REGARDS TO THE APPLICATIONS THAT MEET THE SELECTION CRITERIA OF HAVING EXPERTISE IN THE AREA OF FINANCIAL MANAGEMENT.**

Mayor Leeser stated there was only one application received for the Financial Management position from Ms. Terri Garcia. Ms. Lee Ann Koehler, General Counsel, advised the Committee on the requirements for forwarding applicants to Council for consideration as described in the resolution and ordinance which established the Committee. Mayor Leeser opened the floor for comments and discussion from the Committee. Additional comments were made by the Committee.

On a motion made by Mr. Wakeem, seconded by Mr. Castro and unanimously carried, the Committee approved the following candidates to be submitted to City Council for review and consideration, in the ranking preference noted below, for the Financial Management position on the Public Service Board (**Resolution attached**):

1<sup>st</sup> Terri Garcia

**CONSIDERED AND APPROVED THE COMMITTEE TIMELINE FOR PUBLIC SERVICE BOARD APPOINTMENT.**

The proposed timeline was distributed to the Committee. The list of candidates for the vacant positions would be provided to the City on October 27, 2016. Mayor Leeser directed Ms. Koehler to send the information to the City Manager and City Clerk. On November 15, 2016, City Council will consider and make a decision whether to select a candidate for the two positions or reject all candidates and request the Committee to begin the selection process again. If a candidate is selected for the General Business Management position, the new member will be sworn in at the PSB Meeting on January 11, 2017. If a candidate is selected for the Financial Management position, the new member will be sworn in at the PSB Meeting on April 12, 2017.

On a motion made by Mr. Castro, seconded by Dr. Teschner and unanimously carried, the Committee approved the timeline for Public Service Board appointment.


**PUBLIC COMMENT: THE PUBLIC SERVICE BOARD SELECTION COMMITTEE CHAIR WILL PERMIT PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA. THE CHAIR MAY IMPOSE REASONABLE TIME LIMITS FOR EACH SPEAKER.**

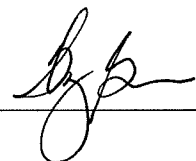
There were no additional comments from the public.

**ADJOURNMENT**

The meeting adjourned at 5:50 p.m., October 26, 2016.

ATTEST:

  
\_\_\_\_\_  
Secretary-Treasurer

  
\_\_\_\_\_  
Chair



**RESOLUTION**

**WHEREAS**, a vacancy in the El Paso Water Utilities Public Service Board will occur on March 13, 2017 with the expiration of the term of board member Terri Garcia, who filled the position which required expertise in the area of Financial Management; and,

**WHEREAS**, the City of El Paso adopted Ordinance Number 017167 which requires that any vacancy in the membership of the El Paso Water Utilities Public Service Board be filled by the City Council; and,

**WHEREAS**, the City of El Paso by Resolution established the El Paso Water Utilities Public Service Board Selection Committee, to be comprised of the members of the Public Service Board and such additional members as appointed by the City Council to assist City Council in selecting eligible candidates to fill the vacancy; and,

**WHEREAS**, under the Resolution, the El Paso Water Utilities Public Service Board Selection Committee reviews résumés submitted by persons interested in filling the vacant position and submits to the City Council the names and the ranking of three eligible candidates; and,

**WHEREAS**, a quorum of the El Paso Water Utilities Public Service Board Selection Committee met on October 26, 2016 pursuant to the Texas Open Meetings Act and approved the nomination, ranking and recommendation of eligible candidates for consideration and appointment by City Council;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:**

**THAT**, a quorum of the El Paso Water Utilities Public Service Board Selection Committee met on October 26, 2016 pursuant to the Texas Open Meetings Act and approved the nomination, ranking and recommendation to the City Council the following candidates to fill a vacancy on the El Paso Water Utilities Public Service Board:

1. *Terri Garcia*
- ~~2.~~
- ~~3.~~

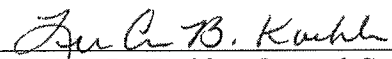
**THAT**, the Chair of the Committee, forward the recommendation to the El Paso City Council for their consideration for filling the vacancy on the El Paso Water Utilities Public Service Board.

**PASSED and APPROVED** this 26<sup>th</sup> day of October 2016

El Paso Water Utilities Public Service Board  
Selection Committee

 , Chair

APPROVED AS TO FORM:

  
Lee Ann B. Koehler, General Counsel

## RESOLUTION

**WHEREAS**, a vacancy in the El Paso Water Utilities Public Service Board will occur on December 31, 2016 with the expiration of the term of board member Henry Gallardo, who filled the position which required expertise in the area of General Business Management; and,

**WHEREAS**, the City of El Paso adopted Ordinance Number 017167 which requires that any vacancy in the membership of the El Paso Water Utilities Public Service Board be filled by the City Council; and,

**WHEREAS**, the City of El Paso by Resolution established the El Paso Water Utilities Public Service Board Selection Committee, to be comprised of the members of the Public Service Board and such additional members as appointed by the City Council to assist City Council in selecting eligible candidates to fill the vacancy; and,

**WHEREAS**, under the Resolution, the El Paso Water Utilities Public Service Board Selection Committee reviews résumés submitted by persons interested in filling the vacant position and submits to the City Council the names and the ranking of three eligible candidates; and,

**WHEREAS**, a quorum of the El Paso Water Utilities Public Service Board Selection Committee met on October 26, 2016 pursuant to the Texas Open Meetings Act and approved the nomination, ranking and recommendation of eligible candidates for consideration and appointment by City Council;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:**

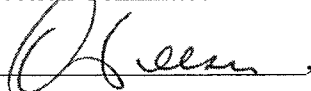
**THAT**, a quorum of the El Paso Water Utilities Public Service Board Selection Committee met on October 26, 2016 pursuant to the Texas Open Meetings Act and approved the nomination, ranking and recommendation to the City Council the following candidates to fill a vacancy on the El Paso Water Utilities Public Service Board:

1. *Henry Gallardo*
2. *J. XAVIER BANALES*
3. *Charlie Intebi*

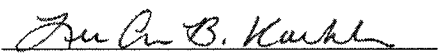
**THAT**, the Chair of the Committee, forward the recommendation to the El Paso City Counsel for their consideration for filling the vacancy on the El Paso Water Utilities Public Service Board.

**PASSED and APPROVED** this 26<sup>th</sup> day of October 2016

El Paso Water Utilities Public Service Board  
Selection Committee

 , Chair

APPROVED AS TO FORM:

  
Lee Ann B. Koehler, General Counsel