

**MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
December 14, 2016**

The regular meeting of the Public Service Board was held Wednesday, December 14, 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
Dr. Ivonne Santiago, Member
Bradley Roe, Member
Dr. Kristina Mena, Member

PSB MEMBERS ABSENT

Mayor Oscar Leeser, Ex-Officio Member

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
Alan Shubert, Vice President
Marcela Navarrete, Vice President
Art Duran, Chief Financial Officer
Gilbert Trejo, Chief Technical Officer
Lisa Rosendorf, Chief Government Affairs and Communications Officer
Ana Sanchez, Human Resources Manager
Gretchen Byram, Computer Media Specialist
Georgette Webber, Executive Assistant
Rosemary Guevara, Senior Purchasing Agent
Levi Chacon, Purchasing Agent
Christina Montoya, Marketing and Communications Manager
Isabel Rodriguez, Public Information Coordinator
Robert Davidson, Temporary Employee
Leticia Missirian, Security and Emergency Response Coordinator
Joshua Moniz, Lead Public Information Coordinator
Martin Noriega, Stormwater Operations Manager

GUESTS

Sanaan Villalobos, Carollo
Pam Farone, Citizen
Marcos Delgado, Borderplex Alliance
Jon Barela, Borderplex Alliance
Ray Baca, Monterrey Asset Management

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 Mr. Roe, in reciting the Pledge of Allegiance.

CONSENT AGENDA

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

APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON NOVEMBER 9, 2016, AND THE SPECIAL BUDGET REVIEW MEETINGS HELD ON NOVEMBER 7 AND 14, 2016.

The Board approved the minutes of the regularly scheduled meeting held on November 9, 2016, and the special budget review meetings held on November 7 and 14, 2016.

REGULAR AGENDA

ADOPTED A RESOLUTION TO AUTHORIZE THE PRESIDENT/CEO TO SIGN AN AGREEMENT BETWEEN THE EL PASO WATER PUBLIC SERVICE BOARD AND THE BORDERPLEX ALLIANCE TO IMPLEMENT AN ECONOMIC DEVELOPMENT PLAN SPECIFIC TO EL PASO WATER IN THE AMOUNT OF \$250,000.

Mr. John Balliew, President/CEO, made introductory comments before introducing Mr. Jon Barela of the Borderplex Alliance, to make a PowerPoint presentation to the Board (copy on file in Central Files). El Paso Water (EPWater) has been designated by the State of Texas as the regional water planning agency for the El Paso region. The Borderplex Alliance is a bi-national economic initiative that has proposed an economic development plan specific to EPWater. EPWater and Borderplex have an existing Economic Development Plan Agreement in effect through February 2017. Under this new agreement, to begin March 1, 2017, the primary emphasis will be for Borderplex Alliance to assist EPWater in identifying potential buyers and/or lessees for EPWater owned property. EPWater desires to make significant strides forward in promoting a healthy, vigorous local economy that maximizes business opportunities and the use of land owned and/or controlled by the El Paso Water Utilities Public Service Board. Implementing a plan specific to EPWater is expected to return significant benefits to the Utility, its ratepayers and the citizens of the El Paso region. Furthermore, EPWater has had a role in determining which industries are recruited to the region based on water and wastewater issues. Mr. Barela addressed comments from Mr. Balliew and the Board.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board adopted a resolution to authorize the President/CEO to sign an agreement between the El Paso Water Public Service Board and the Borderplex Alliance to implement an economic development plan specific to El Paso Water in the amount of \$250,000. **(Resolution attached)**

AWARDED A PROFESSIONAL SERVICES CONTRACT FOR ARCHITECTURAL SERVICES FOR THE FIELD OPERATIONS YARD – FIELD OFFICE AND CUSTOMER SERVICE BUILDING TO MIJARES-MORA ARCHITECTS INCORPORATED IN AN AMOUNT NOT TO EXCEED \$1,059,136.48.

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 completed the first phase to relocate various operations staff and functions to a new location at 9751 Pan American Drive including Fleet Maintenance, Building Maintenance, Heavy Equipment Operations, Meter Shop, and Warehouse facility. Similar to the Fleet Maintenance and Warehouse buildings, EPWater has outgrown its Field Office and Customer Service facilities and must construct new facilities. Professional architectural services are required for design, bid, and construction administration services for the relocation of the Field Office and Customer Service facilities.

The Architectural/Engineering Selection Advisory Committee met on September 14, 2016, to review and recommend selection of the architectural firm for these services. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. Mijares-Mora Architects was selected as the most qualified firm that best meets the needs of the Utility for this project and demonstrated excellent abilities in all evaluated categories. Staff worked with Mijares-Mora Architects 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. Shubert and 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 awarded a professional services contract for architectural services for the Field Operations Yard – Field Office and Customer Service Building to Mijares-Mora Architects Incorporated in an amount not to exceed \$1,059,136.48.

AWARDED A PROFESSIONAL SERVICES CONTRACT FOR THE MUNICIPAL WATER SUPPLY WELL CONSTRUCTION OVERSIGHT SERVICES TO JOHN SHOEMAKER AND ASSOCIATES, INC. IN THE AMOUNT OF \$250,000.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water relies on experienced field supervision of a well drilling contractor to verify compliance with technical specifications and contract requirements. Supervision staff must be competent in geophysical log interpretation, drill cutting recording and evaluation, and the tracking of quantities as called for in the specification. The Architectural/Engineering Selection Advisory Committee met on July 13, 2016, to review and recommend selection of a qualified firm for the above-referenced services. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. John Shoemaker and Associates, Inc. (JSAI) was selected as the most qualified firm. Staff worked with JSAI to develop the scope of services required for this project. JSAI will also provide a final report documenting well construction. 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 the task and consistent with similar work completed recently.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried, the Board awarded a professional services contract for the Municipal Water Supply Well Construction Oversight Services to John Shoemaker and Associates, Inc. in the amount of \$250,000.

APPROVED A MEMORANDUM OF AGREEMENT WITH THE TEXAS A&M ENGINEERING EXTENSION SERVICES (TEEX) TO PROVIDE WATER AND WASTEWATER TRAINING COURSES FROM JANUARY 1, 2017, THROUGH DECEMBER 31, 2018, IN THE ESTIMATED [TOTAL CONTRACT] AMOUNT OF \$420,000.

Ms. Ana Sanchez, Human Resources Manager, presented information to the Board regarding this item. For at least the last 20 years, TEEX has successfully provided El Paso Water the required technical training to maintain state mandated licenses. Certified TEEX instructors will provide technical training for continuing education credits to maintain Texas Commission on Environmental Quality (TCEQ) mandated certifications for water and wastewater operators. TEEX instructors provide training and materials at the Tech2O training facility thereby eliminating travel costs while providing face to face quality training. They also transmit all student training information to TCEQ. This agreement covers training from January 1, 2017, through December 31, 2018. Ms. Sanchez addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board approved a Memorandum of Agreement with the Texas A&M Engineering Extension Services (TEEX) to provide water and wastewater training courses from January 1, 2017, through December 31, 2018, in the estimated [total contract] amount of \$420,000.

APPROVED THE SOLE SOURCE PURCHASE OF A METER TEST BENCH FROM THE FORD METER BOX COMPANY INC. IN THE AMOUNT OF \$116,542.64.

Mr. Art Duran, Chief Financial Officer, presented the Board with information regarding this item. The meter shop building is part of the warehouse facility, which was constructed by Jordan Foster Construction through a design-build. The design package called for a recirculation system within the meter shop. The final design is compatible with a test bench manufactured by the Ford Meter Box Company. The design engineer for the meter shop concluded that utilizing a test bench other than one manufactured by the Ford Meter Box Company would entail an engineering rework and extensive plumbing modifications. Staff, nonetheless, reviewed the quote from the Ford Meter Box Company and determined that the quote was acceptable. Staff recommended the sole source purchase of the meter test bench as no other manufacturer provides the compatibility of a test bench with the recirculation system as designed.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board approved the sole source purchase of a meter test bench from the Ford Meter Box Company Inc. in the amount of \$116,542.64.

APPROVED A SOLE SOURCE PURCHASE OF AN ELECTRIC CONTROLLED MINI DOZER FROM MOVEX INNOVATION, INC. IN THE AMOUNT OF \$124,571.

Mr. Duran presented the Board with information regarding this item. The remote controlled electric minidozer will be a key piece of equipment that will be used to clean confined box culverts and pipes where heavy debris is not easily and safely removed by manual labor. The minidozer has a lifting capacity of 1170 pounds and a bucket capacity of .257 cubic yards. The minidozer has the capability of traveling 300 feet plus remotely. The minidozer will not only reduce cleanup time, but will also prevent injuries to our personnel by not exposing them to the confined spaces and the wildlife that hides in the culverts or pipes. An additional benefit will be gained by not subjecting the workforce to lifting heavy rocks from awkward positions, thus reducing lost time injuries.

Staff researched and evaluated other companies that offered mini dozers and found that all other mini dozers in the market were gas or diesel powered and Movex Innovation offered the only all-electric mini dozer. Gas and diesel mini dozers create a hazardous atmospheric problem with exhaust fumes filling the confined space. A quote was received from Movex Innovation, the sole source vendor of the mini dozer. Staff evaluated the quote and specifications and determined that the specifications met all the requirements which were requested. Staff recommended award to Movex Innovation in the amount of \$124,571 under the Texas Local Government code sole source exception to the bidding statute 252.022(a)(7)(A). Mr. Duran and Mr. Martin Noriega, Stormwater Operations Manager, addressed questions and comments from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Mr. Antcliff and unanimously carried, the Board approved a sole source purchase of an electric controlled mini dozer from Movex Innovation, Inc. in the amount of \$124,571.

APPROVED THE PURCHASE OF A 2018 INTERNATIONAL VACUUM JET RODDER TRUCK THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE HGACBUY CONTRACT NUMBER SC01-15 TO VAC-CON, INC. IN THE AMOUNT OF \$351,000.

Mr. Duran presented the Board with information regarding this item. The combination vacuum jet rodder truck is used to maintain the sewer collection system and to support the stormwater system during heavy rain storms. The purchase of the vacuum jet rodder truck is available utilizing the Texas Local Government Purchasing Cooperative HGACBuy Contract number SC01-15 through VAC-CON, Inc (“VAC-CON”). In addition to VAC-CON, staff evaluated various vendors and determined that VAC-CON was the most economical to the Utility and best met the specifications. Staff recommended award to VAC-CON in the amount of \$351,000. Mr. Duran 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 approved the purchase of a 2018 International vacuum jet rodder truck through the Texas Local Government Purchasing Cooperative HGACBuy Contract number SC01-15 to VAC-CON, Inc. in the amount of \$351,000.

RATIFIED FOUR PURCHASE ORDERS TO JR INDUSTRIAL FOR THE REHABILITATION OF CONCRETE BOXES IN THE TOTAL AMOUNT OF \$132,925, UNDER THE EXCEPTION TO THE BIDDING STATUTE FOR UNFORESEEN REPAIRS.

Mr. Duran presented the Board with information regarding this item. Concrete boxes needed repairs to safely access and provide maintenance to the valves and fittings inside the boxes. These boxes house air relief valves and in some instances are diversion boxes where interceptors connect to transport wastewater flow. The concrete boxes in some instances had corrosion and needed rehabilitation work to eliminate any possibilities of collapse or other failures. The rehabilitation work was also needed to eliminate any foul odors in the atmosphere. There has been an increase in the rehabilitation of these concrete boxes this year due to the ongoing new alignment of the freeway, as well as portions of the Frontera Force Main System relocation as part of two Texas Department of Transportation highway projects (Go-10 and Border Highway West), most of these boxes are in the pathway. Requests for quotes were sent out for four separate repairs to Ruiz Construction, Deanda Construction, and JR Industrial: all quotes received were below \$50,000. JR Industrial provided the lowest price for each respective request for quotes. Staff evaluated the quotes and qualifications and determined that JR Industrial was capable of performing the work. Mr. Duran addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board ratified four purchase orders to JR Industrial for the rehabilitation of concrete boxes in the total amount of \$132,925, under the exception to the bidding statute for unforeseen repairs.

ADOPTED A RESOLUTION AUTHORIZING THE PRESIDENT/CEO TO SUBMIT AN APPLICATION TO THE U.S. BUREAU OF RECLAMATION FOR UP TO \$150,000 IN WATERSMART TITLE XVI FEASIBILITY STUDY GRANT FUNDS TO EVALUATE THE FEASIBILITY OF IMPLEMENTING THE AQUIFER STORAGE AND RECOVERY OF RECLAIMED WATER FROM THE HUECO BOLSON AND AFFIRMING EPWATER'S COMMITMENT OF CASH AND IN-KIND SERVICES.

Mr. Balliew presented the Board with information regarding this item. EPWater has initiated several engineering studies related to increasing and improving the efficiency and effectiveness of aquifer storage and recovery (ASR) of reclaimed waters within the Hueco Bolson in Northeast El Paso. The studies include utilizing enhanced arroyo recharge, water balance determination for ASR, and site locations and requirements consistent with the Northeast Masterplan for this area. Reclaimed water from the Fred Hervey Plant will be the initial primary source water for this project, with possible expansion to include treated surface water from the Jonathan Rogers Plant when supply and water rights exceed demand. EPWater also proposed to work with El Paso Electric's Newman Station to incorporate Seawater Reverse Osmosis Techniques within the cooling water cycle for power generation, to effectively lower the total annual cooling water demand at that location and provide additional reclaimed water for aquifer storage. This technique has been tested multiple times by UTEP at EPWater facilities.

USBR's Funding Opportunity Announcement No. BOR-DO-17-F003; "WaterSMART; Development of Feasibility Studies under Title XVI-Water Reclamation and Reuse Program for Fiscal Year 2017, provides grants up to \$150,000 per project (over 18 months), and USBR requires an equivalent dollar amount as cash plus "in-kind" services from the applicant. The proposed project with an estimated cost of \$325,000 is consistent with USBR's guidelines. USBR requires a resolution for the proposal, which is due to USBR by January 5, 2017. Once the feasibility study is completed and approved by USBR, then the project becomes eligible for 25% federal grant funding for engineering and construction under the Title XVI Program. EPWater is able to provide the

cash funding and/or in-kind contributions and meet the USBR deadlines and accomplish the goals specified by USBR. Mr. Balliew and Mr. Duran addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board adopted a resolution authorizing the President/CEO to submit an application to the U.S. Bureau of Reclamation for up to \$150,000 in WaterSmart Title XVI feasibility study grant funds to evaluate the feasibility of implementing the Aquifer Storage and Recovery of Reclaimed Water from the Hueco Bolson and affirming EPWater's commitment of cash and in-kind services. **(Resolution attached)**

DIRECTED THE PRESIDENT/CEO AND STAFF CONCERNING THE POSSIBLE IMPLEMENTATION OF A CUSTOMER ASSISTANCE PROGRAM AND/OR AFFORDABILITY RATE STRUCTURE IN CONNECTION WITH THE FY 2018-2019 WATER AND WASTEWATER OPERATING BUDGET.

Ms. Marcela Navarrete, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). EPWater hired rate consultant, Raftelis Financial Consultants, to research customer assistance programs at other utilities in Texas. A draft report dated October 25, 2016 was provided to Board for review. Ms. Navarrete reviewed Rafelis' finding for utilities in San Antonio, Austin, Fort Worth and San Marcos. After reviewing all programs included in the report, staff recommended further review of the San Antonio Water System Affordability Discount for possible implementation at EPWater. Preliminary investigation indicates that in order to utilize rate money for a program of this type there would have to be legislation introduced specific to EPWater. Staff recommended adding this item to the 2017 legislative agenda. Ms. Navarrete and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board directed the President/CEO to add an item to the El Paso Water 2017 legislative agenda focused on drafting and introducing legislation, specific to EPWater, which will allow for an affordability discount program.

MANAGEMENT REPORT:

- **Results of the 2016 United Way Campaign:** Ms. Leticia Missirian, Security and Emergency Response Coordinator, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This year, El Paso Water raised a total of \$72,385. Ms. Missirian discussed the fundraising events and employee participation for this year's campaign.

APPROVED THE PSB MEETING SCHEDULE FOR 2017.

Mr. Balliew presented the Board with the proposed 2017 PSB meeting schedule. There were no objections to the proposed dates.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia, and unanimously carried, the Board approved the PSB meeting schedule for 2017.

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. Ray Baca from Monterrey Asset Management.

EXECUTIVE SESSION

On a motion made by Mr. Antcliff, seconded by Mr. Roe, and unanimously carried, the Board retired into Executive Session at 9:22 a.m., December 14, 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 551.072 Deliberation Regarding Real Property**

The Board will deliberate regarding the possible sale of land located on Pan American Drive, east of Carl Longuemare and north of Winn Road, consisting of approximately 9.314 acres and generally described as Lot 1, Block 2, Riverside International Industrial Center, City of El Paso, El Paso County, Texas.

b. **Section 551.072 Deliberation regarding Real Property and Section 551.071 Consultation with Attorney**

The Board will receive an update and will deliberate regarding potential land purchases.

c. **Section 551.074. Personnel Matters**

Annual Performance Review of the President/CEO

On a motion made by Mr. Roe, seconded by Mr. Antcliff and unanimously carried, the Board reconvened in open session at 11:25 a.m., December 14, 2016.

DELIBERATED REGARDING THE POSSIBLE SALE OF LAND LOCATED ON PAN AMERICAN DRIVE, EAST OF CARL LONGUEMARE AND NORTH OF WINN ROAD, CONSISTING OF APPROXIMATELY 9.314 ACRES AND GENERALLY DESCRIBED AS LOT 1, BLOCK 2, RIVERSIDE INTERNATIONAL INDUSTRIAL CENTER, CITY OF EL PASO, EL PASO COUNTY, TEXAS.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board denied determination of inexpediency and declared that the parcel is necessary for the water system and should not be sold. The Board also authorized the President/CEO to negotiate a lease of the parcel with the requestor.

RECEIVED AN UPDATE AND DELIBERATED REGARDING POTENTIAL LAND PURCHASES.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously, the Board authorized the President/CEO to proceed with the acquisition of land in accordance with the terms and conditions specified by the Board and sign any and all documents necessary to complete the purchases, including the application for transfer of ownership of the validation permits. The Board also authorized the President/CEO to enter into land management and operation agreements for the acquired properties; proceed to issue a request for proposals for the long-term management and operation of the acquired properties; and sign any and all documents necessary to effectuate the purpose of this motion.

ANNUAL PERFORMANCE REVIEW OF THE PRESIDENT/CEO

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board determined that the President/CEO performed above average and exceeded the Board's expectations; therefore, the Board authorized an amendment to the employment agreement with the President/CEO to extend the term for an additional five years and to increase contributions to the 401(a) defined benefit plan to the amount of \$34,000 for 2017 and by the amount of \$5,000 annually for the remaining term of the employment agreement.

ADJOURNMENT

The meeting adjourned at 11:28 a.m., December 14, 2016.

ATTEST:

Chair

Secretary-Treasurer

RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT/CEO TO SIGN AN AGREEMENT BETWEEN THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD AND THE BORDERPLEX ALLIANCE

WHEREAS, the EPWU plays a significant role in the regional water planning for the region and has developed and implemented a comprehensive plan to assure adequate long-term drinking water supplies for the region; and,

WHEREAS, as the largest single landowner in the region, the EPWU has a significant impact on the residential, commercial and industrial development in the area to include the development of commercial and industrial locations where water can be made available for industrial use; and,

WHEREAS, the Alliance's mission is to improve and maintain a healthy local economy by recruiting business and industry to the region consisting of El Paso, Texas, portions of southern New Mexico and the State of Chihuahua, Mexico; and,

WHEREAS, the Alliance and the EPWU desire to enter into a mutually beneficial agreement to maximize the economic impact of the Alliance and the EPWU; and,

NOW THEREFORE, BE IT RESOLVED BY THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD THAT:

Section 1. The recitations set forth hereinabove are true and correct and are hereby adopted as a part of this Resolution by this reference for all purposes.

Section 2. The El Paso Water Utilities Public Service Board of Trustees hereby authorizes the President/CEO to sign an Agreement by and between the El Paso Water Utilities and the Borderplex Alliance for the implementation of a plan specific to the El Paso Water Utilities economic development program. The El Paso Water Utilities Public Service Board has allocated the sum of \$250,000 for this program budget year.

PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 14th day of December, 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.

ATTEST:




Terri Garcia,
Secretary-Treasurer

El Paso Water Utilities
Public Service Board



Henry Gallardo, Chair

APPROVED AS TO FORM:



Lee Ann B. Koehler, General Counsel

RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT/CEO TO SIGN AND SUBMIT AN APPLICATION TO THE U. S. BUREAU OF RECLAMATION (USBR) FOR UP TO \$150,000.00 IN GRANT FUNDS (OVER SEVENTEEN MONTHS) FROM THE 2017 WATERSMART: TITLE XVI FEASIBILITY STUDY PROGRAM, TO EVALUATE THE FEASIBILITY OF ENHANCED ARROYO INFILTRATION TECHNIQUES AND MEMBRANE TECHNIQUES FOR REDUCTION IN COOLING WATER DEMAND BY EL PASO ELECTRIC FOR IMPROVED AQUIFER STORAGE AND RECOVERY (ASR) USING FRED HERVEY RECLAIMED WATER. AND AFFIRMING THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD'S (EPWATER) COMMITMENT OF AN EQUIVALENT AMOUNT IN CASH PLUS IN "IN-KIND" SERVICES BY EPWATER FOR STAFF MANPOWER AND SUPPLIES REQUIRED.

WHEREAS, the El Paso Water Utilities Public Service Board (EPWater), was established on May 22, 1952, by Ordinance No. 752 of the City of El Paso for the purpose of providing potable water and wastewater collection and treatment for the City of El Paso, and,

WHEREAS, EPWater has historically worked with grant agencies to obtain funds for the research and implementation of water treatment, water conservation, expanding the base of useable water resources, management of membrane treatment processes, and potable water and energy improvement projects to benefit the residents of the City and County of El Paso, to improve the quality and reliability of their water services, and to promote the conservation of water and use of reclaimed water within the service area of El Paso; and,

WHEREAS, EPWater has historically applied for and received USBR grant funds for numerous water resource expansion, conservation, water storage and recovery, reverse osmosis and other water treatment research, infrastructure, supply, monitoring, and reclaimed water projects; and,

WHEREAS, EPWater has budgeted funds for the evaluation of the feasibility of improving the sustainability of the Hueco Bolson using enhanced arroyo infiltration techniques for ASR in northeast El Paso, including preparation of a technical and cost feasibility study according to the USBR Guidelines under the Title XVI Program, which would make the ASR project eligible for 25% federal funding for future design and construction; and,

WHEREAS, EPWater estimates that approximately 3,000 acre feet per year (AFY) of treated reclaimed water from the Fred Hervey Water Reclamation Plant is available for environmental habitat improvements and ASR for eventual use by the public, and an additional 900 AFY of water that could be saved at the Newman Electrical Generating Station for ASR using improved membrane techniques within the cooling water cycle, and both of these annual volumes will increase over time with the expansion of the El Paso population; and,

WHEREAS, EPWater has identified the need for ASR using reclaimed water from the Fred Hervey Plant for future use by the public to conserve water, and preserve the water resources available from the Hueco Bolson during times of river drought within the El Paso area; and,

WHEREAS, EPWater now owns and manages the land in the area of the Northeast Masterplan, and has worked with engineering consultants, researchers, land managers, and manufacturers of purified water treatment equipment, and professionals that are experienced with the design, installation and operation of such state-of-the-art equipment, and such engineers, researchers and manufacturers have expressed their interest in participation in such a project; and,

WHEREAS, El Paso Electric and EPWater have expressed their interests in working jointly to study the membrane methods to reduce cooling water demands at the Newman Generating Station for the mutual benefit of both parties plus the general public; and,

WHEREAS, EPWater will approve the fiscal year (FY 2017-2018) Budget including funds for water resource feasibility studies and capital investment for improving water supplies and treatment at EPWater's facilities; and,

WHEREAS, USBR has released Funding Opportunity Announcement No. BOR-DO-17-F003 soliciting proposals for project funding under their WaterSMART; Development of Feasibility Studies under Title XVI, Water Reclamation and Reuse Program for Fiscal Year 2017, and USBR requires a resolution of this type for submittal of a formal application for grant funds; and,

NOW, THEREFORE, BE IT RESOLVED BY THE 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 found to be true and correct and are hereby adopted by the Public Service Board (PSB) and made a part of this Resolution for all purposes.

Section 2. That the PSB hereby authorizes the President/CEO to sign any and all documents required for application for USBR feasibility study funds in the amount of up to \$150,000.00, and affirms the total commitment of an equivalent amount in local cash plus approximately "in-kind" services, towards the study of the feasibility of enhanced arroyo recharge, water balance for ASR, power generation cooling water reductions, and site locations and requirements within the framework of the land use Masterplan for recharge and recovery of conserved source waters and Hueco Bolson Sustainability using reclaimed water. This action will be in accordance with the U. S. Bureau of Reclamation WaterSMART; Title XVI Feasibility Study Program Grant requirements, applied for as stated hereinabove.


Section 3. That the PSB agrees to conduct this project, if awarded, according to all of the water conservation, water resource development and planning, environmental, engineering, and renewable energy reporting, and accounting procedures required by the U. S. Bureau of Reclamation.

PASSED AND APPROVED at the regular meeting of the Public Service Board, this 14th day of December, 2016, at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001, et. seq.

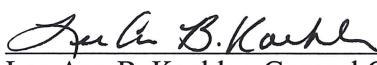
EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD

Chair

ATTEST:


Secretary-Treasurer

APPROVED AS TO FORM


Lee Ann B. Koehler, General Counsel