

**SPECIAL BUDGET REVIEW MEETING MINUTES OF THE
PUBLIC SERVICE BOARD**

NOVEMBER 7, 2016

The special meeting of the Public Service Board was held Monday, November 7, 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
Chris Antcliff, Vice Chair
Terri Garcia, Secretary-Treasurer
Mayor Oscar Leeser, Ex-Officio Member
Dr. Kristina Mena, Member

PSB MEMBERS ABSENT

Bradley Roe, Member
Dr. Ivonne Santiago, 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
Marcela Navarrete, Vice President
Alan Shubert, P.E., Vice President
Lisa Rosendorf, Chief Communications & Government Affairs Officer
Art Duran, Chief Financial Officer
Martin Noriega, Storm Water Operations Manager
Gonzalo Cedillos, Stormwater Engineering Manager
Christina Montoya, Marketing & Communications Manager
Isabel Rodriguez, Public Information Coordinator
Rene Leon, Intergovernmental Affairs Coordinator
Georgette Webber, Executive Assistant

MEDIA

KVIA
KFOX

GUESTS

The Public Service Board meeting was called to order by Mr. Gallardo at 6:06 p.m. A quorum of its members was present. After a moment of silence, those in attendance joined Ms. Marcela Navarrete, Vice President, in reciting the Pledge of Allegiance.

REGULAR AGENDA

**BUDGET WORKSHOP – FY 2017-18 STORMWATER OPERATING AND CAPITAL BUDGET;
PROPOSED RULES AND REGULATION CHANGES.**

Mr. John Balliew, President/CEO, reviewed the schedule of budget meetings and stated this meeting would be the first of possibly three budget meetings. He stated the meeting will focus on the stormwater portion of the budget. A second budget meeting will be held on Monday, November 14, 2016, to discuss the water, wastewater and reclaimed water portion of the budget. He explained if an additional meeting is needed for questions, clarification and discussion, a third meeting will be held on November 28, 2016. If an additional meeting is not needed, the budget would go before the Board for approval at the Board's regular meeting scheduled on January 11, 2017.

Mr. Alan Shubert, Vice President, made a PowerPoint presentation summarizing the FY 2017-18 Stormwater Budget (**entire presentation on file with EPWater Central Files**). Mr. Shubert began by highlighting the FY 2016-17 Stormwater Accomplishments. In regards to public safety, EPWater has created 38 million gallons of capacity for flood control which has reduced the flooding on Interstate 10. (I-10). EPWater also maintained 180 acres of stormwater ponds, five miles of drains, cleaned 18 miles of channels and levees, 1.4 miles of conduits and 425 inlets during FY 2016-17. The Board was shown pictures of the dams, ponds, channels, levees, agricultural drains, storm drains and storm drop inlets maintained and cleaned by the Utility.

Mr. Shubert reviewed the nine construction projects completed during FY 2016-17 by discussing the problems that were faced prior to construction, the scope of work for each project, and the construction cost for each project: Magnolia Projects; Gateway West Pond Expansion; Austin Pond; Pico Norte Pond; Pollard Pond Improvements; Diana Drive Traffic Barrier; White Spur Crossing Improvements; Barker/Manor Place Street and Drainage Improvements; and Ramos Court Street and Drainage Improvements. He then reviewed eight stormwater projects currently under construction by discussing the problems to be addressed, the scope of work for each project, construction cost, start date of the project and estimated completion date. He also provided the Board with pictures of the project areas. The eight projects are Gateway East Pond Expansion; Fairbanks Sediment Catch Structure; Grand Teton Drive Ponding Area Improvements; Dallas Conduit Clearing of Utilities Phase 2; Kentucky Dam Improvements Phase 1; Keystone Dam Intake Structure Modifications; Doniphan Stormwater Pump Stations 1 and 2 Level Control and SCADA Improvements; and Franklin Conduit Access Box.

Mr. Shubert continued his presentation by discussing the FY 2017-18 Stormwater Capital Budget. He said although work will continue in Central El Paso, the emphasis in work for FY 2017-18 will shift from Central to Northeast-Fairbanks; Northwest – Mesa Hills; Localized – Keystone Dam; and Mission Valley – Thomas Manor. He reviewed the funding requests over \$1 million for new stormwater projects which consisted of the following projects: Northeast Pond; Thomas Manor; Dallas Outfall Basin; Mesa Hills Detention Basin; Copia Pond; Bear Ridge Improvements; CD Drainage Projects; Gateway East Pond; Kentucky Dam Phase 1; West Hills Unit 23 Inlets; El Paso Flood Control Plan and various open space, localized flooding and dam improvement projects. Maps were presented to the Board outlining the locations of each of the projects.

Ms. Marcela Navarrete, Vice President, continued the presentation by providing a brief review of the open space financial report as of September 30, 2016. The total open space expenses from inception were approximately \$9.2 million. Open space revenue from inception to September 30, 2016 total approximately \$14.8 million. The available balance for open space projects as of September 30, 2016 was approximately \$5.6 million. Currently, four open space acquisition projects are pending.

Next, Ms. Navarrete continued the presentation by reviewing the stormwater financial plan. The maintenance expense budget has been decreased by \$528,000. She said two capital budget alternatives would be presented for FY 2017-18. Under Alternative 1, the capital budget would total \$38 million and would include issuing bonds in the amount of \$19.4 million. Alternative 2 would propose a capital budget of \$32.4 million and include the issuance of \$9.5 million in bonds. Under the stormwater financial plan,

EPWater must maintain a minimum 90-day operating reserve and debt service coverage of 1.25 times (legal minimum). Based on the five-year plan presented last year, the budget for FY 2017-18 would include a 17% fee increase.

Ms. Navarrete reviewed the FY 2017-18 stormwater operating budget which is approximately \$6.4 million. This would be a 7.56% decrease from FY 2016-17. The decrease is a result of decreased maintenance needed for basins, ponds, dams and emergency response; small tools and equipment; utilities expenses; transportation costs and personnel changes. A chart was presented comparing El Paso's current residential and non-residential stormwater fees to those of cities across the state of Texas. Ms. Navarrete presented graphs showing the budget funding uses under each alternative for FY 2017-18. Additional tables and graphs were presented comparing the current and proposed monthly stormwater fees for both residential and non-residential customers.

Overall, the stormwater maintenance expense budget for FY 2017-18 has been decreased by \$528,000. The capital budget under Alternative 1 is \$38 million and includes a bond issuance totaling \$19.4 million. Alternative 2 presents a capital budget of \$32.4 million and includes a bond issuance totaling \$9.5 million. Mr. Balliew reviewed a chart show the amount of progress made in completing the projects outlined and identified in the Stormwater Master Plan. He also highlighted the amount of additional progress made in completing projects that were not necessarily identified in the master plan, but addressed major problem areas in stormwater maintenance and flood control.

Mr. Balliew, Mr. Shubert and Ms. Navarrete, addressed questions from the Board regarding the stormwater budget for FY 2017-18.

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.

No additional comments were made.

EXECUTIVE SESSION


The Board did not enter into Executive Session.

ADJOURNMENT

Mr. Gallardo declared the meeting adjourned at 7:20 p.m., November 7, 2016.

ATTEST:


Secretary-Treasurer

Chair 

**MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
November 9, 2016**

The regular meeting of the Public Service Board was held Wednesday, November 9, 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
Alan Shubert, Vice President
Marcela Navarrete, Vice President
Art Duran, Chief Financial Officer
Gilbert Trejo, Chief Technical Officer
Armando Renteria, Chief Information Officer
Lisa Rosendorf, Chief Government Affairs and Communications Officer
Hector Gonzalez, Government Affairs Manager
Cynthia Osborn, Real Estate Manager/Counsel
Ana Sanchez, Human Resources Manager
Rudy Valdez, Temporary Employee
Anai Padilla, Water Conservation/TechH2O 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
Bernie Cardenas, Pretreatment Inspector Supervisor
Chris Tonche, Utility Field Customer Service Supervisor
Jose Rios, Wastewater Plant Assistant Superintendent

GUESTS

Taylor Moreno, City of El Paso
Sanaan Villalobos, Carollo
Pam Farone, Citizen
Dr. Richard Bonart, Borderland Mountain Bike Association
Tracy Novak, City of El Paso

MEDIA

None

The Public Service Board meeting was called to order by Mr. Gallardo at 8:08 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Dr. Richard Bonart, former Board member, in reciting the Pledge of Allegiance.

CONSENT AGENDA

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

APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON OCTOBER 12, 2016, AND THE SPECIAL MEETING OF THE PUBLIC SERVICE BOARD MEMBER SELECTION COMMITTEE MEETING HELD ON OCTOBER 26, 2016.

The Board approved the minutes of the regularly scheduled meeting held on October 12, 2016, and the special meeting of the Public Service Board Member Selection Committee meeting held on October 26, 2016.

REGULAR AGENDA

PRESENTATION OF THE SAFEST SECTION OF THE QUARTER AWARDS (THIRD QUARTER 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 third quarter (July, August and September) of 2016. The winning sections were "Accident Free" during the third quarter. 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 Leaser presented awards to representatives from the following sections: Plant Facilities – Roberto R. Bustamante Wastewater Treatment Plant; Field/Construction – Wastewater Systems Maintenance; Support Services – Customer Service; and Compliance/Materials – Conservation Code Compliance.

AWARDED BID NUMBER SW22-16, DALLAS CONDUIT CLEARING OF UTILITIES PHASE II, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, KARLSRUHER, INC., IN THE AMOUNT OF \$1,295,185.57 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). The Dallas Drainage System is one of three drainage systems within the Central Region Drainage System in El Paso. Stormwater is detained in the Dallas Reservoir located under the interstate at the intersection of I-10 and Cotton Street. The stormwater accumulation in the reservoir along with ineffective percolation into the ground has created flooding conditions in the area. The Dallas Pump Station was constructed within the reservoir to discharge water more rapidly into the Rio Grande River via the eastern box culvert. The Dallas Conduit capacity has been reduced by utilities crossing through the box culvert and accumulated debris inside the culvert. This reduction in capacity creates a backup of stormwater during rain events which then accumulates and floods I-10 at the Dallas Reservoir and adjacent streets and properties. Utilities within the conduit will need to be relocated outside the Dallas Conduit to increase the conveyance capacity.

El Paso Water (EPWater) received three bids for this project on September 7, 2016. The bids ranged from \$1,295,185.57 to \$1,348,479.00. The Engineer's estimate was \$1,649,171.00. The project consulting firm, Brown and Caldwell, evaluated the bids and determined that Karlsruhe meets the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. Staff reviewed the Engineer's evaluation matrix and recommended award of the

contract for Bid Number SW22-16, Dallas Conduit Clearing of Utilities Phase II to Karlsruher, as the lowest, responsive, responsible bidder, in the amount of \$1,295,185.57.

On a motion made by Mayor Leeser, seconded by Mr. Roe and unanimously carried, the Board awarded Bid Number SW22-16, Dallas Conduit Clearing of Utilities Phase II, to the lowest responsive, responsible bidder, Karlsruher, Inc., in the amount of \$1,295,185.57 and authorized funding through the Commercial Paper Program. **(Resolution attached)**

DECLARED CUBIC WATER, LLC NOT RESPONSIBLE AND AWARDED BID NUMBER SW23-16, FRANKLIN CONDUIT ACCESS BOX TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, BLACK STALLION CONTRACTORS INC., IN THE AMOUNT OF \$84,870.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Franklin Conduit is an existing large diameter pipe that collects runoff from the Central Area and conveys it to the Rio Grande. The pipe does not have proper access for maintenance of the system. This project will allow for the construction of an access box with a clearance intended to enable the introduction of a mini loader that will allow for proper maintenance. EPWater received four bids for this project on September 8, 2016. The bids ranged from \$79,497.60 to \$282,700. The Engineer's estimate was \$74,256. The project consulting engineer, MM Structural Engineers, evaluated the bids of the two apparent low bidders and determined that although Cubic Water submitted the lowest bid, sufficient evidence that meets the minimum general requirements and the project specific criteria specified in the bid was not submitted. The Engineer also evaluated the bids of the second low bidder, and determined that Black Stallion meets the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. Staff reviewed the Engineer's evaluation and recommended award of the contract for Bid Number SW23-16, Franklin Conduit Access Box, to Black Stallion Contractors, as the lowest, responsive, responsible bidder, in the amount of \$84,870. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Mayor Leeser, seconded by Mr. Antcliff and unanimously carried, the Board declared Cubic Water, LLC not responsible and awarded Bid Number SW23-16, Franklin Conduit Access Box to the lowest responsive, responsible bidder, Black Stallion Contractors Inc., in the amount of \$84,870.

DECLARED SPARTAN CONSTRUCTION OF TEXAS, INC. NOT RESPONSIBLE; AND AWARDED BID NUMBER SW48-16, GRAND TETON DRIVE PONDING AREA IMPROVEMENTS TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SAAB SITE CONTRACTORS, L.P., IN THE AMOUNT OF \$1,358,150.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Grand Teton Drive pond will detain stormwater runoff within Flow Path Number 20. The goal of this project is to provide improved drainage and safety for downstream developments and city right-of-way. This project is identified in the Stormwater Master Plan.

El Paso Water (EPWater) received six bids for this project on September 2, 2016. The bids ranged from \$1,339,425.89 to \$2,135,700. The Engineer's estimate of \$1,449,178.50. The project consulting firm, Moreno Cardenas, evaluated the bids and determined that Spartan Construction of Texas meets the minimum general requirements; however, did not meet all of the minimum project specific criteria as specified on the bid documents. Moreno Cardenas also evaluated the bids of the second apparent low bidder 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. Staff reviewed the Engineer's evaluation matrix and recommended award of the contract for Bid Number SW48-16, Grand Teton Drive Ponding Area Improvements, to Saab Site Contractors, as the lowest, responsive, responsible bidder, in the amount of \$1,358,150.

AWARDED BID NUMBER 46-16, TEMPORARY EMPLOYMENT SERVICES CONTRACT, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, H.G. ARIAS & ASSOCIATES, L.P., FOR BID LINE ITEMS 1-7 AND, AS FIRST ALTERNATIVES, TO HUMAN CAPITAL INTERNATIONAL, LLC (DBA INTEGRATED HUMAN CAPITAL) FOR BID LINE ITEMS 1-3; 22ND CENTURY TECHNOLOGIES, INC. FOR BID LINE ITEM 4; AND RMP TEMPS INCORPORATED FOR BID LINE ITEMS 5-7 ALL IN THE ESTIMATED ANNUAL AMOUNT OF \$800,000 WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.

Mr. Art Duran, Chief Financial Officer, presented the Board with information regarding this item. The services are necessary to occasionally fill personnel gaps that provide continuous operation services at El Paso Water (EPWater). Temporary personnel hired under this contract will be hired on an "as-needed" basis. EPWater received six bids for this project. Staff evaluated the agency payroll processing percentage fee for each of the bidders and determined that the low bidder for all bid items 1-7 was H.G. Arias and Associates and met all the requirements of the bid proposal. Therefore, staff recommends award to the lowest responsive, responsible bidder for line items 1-7 to H.G. Arias and Associates. Staff also recommended the 1st alternate for these line items be as follows: Integrated Human Capital (line items 1-3), 22nd Century Technologies (line item 4), and RMP Temps (line items 5-7). Mr. Duran and Ms. Ana Sanchez, Human Resources Manager, addressed questions from the Board regarding this item.

On a motion made by Mayor Leeser, seconded by Ms. Garcia and unanimously carried, the Board awarded Bid Number 46-16, Temporary Employment Services Contract, to the lowest responsive, responsible bidder, H.G. Arias & Associates, L.P., for bid line items 1-7 and, as first alternatives, to Human Capital International, LLC (dba Integrated Human Capital) for bid line items 1-3; 22nd Century Technologies, Inc. for bid line item 4; and RMP Temps Incorporated for bid line items 5-7 all in the estimated annual amount of \$800,000 with the option for two one-year extensions.

DECLARED APPLIED INDUSTRIAL TECHNOLOGIES NOT RESPONSIBLE AND AWARDED BID NUMBER 72-16, CAST IRON CHAINS AND SPROCKETS; TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, PURVIS INDUSTRIES, LTD., IN THE ESTIMATED AMOUNT OF \$167,404.36.

Mr. Duran presented the Board with information regarding this item. Cast iron chains and sprockets equipment are used in the primary sludge collection system as part of the water treatment process at the Robertson/Umbenhauer Water Treatment Plant. EPWater received three bids from: Applied Industrial Technologies, Purvis Industries, and Fairfield Service Company of Indiana LLC. Staff evaluated the bids and the apparent low bidder, Applied Industrial Technologies, submitted an erroneous price that they could not honor for line item number 9 of the bid proposal. Staff also evaluated the second lowest bidder, and determined that Purvis Industries meets all the specifications outlined in the bid proposal and staff recommended award to the lowest, responsive, responsible bidder, Purvis Industries, in the estimated amount of \$167,404.36. Mr. Duran and Mr. Balliew addressed questions and comments from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board declared Applied Industrial Technologies not responsible and awarded Bid Number 72-16, Cast Iron Chains and Sprockets; to the lowest responsive, responsible bidder, Purvis Industries, Ltd., in the estimated amount of \$167,404.36.

AWARDED BID NUMBER 74-16, HASKELL R. STREET WASTEWATER TREATMENT PLANT PRIMARY CLARIFIER NUMBERS 1, 2 AND 4 PRE-PURCHASE, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, NEWMAN REGENCY GROUP, INC., IN THE AMOUNT OF \$486,111.

Mr. Duran presented the Board with information regarding this item. The Haskell R. Street Wastewater Treatment Plant (WWTP) utilizes four primary clarifiers that remove large solids and particles from the wastewater. The existing clarifiers were installed in 1986 and are covered to reduce odors from emitting from the plant. The corrosive environment has corroded the mechanical components and the concrete inside the clarifiers. Parkhill, Smith and Cooper completed an engineering study and recommended replacement of the clarifier mechanisms and rehabilitation of corroded concrete inside the clarifiers. Replacement and rehabilitation of Clarifier Number 3 has been completed. This bid is to pre-purchase the equipment for the remaining three clarifiers utilizing EPA grant funding. The installation of these three clarifiers will be bid separately after the designs are complete. EPWater received two bids for this project on October 21, 2016. The bids ranged from \$486,111 to \$529,245. The Engineer's estimate was \$500,000. The project consulting engineer, Parkhill, Smith and Cooper, evaluated the apparent low bidder and determined that Newman Regency Group meets the criteria on the bid documents. Staff reviewed the Engineer's evaluation and recommended award of

Bid Number 74-16, Haskell R. Street WWTP Primary Clarifier Numbers 1, 2, and 4 Pre-Purchase, to Newman Regency Group, as the lowest, responsive, responsible bidder in the amount of \$486,111.

On a motion made by Mayor Leeser, seconded by Ms. Garcia and unanimously carried, the Board awarded Bid Number 74-16, Haskell R. Street Wastewater Treatment Plant Primary Clarifier Numbers 1, 2 and 4 Pre-Purchase, to the lowest responsive, responsible bidder, Newman Regency Group, Inc., in the amount of \$486,111.

RATIFIED TWO PURCHASE ORDERS TO PARKSON CORPORATION FOR PARTS TO REPAIR SCREEN NUMBER 1 AND SCREEN NUMBER 2 AT THE HASKELL R. STREET WASTEWATER TREATMENT PLANT IN THE TOTAL AMOUNT OF \$87,757.60.

Mr. Duran presented the Board with information regarding this item. The Haskell R. Street Wastewater Treatment Plant uses three Parkson screens to remove solids at the headworks building. The screens were installed in 1992. In May 2016, screen number 1 required repairs due to wear and tear of the screening mechanisms. In October 2016, screen number 2 also required repairs due to wear and tear of the screening mechanisms. Both screens are out of service with only screen number 3 in service. Plant staff will perform the repairs. Parkson Corporation is the sole source provider for parts to repair the Parkson screens. A purchase order in the amount of \$49,272.20 for parts to repair Screen number 1 was issued in June 2016. A purchase order in the amount of \$38,485.40 for parts to repair Screen number 2 was issued in October 2016. The total of the two purchase orders is \$87,757.60. Mr. Duran 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 ratified two purchase orders to Parkson Corporation for parts to repair Screen Number 1 and Screen Number 2 at the Haskell R. Street Wastewater Treatment Plant in the total amount of \$87,757.60.

RATIFIED A CONTRACT RENEWAL WITH SUNGARD AVAILABILITY SERVICES, LP FOR MOBILE RECOVERY SERVICES WITH BUY BOARD PRICING THROUGH STATE OF TEXAS DIR CONTRACT NUMBER DIR-TSO-2736 FOR AN AGREEMENT TERM OF NINE MONTHS FROM OCTOBER 1, 2016, THROUGH JUNE 30, 2017, AT \$5,513.00 PER MONTH FOR A TOTAL AMOUNT OF \$49,617.00, WITH THE OPTION TO AUTO-RENEW THE CONTRACT FOR AN ADDITIONAL NINE MONTHS AT THE SAME RATE IF MOBILE RECOVERY SERVICES ARE STILL REQUIRED.

Mr. Armado Renteria, Chief Information Officer, presented the Board with information regarding this item. Information Services uses Sungard Availability mobile recovery services in support of system disaster recovery and business continuity planning. Staff recommended a contract renewal with Sungard Availability Services, LP through State of Texas DIR (Department of Information Resources) Contract Number DIR-TSO-2736. The prices offered through the DIR contract were reviewed and determined to be reasonable. Mr. Renteria addressed questions from the Board.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried, the Board ratified a contract renewal with Sungard Availability Services, LP for mobile recovery services with buy board pricing through State of Texas DIR Contract Number DIR-TSO-2736 for an agreement term of nine months from October 1, 2016, through June 30, 2017, at \$5,513.00 per month for a total amount of \$49,617.00, with the option to auto-renew the contract for an additional nine months at the same rate if mobile recovery services are still required.

APPROVED THE RENEWAL OF A ONE-YEAR, SOLE SOURCE ESRI ENTERPRISE ADVANTAGE PROGRAM SUBSCRIPTION IN THE AMOUNT OF \$80,000.00.

Mr. Renteria presented the Board with information regarding this item. Information Services is using Environmental Systems Research Institute (Esri) Advantage Program Subscription technical support, consulting services, and training to assist with the completion of a Geographic Information System (GIS)

upgrade and recommended renewal of the subscription for an additional year. Esri Quotation #20494108 was received with terms and pricing to renew the current Enterprise Advantage Program subscription for one year. Esri is the only company that offers the Esri Enterprise Advantage Program. Mr. Renteria addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board approved the renewal of a one-year, sole source Esri Enterprise Advantage Program subscription in the amount of \$80,000.00.

APPROVED A RESOLUTION AMENDING THE 2012 RESOLUTION THAT AUTHORIZED THE TEMPORARY USE OF EPWU/PSB MANAGED PROPERTY FOR USE AS TRAILHEADS AND ACCESS INTO THE FRANKLIN MOUNTAIN STATE PARK BY DELETING TWO OF THE PREVIOUSLY APPROVED TRAILHEADS AND REPLACING THEM WITH TWO NEW TRAILHEAD SITES.

Ms. Cynthia Osborn, Real Estate Manager/Counsel, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). On April 11, 2012, the PSB approved the concept of granting rights of entry onto EPWater land for seven specified trailheads leading to the Franklin Mountain State Park. On July 11, 2012, the PSB approved a Resolution in support of the City's temporary use of EPWater owned, managed or leased properties for use as trailheads and access into the Franklin Mountain State Park pursuant to certain terms and conditions, at the following locations: Chuck Heinrich, Redd Road, Lomas Del Sol, Ojo de Agua, Thunderbird, North Stanton-1000 Steps and Palisades. On August 9, 2016, the City of El Paso City Council took action to update the list of trailhead projects, amending it to delete Lomas Del Sol and Ojo De Agua and add Round House and Lazy Cow. Several boards and commissions, including the Parks and Recreation Board, Open Space Board, and Bond Advisory Oversight Committee also recommended the changes. Staff reviewed the City of El Paso's request and recommended approval of the request to delete two previously approved trailheads and add two new trailheads provided the new trailheads are subject to the same terms and conditions as stated in Resolution approved in 2012 and EPWater maintains permanent access to the dam located above the Lazy Cow trailhead. Questions were addressed by Mr. Tracy Novak from the City Parks and Recreation Department. Mr. Balliew and Dr. Richard Bonart also addressed questions and comments from the Board.

On a motion made by Mayor Leaser, seconded by Mr. Roe, and unanimously carried, the Board approved a resolution amending the 2012 Resolution that authorized the temporary use of EPWU/PSB managed property for use as trailheads and access into the Franklin Mountain State Park by deleting two of the previously approved trailheads and replacing them with two new trailhead sites. **(Resolution attached)**

APPROVED THE FIRST AMENDMENT TO LEASE AGREEMENT FOR THE LEASE OF 8,833.83 ACRES OF LAND IN HUDSPETH AND CULBERSON COUNTY TO RANDY AND BILLIE JO ARMSTRONG FOR AN ANNUAL LEASE AMOUNT OF \$160,800.00.

Ms. Osborn made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). EPWater purchased the Armstrong Farm in 2003 and leased the property back to Sellers. The fifteen year lease is set to expire December 31, 2018, and the Lessee desires to extend the lease agreement for an additional five years beginning January 1, 2019, reduce the number of farmable acres from 8,833.83 to 2,800 at a lease amount of \$150,000 per year for the farmland and \$10,800 per year for the remaining 6,033.83 acres of rangeland, for a total lease amount per year of \$160,800. Staff reviewed the lease proposal, and it conforms to the current lease rates for farmland and rangeland in the area. Ms. Osborn and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Santiago, seconded by Ms. Garcia and unanimously carried, the Board approved the First Amendment to Lease Agreement for the lease of 8,833.83 acres of land in Hudspeth and Culberson County to Randy and Billie Jo Armstrong for an annual lease amount of \$160,800.00.

APPROVED A CONTRACT WITH HILLCO PARTNERS, LLC TO PROVIDE GOVERNMENT RELATIONS AND LOBBYING SERVICES IN AUSTIN, TEXAS, FOR A PERIOD OF ONE YEAR BEGINNING JANUARY 1, 2017, THROUGH DECEMBER 31, 2017, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.

Mr. Hector Gonzalez, Government Affairs Manager, presented the Board with information regarding this item (copy on file in Central Files). HILLCO has provided government relations and lobbying services on behalf of EP Water for a number of years. They have been particularly effective in 1) facilitating important introductions and meetings at the Texas Water Development Board, Texas Commission on Environmental Quality and with the state legislature; 2) apprising El Paso Water of TWDB meetings, legislative committee hearings and interim reports that are released and; 3) helping shape strategies on issues of importance to El Paso Water and ensuring we are well-represented on such issues in Austin. By limiting the contract period to a one-year cycle with HILLCO, it allows El Paso Water to evaluate its satisfaction with HILLCO's services on an annual basis. Currently, staff is satisfied with HILLCO's services. Further, EPWater is entering a busy season with the new state legislative session approaching and continuity is valuable as they are helping to shape 2017 legislative strategies. HILLCO's fee for the services described in this proposal is \$126,000 payable in monthly payments of \$10,500. This is the same amount approved last year. Mr. Gonzalez and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mayor Leaser, seconded by Mr. Roe and unanimously carried, the Board approved a contract with HILLCO Partners, LLC to provide government relations and lobbying services in Austin, Texas, for a period of one year beginning January 1, 2017, through December 31, 2017, with the option for two one-year extensions.

MANAGEMENT REPORT:

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

- PSB Budget Meetings – November 14 and November 28 (if necessary) at 6:00 p.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.

No additional comments were made.

EXECUTIVE SESSION

On a motion made by Mayor Leaser, seconded by Ms. Garcia, and unanimously carried, the Board retired into Executive Session at 9:05 a.m., November 9, 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

- Section 551.072 Deliberation Regarding Real Property**
The Board will deliberate regarding a potential land purchase.
- Section 551.072 Deliberation Regarding Real Property**
The Board will deliberate regarding the possible purchase of property located in Hudspeth County, consisting of approximately 148.838 acres of land, generally described as the East ½ of the SE ¼ and SW1/4 of the SE ¼ of Section 19, Block 12, Township 4, PSL Surveys, Abstract 5443, Hudspeth County, Texas.

c. **Section 551.072 Deliberation Regarding Real Property**

Update and discussion regarding the possible sale of three parcels of property totaling approximately 714 acres of land located in Northeast El Paso between Dyer and McCombs, generally described as a portion of 80 TSP 1 Sections 20, 29 and 31 T & P SURV TR 1-A, City of El Paso, El Paso County, Texas.

The Board reconvened in open session at 9:47 a.m., November 9, 2016.

DELIBERATED REGARDING A POTENTIAL LAND PURCHASE.

On a motion made by Mr. Antcliff, seconded by Dr. Santiago and unanimously carried with Ms. Garcia absent from the vote, the Board authorized the President/CEO to proceed with the acquisition of land in the manner approved by the Board and in accordance with the terms and conditions specified by the Board and sign any and all documents necessary to complete the purchase and sign the application for transfer of ownership of the validation permits.

DELIBERATED REGARDING THE POSSIBLE PURCHASE OF PROPERTY LOCATED IN HUDSPETH COUNTY, CONSISTING OF APPROXIMATELY 148.838 ACRES OF LAND, GENERALLY DESCRIBED AS THE EAST ½ OF THE SE ¼ AND SW1/4 OF THE SE ¼ OF SECTION 19, BLOCK 12, TOWNSHIP 4, PSL SURVEYS, ABSTRACT 5443, HUDSPETH COUNTY, TEXAS.

On a motion made by Mr. Antcliff, seconded by Dr. Santiago and unanimously carried with Ms. Garcia absent from the vote, the Board authorized the President/CEO to purchase and sign any and all documents necessary to complete the purchase of approximately 148.838 acres of land, generally described as the East ½ of the SE ¼ of the SE ¼ of Section 19, Block 12, Township 4, PSL Surveys, Abstract 5443, Hudspeth County, Texas for the purchase prices of \$65,000.

UPDATE AND DISCUSSION REGARDING THE POSSIBLE SALE OF THREE PARCELS OF PROPERTY TOTALING APPROXIMATELY 714 ACRES OF LAND LOCATED IN NORTHEAST EL PASO BETWEEN DYER AND MCCOMBS, GENERALLY DESCRIBED AS A PORTION OF 80 TSP 1 SECTIONS 20, 29 AND 31 T & P SURV TR 1-A, CITY OF EL PASO, EL PASO COUNTY, TEXAS.

On a motion made by Mr. Antcliff, seconded by Dr. Santiago and unanimously carried, the Board directed the President/CEO to continue coordination with City staff on the disposition of the land, including but not limited to, presenting to the El Paso City Council an amendment to the Joint Resolution between the El Paso City Council and the El Paso Water Utilities – Public Service Board relating to land use policies, deleting the requirement that the PSB submit a land study prior to the sale and amending other requirements related to the land study.

ADJOURNMENT

The meeting adjourned at 9:49 a.m., November 9, 2016.

ATTEST:



Secretary-Treasurer

Chair



RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO AWARD BID NUMBER SW22-16, DALLAS CONDUIT CLEARING OF UTILITIES PHASE II, TO KARLSRUHER, INC. AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM

WHEREAS, the Dallas Drainage System, which includes the Dallas Conduit, is one of the tree drainage systems within the Central Region Drainage System in El Paso; and,

WHEREAS, the Dallas Conduit capacity has been reduced by utilities crossing through the box culvert and accumulated debris inside the culvert creating a backup of Stormwater during rain events which then accumulates and floods I-10 at the Dallas Reservoir and adjacent streets and properties; and,

WHEREAS, Utilities within the conduit will need to be relocated outside the Dallas Conduit to increase the conveyance capacity ("Project"); and,

WHEREAS, Staff evaluated the qualifications of the apparent low bidder and determined that Karlsruhe, Inc. meets the minimum general requirements and the minimum project specific criteria as specified on the bid documents; 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,

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

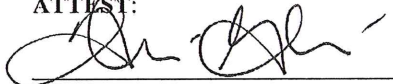
Section 1. The findings and recitations set out in the preamble to this Resolution are true and correct and are hereby adopted by the Public Service Board for all purposes.

Section 2. That the Public Service Board hereby authorizes the President and CEO to award Bid Number SW22-16, Dallas Conduit clearing of Utilities Phase II, to Karlsruhe, Inc. in the amount of \$1,295,185.57.

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 CIP#S4316, Account Number 1916-006, Budget FY 2016-2017, in an amount not to exceed \$1,295,185.57.00.

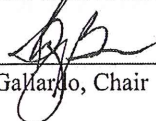
PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 9th day of November, 2016, at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001, et. seq.

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 AMENDING THE TRAILHEADS INCLUDED IN THE JULY 11, 2012, RESOLUTION AUTHORIZING THE CITY OF EL PASO'S TEMPORARY USE OF EPWATER/PSB MANAGED AND OR CONTROLLED EASEMENTS AND RIGHTS-OF-WAY FOR TRAILHEAD ACCESS BY THE PUBLIC INTO THE FRANKLIN MOUNTAIN STATE PARK.

WHEREAS, the Public Service Board ("PSB") adopted a resolution on July 11, 2012, that authorized the City of El Paso's ("City") temporary use of PSB managed and or controlled easements and rights-of-way for Trailhead access by the public into the Franklin Mountains State Park; and,

WHEREAS, the City Council took action on August 9, 2016, to update the list of trailhead projects, amending it to delete Lomas Del Sol and Ojo De Agua and to add Round House and Lazy Cow; and,

WHEREAS, several boards and commissions, including the Parks and Recreation Board, Open Space Board, and Bond Advisory Oversight Committee also recommended the changes; and,

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. The Public Service Board hereby expresses its approval of the proposed changes to the trailheads authorized in the Resolution dated July 11, 2012, and hereby approves the updated trailheads detailed in the Attached Exhibit "A."

Section 3. The Public Service Board hereby reaffirms all other terms and conditions included in the Resolution dated July 11, 2012, not affected by this Resolution.

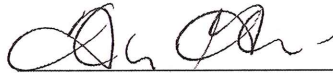
Section 4. A copy of this Resolution shall be forwarded to the Mayor and the City Manager of the City of El Paso upon its final signature.

[SIGNATURES BEGIN ON NEXT PAGE]

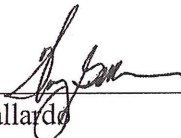
PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 9th day of November, 2016, at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001, et. seq.

**EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD**

ATTEST:




Terri Garcia
Secretary-Treasurer



Henry Gallardo
Chair

APPROVED AS TO FORM:



Cynthia Osborn
Real Estate Manager and Counsel

Trailhead Amendment of 2012 Resolution
Exhibit "A"

EXHIBIT A
APPROVED TRAILHEADS

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Revised Trailhead List

Trailhead Project Implementation (\$200,000/yr x 10 years)

Priority	Action/Project	Planning Area	2016 Budget	Considerations
	Chuck Heinrich	NE	\$14,300	Main Trailhead sign, 1 trash receptacle, 1 Murt-mitt, 2 benches, arrow signs to FMSP.
New	Lazy Cow	NE	\$125,000	Expand scope to allow for full trailhead, including: parking area, landscaping, signage, access control, solar picnic table, and shade.
	Redd Rd/ Lost Dog	NW	\$2,100	Ped/bike bollard, arrow signs to FMSP. Install donated solar energy powered picnic table and charging station.
	Thousand Steps	NW	\$125,000	Expand scope to allow for full trailhead, including: parking area, landscaping, signage, access control, solar picnic table, lighting, shade, and bridge.
	Thunderbird - Phase I	NW	\$125,000	Expand scope to allow for full trailhead, including: parking area, landscaping, signage, access control, solar picnic table, shade, and bridge.
	Roundhouse Trailhead	NE	\$125,000	Expand scope to allow for full trailhead, including: parking area, landscaping, signage, access control, solar picnic table, and shade.
	Architectural and Engineering	ALL	\$83,600	Provide architectural and engineering for all trailhead projects
Subtotal			\$600,000	

"Delivering Outstanding Services"

**SPECIAL BUDGET REVIEW MEETING MINUTES OF THE
PUBLIC SERVICE BOARD**

NOVEMBER 14, 2016

The special meeting of the Public Service Board was held Monday, November 14, 2016, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

PSB MEMBERS PRESENT

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

PSB MEMBERS ABSENT

Henry Gallardo, Chair

PSB EMPLOYEES PRESENT

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

EPWU EMPLOYEES PRESENT

Marcela Navarrete, Vice President
Art Duran, Chief Financial Officer
Jeff Tepsick, Fiscal Operations Manager
Ana Pucella, Budget Analyst
Christina Montoya, Marketing and Communications Manager
Robert Riley, Construction Engineering Division Manager
Gilbert Trejo, Chief Technical Officer
Fernie Rico, Chief Operations Officer
David Torres, Water & Wastewater Economic Analyst
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Matthew Behrens, Assistant General Counsel
Irazema Rojas, Capital Improvements Program Administrator
Rene Leon, Intergovernmental Affairs Coordinator
Georgette Webber, Executive Assistant

MEDIA

KFOX
El Diario

GUESTS

Jerry Thiedt, Citizen
Judy Ackerman, Citizen
Sanaan Villalobos, Carollo Engineers
Joe Cardenas, Moreno Cardenas
Steve Ainsa, AECOM

The Public Service Board meeting was called to order by Mr. Antcliff at 6:05 p.m. A quorum of its members

was present. After a moment of silent prayer, those in attendance joined Mr. Gilbert Trejo, Chief Technical Officer, in reciting the Pledge of Allegiance.

REGULAR AGENDA

BUDGET WORKSHOP – FY 2017-18 WATER & WASTEWATER SUMMARY BUDGET; WATER & WASTEWATER OPERATING BUDGET DETAIL; CAPITAL BUDGET DETAIL; PROPOSED RULES AND REGULATIONS CHANGES; AND FEE ADJUSTMENTS.

Mr. John Balliew, President/CEO, made a PowerPoint presentation summarizing the FY 2017-18 Water, Wastewater and Reclaimed Water Budget (**entire presentation on file with EPWU Central Files**). He reviewed the schedule of budget meetings and stated this meeting is the second of possibly three budget meetings. He stated this meeting would focus on the water, wastewater and reclaimed water portion of the budget. He explained if an additional meeting is needed for questions, clarification and discussion, a third meeting will be held on November 28, 2016. If an additional meeting is not needed, the budget can then go directly to the Board for approval at the regularly scheduled PSB Meeting on January 11, 2017.

He began his presentation by reviewing the FY 2016 accomplishments. A total of 16 projects were completed during FY 2016-17. He reviewed each of the projects and presented photos of the work completed. Next he reviewed 10 projects which are currently underway. Photos were presented to show the work in progress for each project. He then reviewed some of the challenges EPWater anticipates facing in the upcoming fiscal year. Mr. Balliew discussed the expanding diverse portfolio of options to meet water supply needs. Currently, EPWater water resources portfolio consists of surface water from the Rio Grande, water reuse, underground water, conservation and desalination. The Utility's goal is to add three additional resources which include importation, advanced purified water treatment and aquifer storage and recovery. He said the water supply program will continue since population growth is trending upward and is expected to continue. Mr. Balliew reviewed the 2017 priorities for water resource planning.

EPWater is working to address aging infrastructure problems. Currently, EPWater has approximately 2500 miles of water pipe. About 700 miles of pipe is over 40 years old. EPWater continues to hold customer health and safety as its top priority. In FY 2017-18, EPWater will need to invest in its water quality lab to ensure the Utility is equipped with the right tools, computer system and robust water quality testing capabilities. Upgrades to the physical and cyber security systems are required to safeguard the water and wastewater systems. Additional automation upgrades are needed to the water treatment and distribution systems to improve efficiency and decrease operating costs. In reviewing the FY 2017-18 Water & Wastewater Budget summary, Mr. Balliew stated the total water, wastewater and reclaimed water budget is \$463.6 million and includes a Texas Water Development Board (TWDB) SWIFT bond issue of \$50 million for water resources acquisitions. The \$97.3 million operating budget has increased by \$3.4 million. The capital budget is \$271.6 million with new funding requests of \$182.9 million. The capital budget will decrease by \$18.2 million. He reviewed the water and wastewater budget funding sources and said 31% is funded from water, 16% wastewater, 28% debt financing and 23% from other funding sources. As for budget usage, 59% is used for capital expenditures, 21% for operations and maintenance, 14% for debt service, 3% for contingencies and 3% for the Utility's payment to City for 10% of the Utility's water revenue. The operating budget is anticipated to increase to accommodate normal salary increases; additional increases in chemical and new water supply costs; adjustments to electricity expenses; and increases in expenses of supervisors and employees due to continuing training.

He reviewed the FY 2017-18 water and wastewater construction projects with funding requests over \$1 million. There are 32 new water construction projects requiring funding over \$1 million. Of those project, 12 are to accommodate new customer growth and the water rights acquisitions to serve those customers. The remaining projects are for rehabilitation. There are 13 new wastewater construction projects requiring funding over \$1 million. Of those wastewater projects, 12 are rehabilitation projects. The total capital improvements program new funding request for FY 2017-18 is \$182,882,000. The overall total water, wastewater and reclaimed water

capital improvements program budget for FY 2017-18 is \$269,737,000. Mr. Balliew said 40% of the capital improvements program budget is allocated for water resources acquisitions while the remaining 60% is for improvement projects.

In regards to the financial plan, Mr. Balliew reviewed the operating ratio and FY 2017-18 rate objectives. The Five Year Financial Plan presented last year projected an eight percent rate increase for FY 2017-18. Due to efficiencies, staff proposed a seven percent water and wastewater rate increase. In addition, staff proposed raising the threshold on the Water Supply Replacement Charge to allow more customers the opportunity to benefit. In FY 2015-16, the Board approved waiver of the water supply for all 3/4-inch meter customers with less than 3 ccfs of monthly water consumption. On a monthly average, 21,500 bills included the waiver for the water supply replacement charge. For FY 2017-18, staff proposed waiving the water supply replacement charge if monthly consumption is less than 4 ccfs for all meter sizes. On a monthly average, staff predicts this will affect approximately 32,000 bills. He presented charts and discussed in detail the comparison between the current minimum water/wastewater charges and the proposed minimum water charge if a seven percent increase is implemented. He also discussed the effects the increase would have on the water supply replacement charge, excess use charge, wastewater volume charge and minimum wastewater charge.

Mr. Balliew reviewed the proposed changes to the Rules and Regulations. The recommended changes to Rules and Regulations 5 will improve delinquent fee standards to simplify and reduce customer burden. The changes consist of eliminating the \$12 per \$100 delinquent fee and replace it with a \$20 flat fee for the trip charge for collection in the field and/or disconnection and a \$25 flat fee for reconnecting service. The revisions to Rules and Regulation 5 will update standby fire line service guidelines for clarity and revise the leak adjustment policy.

In summary, Mr. Balliew said the total water, wastewater, and reclaimed water budget is \$463.6 million. The \$97.3 million operating budget increased by \$3.4 million and the capital budget is \$269.7 million with new funding requests of \$182.9 million. After the seven percent rate increase the average monthly residential bill would be 1.37% of the local median household income, which is well below Fitch's affordability threshold of 2%. The recommendations from staff included increasing the water and wastewater rate by seven percent and raising the threshold on the water supply replacement charge from less than 3 ccfs to less than 4 ccfs so more customers can benefit. The rates and fees will be supplemented with additional funding sources such as proceeds from land sales, grants as well as revenue bonds and commercial paper. Mr. Balliew presented graphs from a survey comparing El Paso's current and proposed average residential water and sewer bills to the ten largest cities in Texas. He also presented a graph comparing the current and proposed average residential water and sewer bill to other arid cities and those in the region. Additionally, he presented a graph of the average residential water/wastewater bill for eight border cities, including El Paso. Mr. Balliew addressed questions from the Board regarding the budget presentation.

Mr. Antcliff opened the floor to the public for comments and questions on the proposed budget. The Board heard comments from Mr. Jerry Thiedt, citizen.

PUBLIC COMMENT: THE PSB WILL PERMIT PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA. THE CHAIR MAY IMPOSE REASONABLE TIME LIMITS FOR EACH SPEAKER.

Mr. Antcliff opened the floor for additional public comments. The Board heard comments from Ms. Judy Ackerman, citizen.

EXECUTIVE SESSION

The Board did not enter into Executive Session.

ADJOURNMENT

The meeting was adjourned at 7:15 p.m., November 14, 2016.

ATTEST:



Secretary-Treasurer

Chair

