

**MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
January 13, 2016**

The regular meeting of the Public Service Board was held Wednesday, January 13, 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. Richard T. Schoephoerster, 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
Lupe Cuellar, General Counsel

EPWU EMPLOYEES PRESENT

Matthew Behrens, Assistant General Counsel
Marcela Navarrete, Vice President
Alan Shubert, Vice President
Lisa Rosendorf, Chief Communications & Government Affairs Officer
Art Duran, Chief Financial Officer
Gilbert Trejo, Chief Technical Officer
Armando Renteria, Chief Information Officer
Cynthia Osborn, Real Estate Manager/Counsel
Gretchen Byram, Computer Media Specialist
Javier Camacho, Public Information Specialist
Christina Montoya, Marketing & Communications Manager
Warren Marquette, Utility Engineer
Edgar Chacon, Network Systems Manager
Ana Pucella, Budget Specialist
Becky Lopez, Paralegal
Jeff Tepsick, Fiscal Operations Manager
Lidia Carranco, Treasury & Property Control Manager
Rose Guevara, Senior Purchasing Agent
Angel Bustamante, Water Systems Division Manager
Ana Sanchez, Human Resources Manager
Gerardo Gomez, Engineering Program Administrator
Georgette Webber, Executive Secretary

GUESTS

Richarda Momsen, City of El Paso
Pam Farone, Citizen
Dr. Richard Teschner, Castner Range National Monument Campaign

Michael Ancel, CH2M Hill
Steve Ainsa, CDM Smith
Sarah Guemez, CDM Smith
Judy Ackerman, Franklin Mountains Wilderness Coalition
Sanaan Villalobos, ARCADIS US
Baltazar Lucero, Clowe & Cowan
Jess Villegas, Clowe & Cowan
Lisa Turner, Citizen
Taylor Moreno, City of El Paso
Keith Rutherford, Parkhill Smith & Cooper

MEDIA

El Paso Times

The Public Service Board meeting was called to order by Dr. Schoephoerster at 8:13 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Mr. Alan Shubert, Vice President, in reciting the Pledge of Allegiance.

REGULAR AGENDA

ADMINISTER OATH TO NEW PSB MEMBER.

Ms. Richarda Momsen, Municipal Clerk, administered the oath of office to newly appoint Public Service Board Member, Dr. Kristina Mena. Dr. Mena was appointed to the Board by City Council on December 8, 2015. The term of appointment shall commence on January 1, 2016 and shall be for a four-year term.

ELECTION OF PSB OFFICERS.

Dr. Schoephoerster opened the floor for nominations of candidates for the position of PSB Chair and began the nomination process by nominating Mr. Gallardo as a candidate for the position. Mr. Gallardo accepted the nomination. Mayor Leeser seconded the nomination. No other candidates were nominated for the position of PSB Chair.

On a motion made by Dr. Schoephoerster, seconded by Mayor Leeser and unanimously carried, the Board elected Mr. Gallardo as the PSB Chair.

Mr. Gallardo assumed his position and chaired the remainder of the meeting. Mr. Gallardo opened the floor for nominations of candidates for the position of PSB Vice-Chair. Mayor Leeser nominated Mr. Antcliff as a candidate for the position. Mr. Antcliff accepted the nomination. Mr. Roe seconded the nomination. No other candidates were nominated for the position of PSB Vice-Chair.

On a motion made by Mayor Leeser, seconded by Mr. Roe and unanimously carried, the Board elected Mr. Antcliff as the PSB Vice-Chair.

Mr. Gallardo opened the floor for nomination of candidates for the position of PSB Secretary-Treasurer. Dr. Schoephoerster nominated Ms. Garcia as a candidate for the position. Mayor Leeser seconded the nomination. No other candidates were nominated for the position of PSB Secretary-Treasurer.

On a motion made by Dr. Schoephoerster, seconded by Mayor Leeser and unanimously carried, the Board elected Ms. Garcia as the PSB Secretary-Treasurer.

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 DECEMBER 16, 2015.

The Board approved the minutes of the regularly scheduled meeting held on December 16, 2015

AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT, FOR CONSTRUCTION PHASE SERVICES FOR BID NUMBER SW64-15 DIANA DRIVE TRAFFIC BARRIER, TO WALTER P. MOORE AND ASSOCIATES, INCORPORATED IN AN AMOUNT TOTALING \$32,500.

The Board awarded a professional engineering services contract, for construction phase services for Bid Number SW64-15 Diana Drive Traffic Barrier, to Walter P. Moore and Associates, Incorporated in an amount totaling \$32,500.

REGULAR AGENDA

PRESENTATION TO RUTH KATHERINE BRENNAND IN RECOGNITION OF HER LEADERSHIP, DEDICATION, AND SERVICE TO THE COMMUNITY DURING HER TENURE ON THE PUBLIC SERVICE BOARD.

On a motion made by Mayor Leaser, seconded by Mr. Roe and unanimously carried, the Board decided to postpone this item until the February regular meeting.

PUBLIC HEARING BY THE MUNICIPAL DRAINAGE UTILITY SYSTEM'S GOVERNING BOARD TO CONSIDER A STORMWATER RATE INCREASE. THE BOARD RECEIVED PUBLIC COMMENT ON THE PROPOSED RATE INCREASE AND ANY RESULTING CHANGES TO THE STORMWATER FEES PRIOR TO THE ADOPTION OF ANY INCREASE OR FEE CHANGES.

Ms. Lupe Cuellar, General Counsel, said this is was public hearing to consider a stormwater rate increase and changes to the stormwater fees. She said a presentation on the proposed rate and fee increase would be made by staff. Following the presentation, the Board would allow public comment. After public comment, the Board would close the public hearing and move to the next agenda item for consideration and action. Mr. John Balliew, President/CEO, made a PowerPoint presentation to the Board (copy on file in Central Files). The Public Service Board budget hearings took place on November 9 & 16, 2015. The 2016-17 stormwater net operating budget has been decreased by \$200,000. The stormwater capital budget is \$41.7 million with expenditures of \$33.1 million for the Central, Northwest and Northeast system projects included in the capital budget. The total stormwater budget for FY 2016-17 is \$57.8 million. Mr. Balliew reviewed the stormwater funding sources and operating budget expenditures. He also reviewed the allocations for the capital improvement projects and new funding requests. A table was presented while Mr. Balliew discussed and reviewed the current and proposed fee increases for fiscal year 2016-17. At the conclusion of the presentation, Mr. Balliew presented a table which compared El Paso's current and proposed stormwater fees to those of other cities in the State of Texas. Overall, he said staff's recommendation was to implement an 11% fee increase.

Mr. Balliew addressed several questions from the Board regarding the presentation and proposed rate increase. Mr. Gallardo opened the floor for comments from the public. The Board heard comments from the following citizens: Ms. Lisa Turner and Ms. Judy Ackerman. Additional comments were made by members of the Board.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board closed the public hearing to receive public comment on the proposed rate increase and any resulting changes to the

stormwater fees prior to the adoption of any increase or fee changes at 8:59 a.m. on Wednesday, January 13, 2016.

TOOK ACTION ON THE STORMWATER BUDGET TO INCLUDE, BUT NOT LIMITED TO, THE FOLLOWING ACTIONS:

a. **ADOPTED A STORMWATER RATE INCREASE AND STORMWATER FEES.**

This item was heard in conjunction with Item 6.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board adopted a stormwater rate increase and stormwater fees.

b. **ADOPTED THE ANNUAL STORMWATER BUDGET IN THE AMOUNT OF \$57.8 MILLION FOR FISCAL YEAR 2016-2017.**

This item was heard in conjunction with Item 6.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board adopted the annual stormwater budget in the amount of \$57.8 million for fiscal year 2016-2017.

c. **ADOPTED A RESOLUTION AMENDING PUBLIC SERVICE BOARD RULES AND REGULATIONS NO. 3, ESTABLISHING ADJUSTED RATES FOR THE FURNISHING OF STORMWATER SERVICE.**

This item was heard in conjunction with Item 6.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board adopted a resolution amending Public Service Board Rules and Regulations Number 3, Establishing Adjusted Rates for the Furnishing of Stormwater Service. **(Resolution attached)**

TOOK ACTION ON THE WATER, WASTEWATER AND RECLAIMED WATER BUDGET, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING ACTIONS:

a. **ADOPTED THE ANNUAL WATER, WASTEWATER AND RECLAIMED WATER BUDGET IN THE AMOUNT OF \$463.2 MILLION FOR FISCAL YEAR 2016-2017.**

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster and carried with the Mayor opposing, the Board adopted the annual water, wastewater and reclaimed water budget in the amount of \$463.2 million for fiscal year 2016-17.

b. **ADOPTED A RESOLUTION AMENDING PUBLIC SERVICE BOARD RULES AND REGULATIONS NO. 5, WATER SERVICE RATES.**

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster and carried with the Mayor opposing, the Board adopted a resolution amending Public Service Board Rules and Regulations No. 5, Water Service Rates. **(Resolution attached)**

c. **ADOPTED A RESOLUTION AMENDING PUBLIC SERVICE BOARD RULES AND REGULATIONS NO. 6, SEWER SERVICE RATES.**

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster and carried with the Mayor opposing, the Board adopted a resolution amending Public Service Board Rules and Regulations No. 6, Sewer Service Rates. **(Resolution attached)**

Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The total water, wastewater and reclaimed water budget is \$463.2 million. The \$93.9 million operating budget

increased by \$5.4 million. The capital budget is \$289.9 million with new funding requests of \$240.9 million. Mr. Balliew reviewed the budget uses for FY 2016-17 and the capital improvements program (CIP) funding requests for FY 2016-17. The water CIP funding request is \$77.3 million and the wastewater CIP funding request is \$38.5 million. FY 2016-17 will focus on addressing water supply needs; infrastructure rehabilitation; system expansion to support city growth; and debt service coverage and cash reserves. As a result, staff recommended an 11% water and wastewater rate increase with no changes to the rate structure for FY 2016-17. Tables were presented comparing the current and proposed rates for the following fees: minimum water charge; water supply replacement charge; excess use charges; minimum wastewater charge; and wastewater volume charge.

Mr. Balliew presented a slide showing the typical residential and commercial bill impacts. Additionally, Mr. Balliew said all consumption for current City irrigation accounts are charged at the Block 1 rate. Over the next five-year period, the City irrigation rate class will be phased out to the Local Government Turf rate. Currently, reclaimed customers only pay a portion of the Block 1 rate (80%). Staff proposed phasing reclaimed water customers to pay the entire Block 1 rate over the next ten years. Mr. Balliew presented a graph comparing El Paso's average residential water/wastewater bill with the current and proposed rates to other cities in the border region. Overall, the total 2016-17 water, wastewater and reclaimed water budget is \$463.2 million. The 93.9 million operating budget increased by \$5.4 million from the previous year. The capital budget is \$289.9 million with new funding requests of \$240.9 million. The budget supports an 11% rate increase for water and wastewater in addition to phasing out the subsidy for reclaimed water rates over the next ten years and phasing out the subsidy for City irrigation rates over the next five years. Mr. Balliew addressed several questions from the Board. Mr. Gallardo also opened the floor for public comment. The Board heard comments from Ms. Lisa Turner, citizen. After comments from the public, the Board voted on all three actions collectively.

APPROVED THE RENEWAL OF ORACLE TECHNICAL SUPPORT SERVICES AND CONSOLIDATED THREE-YEAR SUPPORT AGREEMENT, WITH BUY BOARD PRICING THROUGH TEXAS DIR CONTRACT NUMBER DIR-TSO-2539, IN THE AMOUNT OF \$986,922.81.

Mr. Armando Renteria, Chief Information Officer, presented information to the Board regarding this item. El Paso Water Utilities has eight Oracle Technical Support Services agreements scheduled to expire on February 29, 2016. EPWU staff recommended renewing the Oracle Technical Support Services and accepting a three year, consolidated support services agreement to reduce annual support costs and prevent interruption of technical support services used in the operation of the Utility's system databases. The total savings resulting from the three-year support agreement would be \$60,367.15. A quote for renewal and consolidation of the technical support service agreements was received from Oracle with buy board pricing through Texas DIR (Department of Information Resources) Contract Number DIR-TSO-2539. Ms. Garcia made comments regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board approved the renewal of Oracle Technical Support Services and consolidated three-year support agreement, with buy board pricing through Texas DIR Contract Number DIR-TSO-2539, in the amount of \$986,922.81.

AWARDED BID NUMBER 01-16, LIQUEFIED CHLORINE GAS TO THE SOLE, RESPONSIVE, RESPONSIBLE BIDDER, DPC INDUSTRIES, INCORPORATED, IN THE ESTIMATED ANNUAL AMOUNT OF \$942,955.75 WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.

Mr. Art Duran, Chief Financial Officer, presented information to the Board regarding this item. Liquid Chlorine Gas is used for wastewater treatment and water production. On December 11, 2015, EPWU received one bid from DPC Industries. EPWU staff evaluated the bid and recommended award to DPC Industries as the sole, responsive, responsible bidder in an estimated total amount of \$942,955.75. Mr. Duran 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 01-16, Liquefied Chlorine Gas to the sole, responsive, responsible bidder, DPC Industries,

Incorporated, in the estimated annual amount of \$942,955.75, with the option for two one-year extensions.

AWARDED BID NUMBER 60-15, MAINTENANCE OF NATURAL GAS ENGINES, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SOUTHWEST COMMERCIAL ENGINES, INCORPORATED, IN THE ESTIMATED ANNUAL AMOUNT OF \$860,541.72, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.

Mr. Duran presented information to the Board regarding this item. Natural gas engines are located at plants, wells and multiple booster stations throughout the Utilities. Maintenance service is required for 22 engines, which is based on runtime hours and allows for top end and complete overhauls of the units. El Paso Water Utilities received three bids for this project ranging from \$860,541.72 to \$1,294,036.61. EPWU staff recommended award of Bid Number 60-15, Maintenance of Natural Gas Engines, to Southwest Commercial Engines as the lowest responsive, responsible bidder, in the estimated annual amount of \$860,541.72. Mr. Duran addressed questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Mr. Roe and unanimously carried, the Board awarded Bid Number 60-15, Maintenance of Natural Gas Engines, to the lowest responsive, responsible bidder, Southwest Commercial Engines, Incorporated, in the estimated annual amount of \$860,541.72, with the option for two one-year extensions.

AUTHORIZED THE PRESIDENT /CEO TO TERMINATE, FOR CONVENIENCE, A CONTRACT AWARDED UNDER BID NUMBER 16-15 TO CAL-PACIFIC CARBON FOR POWDER ACTIVATED CARBON, AND AUTHORIZED STAFF TO PURCHASE POWDER ACTIVATED CARBON FROM QUALIFIED VENDORS THAT MEET THE PRODUCT SPECIFICATIONS UNTIL A NEW BID IS AWARDED.

Mr. Duran presented information to the Board regarding this item. Cal-Pacific Carbon was awarded a contract to supply powder activated carbon on March 25, 2015, per Bid Number 16-15. Powder activated carbon is used for wastewater treatment at the Fred Hervey Water Reclamation Plant. The powder activated carbon supplied by Cal-Pacific Carbon had varying iodine levels. A load of powder activated carbon from Cal-Pacific Carbon was delivered on October 8, 2015, to the Fred Hervey Water Reclamation Plant. The powder activated carbon tested by EPWU produced varying iodine levels. EPWU believes this is a result of Cal-Pacific utilizing Underwriters Laboratories, Incorporated ("UL") certification rather than National Sanitation Foundation ("NSF") certification, which EPWU prefers. In order to avoid further confusion, EPWU staff recommended termination of this contract for convenience and rebidding the contract. Any and all new contracts will require NSF certification and not allow a UL equivalent. Mr. Duran and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried, the Board authorized the President /CEO to terminate, for convenience, a contract awarded under Bid Number 16-15 to Cal-Pacific Carbon for powder activated carbon, and authorized staff to purchase powder activated carbon from qualified vendors that meet the product specifications until a new bid is awarded.

AWARDED BID NUMBER 62-15, BLOWER AND DIFFUSER SYSTEM PROJECT AT FRED HERVEY WATER RECLAMATION PLANT CLARIFIERS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, SIEMENS ENERGY, INCORPORATED, IN THE AMOUNT OF \$520,845 AND AUTHORIZED FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

Mr. Gilbert Trejo, Chief Technical Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This project is located at the Fred Hervey Water Reclamation Plant. Primary treatment is accomplished by aerating the wastewater with three centrifugal high-speed blowers. The blowers are critical for the plant's treatment operation, which relies on two blowers operating with the third unit as a stand-by. One of the three blowers failed, damaging the gearbox and blower housing, leaving the plant

vulnerable with no redundancy. AECOM was contracted to assess and make recommendations for a suitable replacement unit, while considering future treatment improvements, compatibility with the existing blower building and blower system, and maximizing energy efficiency.

El Paso Water Utilities (EPWU) received two bids for this project ranging from \$160,000 to \$520,845. The Engineer's estimate was \$495,000. The project consulting engineer, AECOM, evaluated the apparent low bidder and determined that Lone Star Blower did not meet the specified requirements for the equipment replacement as specified in the bid documents with no installations in North America. AECOM then evaluated the qualifications of the second bidder and determined that Siemens Energy met the minimum general requirements as well as the minimum project specific criteria as specified in the bid documents. EPWU staff reviewed the engineer's evaluation and recommended award of Bid Number 62 15, Blower and Diffuser System Project at Fred Hervey Water Reclamation Plant Clarifiers, to Siemens Energy as the lowest responsive, responsible bidder in the amount of \$520,845. Mr. Trejo addressed questions from the Board.

On a motion made by Mr. Antcliff, seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 62-15, Blower and Diffuser System Project at Fred Hervey Water Reclamation Plant Clarifiers, to the lowest responsive, responsible bidder, Siemens Energy, Incorporated, in the amount of \$520,845 and authorized funding through the commercial paper program. **(Resolution attached)**

AWARDED BID NUMBER SW64-15, DIANA DRIVE TRAFFIC BARRIER, TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER, MARTINEZ BROS., CONTRACTORS LLC, IN THE AMOUNT OF \$247,750.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). In September 2014, a rainfall event caused the stormwater channel along Diana Drive to overflow. In response to this event, EPWU completed a study and design for the placement of a traffic barrier along the stormwater channel. This construction project includes the installation of 9,000 linear feet of guard fence from Railroad Drive to Hondo Pass Drive. EPWU received four bids for the referenced project ranging from \$247,750 to \$350,750. The Engineer's estimate was \$394,191. The project consulting firm, Walter P. Moore., evaluated the qualifications of the apparent low bidder and determined that Martinez Bros. Contractors met the minimum general requirements as well as the minimum project specific criteria as specified in the bid documents. EPWU staff reviewed the Engineer's evaluation and recommended award of the contract for Bid Number SW64-15, Diana Drive Traffic Barrier, to Martinez Bros. Contractors, LLC, as the lowest, responsive, responsible bidder, in the amount of \$247,750.

On a motion made by Mayor Leeser, seconded by Mr. Antcliff, and unanimously carried, the Board award Bid Number SW64-15, Diana Drive Traffic Barrier, to the lowest, responsive, responsible bidder, Martinez Bros., Contractors LLC, in the amount of \$247,750.

AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL GEOTECHNICAL SERVICES TO AMEC FOSTER WHEELER ENVIRONMENT AND INFRASTRUCTURE, INCORPORATED; CQC TESTING AND ENGINEERING, LLC; LOI ENGINEERS; PROFESSIONAL SERVICES INDUSTRIES, INCORPORATED; AND TERRACON CONSULTANTS, INCORPORATED; AND AUTHORIZED FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM, AS REQUIRED.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). EPWU uses geotechnical engineering firms for materials and density testing on certain EPWU construction projects. Testing includes density testing for backfilling pipeline trenches and compressive strength testing on concrete structures. This contract will allow EPWU to respond quickly to the required density testing on certain construction projects whether it pertains to water, wastewater, and/or stormwater projects. The Architectural/Engineering Selection Advisory Committee met on December 30, 2015 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. Amec Foster Wheeler Environment & Infrastructure, CQC Testing and Engineering, LOI Engineers, Professional Services Industries, and Terracon Consultants were selected as the most qualified firms that best meet the needs of the Utility and demonstrated excellent abilities in all the evaluated categories. Each consultant will be issued a professional services contract for a maximum amount of \$100,000 and each contract will be limited to no more than two years. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Mr. Antcliff and unanimously carried, the Board awarded professional services contracts for On-Call Geotechnical Services to Amec Foster Wheeler Environment and Infrastructure, Incorporated; CQC Testing and Engineering, LLC; LOI Engineers; Professional Services Industries, Incorporated; and Terracon Consultants, Incorporated; and authorized funding through the commercial paper program, as required. **(Resolution attached)**

AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL SURVEYING SERVICES TO FRANK X. SPENCER AND ASSOCIATES, INCORPORATED, LAND-MARK PROFESSIONAL SURVEYING, INCORPORATED AND ROE ENGINEERING, LC; AND AUTHORIZED FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM, AS REQUIRED.

Ms. Lupe Cuellar, General Counsel, said Mr. Roe would abstain from the discussion and vote for this item. Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). EPWU uses surveying firms for preparation of metes and bounds and boundary surveys as well as checking quality control of contractors' surveyors. This contract will allow us to respond quickly when surveys or other documentation are needed to acquire property or easements. The Architectural/Engineering Selection Advisory Committee met on December 30, 2015 to review and recommend selection of the Surveying firms 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. Frank X. Spencer and Associates, Land-Mark Professional Surveying, and Roe Engineering were selected as the most qualified firms that best meet the needs of the Utility and demonstrated excellent abilities in all the evaluated categories. Each consultant will be issued a professional services contract for a maximum amount of \$200,000 and each contract will be limited to no more than two years.

On a motion made by Mr. Antcliff, seconded by Dr. Schoephoerster and unanimously carried with Mr. Roe abstaining, the Board awarded professional services contracts for On-Call Surveying Services to Frank X. Spencer and Associates, Incorporated; Land-Mark Professional Surveying, Incorporated; and Roe Engineering, LC; and authorized funding through the commercial paper program, as required. **(Resolution attached)**

RATIFIED DESIGN PHASE SERVICES IN THE AMOUNT OF \$103,390 AND AUTHORIZED AND APPROVED CONSTRUCTION PHASE SERVICES FOR THE AMOUNT OF \$115,249 FOR THE UPPER VALLEY STRAHAN ROAD WATER TRANSMISSION MAIN PHASE 1 TO CDM SMITH, INCORPORATED FOR THE SUM AMOUNT OF \$218,639, AND AUTHORIZED THE USE OF COMMERCIAL PAPER IN THE AMOUNT OF \$136,793.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). EPWU and the United States Army Corps of Engineers (USACE) entered into an agreement in June 2010 for the El Paso Water Line Replacement Phase 8. CDM Smith was awarded the engineering design phase services for the Upper Valley Strahan Road Water Transmission Main Phase 1 project by the Public Service Board (PSB) in June 2011. Design was placed on hold immediately after the execution of the agreement due to lack of federal funds. On September 9, 2015, the PSB authorized the President/CEO to sign amendments to existing agreements with the USACE for the design and construction assistance of the El Paso Water Line Replacement Phases 8, 9, and 10 – Upper Valley Strahan Road Water Transmission Main Phase 1 Project, activating the project. The project consists of the installation of approximately 9,000 linear feet of 36-inch water transmission main. The agreements provide for a 25% (EPWU) – 75% (USACE) cost share of the total cost of the project.

Although CDM Smith was originally awarded the engineering design phase services, the original contract was closed therefore, a new base contract with the consultant is necessary to provide additional design phase services and complete the final design of the project. CDM Smith was also selected to perform the construction phase services due to their completion of the design phases of this project. EPWU staff worked with CDM Smith to develop a scope of services for the Upper Valley Strahan Road Water Transmission Main Phase 1 Project. The fee proposal associated with this scope of services was submitted, reviewed, and negotiated with the consultant to reach an agreement on the costs to complete the work. The negotiated fees are in line with the level of effort and hours required to complete the project and include office and field engineering services.

On a motion by Dr. Schoephoerster, seconded by Mr. Roe and unanimously carried, the Board ratified design phase services in the amount of \$103,390 and authorized and approved construction phase services in the amount of \$115,249 for the Upper Valley Strahan Road Water Transmission Main Phase 1 to CDM Smith, Incorporated for the sum amount of \$218,639, and authorized the use of commercial paper in the amount of \$136,793. **(Resolution attached)**

RATIFIED A CONSTRUCTION PHASE SERVICES CONTRACT FOR THE CANAL WATER TREATMENT PLANT – GEAR REPLACEMENT PROJECT TO CDM SMITH, INCORPORATED IN THE AMOUNT OF \$169,517.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). At the October 2015 PSB meeting, a contract was awarded to R.M. Wright Construction Company for the replacement of the gear reducers on the secondary sedimentation basins, grit separators as well as primary and secondary sedimentation basins. CDM Smith was awarded the engineering design phase services for the Canal 54-inch Discharge Line and Pump Station project by the Public Service Board in February 2013 based on their qualifications and experience related to improvements at water treatment plants across the country and at the Canal Water Treatment Plant. CDM Smith possesses both the plant process experience and expertise with mechanical systems necessary for the scope of work required for this project. EPWU staff worked with the consultant, CDM Smith, to develop the scope of work for the project. A fee proposal associated with this scope of services was submitted, reviewed, and negotiated with the consultant to come to an agreement on the cost to complete the project. The negotiated construction services fees are in line with the level of effort and hours required to complete the project and include office and field engineering services. The engineering consultant will oversee the equipment and electrical replacements and installations. Mr. Trejo 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 ratified a construction phase services contract for the Canal Water Treatment Plant – Gear Replacement Project to CDM Smith, Incorporated in the amount of \$169,517.

RATIFIED A DESIGN SERVICES CONTRACT FOR THE EWM INTERCONNECTIONS AT KAY BAILEY HUTCHINSON DESALINATION PLANT TO CDM SMITH, INCORPORATED IN THE AMOUNT OF \$182,158.47.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water Utilities (EPWU) has been working with Enviro Water Minerals (EWM) Company towards a long-term agreement where EPWU would provide desalination brine from its Kay Bailey Hutchison (KBH) Desalination Plant to EWM for extraction of minerals and chemical elements. During the contract agreement, short-term deadlines were determined by both parties. In order to comply with contractual obligations, CDM Smith was selected as the most qualified firm to perform the tasks and meet the contract schedule based on their past experience designing the KBH plant and on-going studies to optimize and expand the facility. This historical knowledge allows them to quickly respond and provide the necessary knowledge and expertise to meet EPWU and EWM contractual obligations. EPWU staff worked with the consultant, CDM Smith, to develop the scope of work for the project. A fee proposal associated with this scope of services was submitted,

reviewed, and negotiated with the consultant to come to an agreement on the cost. The negotiated professional engineering services fees are in line with the level of effort and hours required to prepare design drawings and provide support services during the bid phase. Mr. Trejo addressed several questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Mr. Antcliff, and unanimously carried, the Board ratified a design services contract for the EWM Interconnections at Kay Bailey Hutchinson Desalination Plant to CDM Smith, Incorporated in the amount of \$182,158.47.

AUTHORIZED THE PRESIDENT AND CEO TO SIGN AN AGREEMENT WITH JRBR-TEXAS, LLC FOR DISPOSAL OF PROCESS WASTEWATER AND CONTRIBUTION FOR THE EXPEDITED DESIGN AND CONSTRUCTION OF A PROCESS WASTEWATER PRETREATMENT SYSTEM IN AN AMOUNT NOT TO EXCEED \$1,700,000.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Texas Department of Transportation (TXDOT) Go-10 project (Project) requires the relocation of an El Paso Water Utilities (EPWU) 54-inch water transmission waterline and two 36-inch sanitary sewer force mains that are currently in an EPWU easement. EPWU hired Moreno Cardenas (MCI) to assist with the engineering and coordination related to all EPWU line relocations resulting from this project and to analyze alignment alternatives for the relocations. Most of the alternatives would move the pipelines inside TXDOT right-of-way; however, requiring TXDOT permits and would put EPWU at a loss because future relocation costs of these pipelines, resulting from future TXDOT projects, would be paid 100% by EPWU. The construction costs for these alternatives ranged from \$2.5 million to \$6.8 million and included several challenges including constructability, system hydraulics, and conflicts with existing structures. The selected alternative included relocating the pipelines onto an adjacent property owned by JRBR-Texas (JRBR) (dba Rio Valley Biofuels). EPWU approached JRBR about acquiring an easement. JRBR informed EPWU that they were in the process of constructing a treatment system to treat wastewater generated at the site, replacing their trucking disposal operations. JRBR was also designing a process expansion to their facilities. Both the treatment system and facilities expansion were in conflict with the easement EPWU needed. JRBR agreed to stop construction of their treatment system and their expansion project and grant EPWU an easement.

In exchange for the easement, EPWU agreed to pay fair market value for the easement and allow JRBR to discharge into the sanitary sewer system. After sampling and testing of the JRBR process wastewater resulted in acceptable results, JRBR began discharging their wastewater into the sanitary sewer system. Unfortunately one month into the discharge, the Hickerson Wastewater Treatment Plant did not response well to the JRBR process wastewater and EPWU asked JRBR to stop their discharge. In addition, the sewer collection system was also being overwhelmed causing overflows on to Doniphan. This put JRBR in a challenging position as they had suspended their contract for trucking disposal and had nowhere to place their waste. Because JRBR was agreeable to grant EPWU the easement for these three critical pipelines, EPWU agreed to pay JRBR's costs for disposal of their process wastewater until a suitable wastewater treatment system was studied, designed, and constructed. To date these disposal costs are \$800,000. In November 2015, EPWU approached JRBR about expediting the design and construction of the treatment facility and establishing an end date for the payment of their disposal costs. An agreement was negotiated with JRBR, and EPWU has proposed to pay half of their disposal costs up to \$300,000 over the next six months and agreed to provide \$600,000 toward the costs of expediting the design and construction a treatment system capable of meeting the discharge limits and other requirements established in the EPWU Rules and Regulations. This treatment system would not conflict with the easement and would be owned and operated by JRBR. If the treatment system is not in operation six months from the signing of the agreement or before the \$300,000 disposal cost is met, JRBR would be responsible for all disposal of their process wastewater. Further, the \$600,000 contribution will only be paid after the treatment plant is fully operational producing compliant wastewater. The additional cost paid by EPWU for this easement will not exceed \$1.7 million, which will result in these important large diameter water

and sewer pipelines inside an EPWU easement. Mr. Trejo addressed several questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Roe, and unanimously carried with Mayor Leeser absent from the vote, the Board authorized the President and CEO to sign an agreement with JRBR-Texas, LLC for disposal of process wastewater and contribution for the expedited design and construction of a process wastewater pretreatment system in an amount not to exceed \$1,700,000.

ADOPTED A RESOLUTION TO SUPPORT MAKING CASTNER RANGE A NATIONAL MONUMENT.

Mr. Balliew made brief comments and then introduced Dr. Richard Teschner to present information to the Board regarding this item. El Paso U.S. Congressman Beto O'Rourke has introduced a Bill to create the Franklin Mountains National Monument, which includes Castner Range. Frontera Land Alliance is currently collecting letters in support of Representative O'Rourke's efforts and asked for the Board to adopt a resolution in support of the preservation of Castner Range. Castner Range contains dozens of natural canyons, arroyos, and alluvial fans which transport run-off from the Franklin Mountains to City owned channels that lead to large retention ponds that help reduce flooding. Preserving the natural state of the Castner Range will assist in maintaining and controlling the runoff from the Franklin Mountains.

On a motion made by Mayor Leeser, seconded by Mr. Roe, and unanimously carried, the Board adopted a resolution to support making Castner Range a National Monument. **(Resolution attached)**

AUTHORIZED THE PRESIDENT/CEO TO ENTER INTO A STANDARD UTILITY AGREEMENT WITH THE STATE OF TEXAS FOR THE I-10 PROJECT FROM LOOP 375 TO EASTLAKE BLVD., SPECIFYING THE TERMS AND CONDITIONS, INCLUDING THE ALLOCATION OF COSTS, FOR THE RELOCATION OF EXISTING WATER AND WASTE WATER LINES WITHIN THE PROJECT BOUNDARY, AND SIGN ANY SUPPLEMENTAL AMENDMENTS TO THE AGREEMENT.

Ms. Cynthia Osborn, Real Estate Manager/Counsel, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The State of Texas, through its contractor, Hayden Building Co., is relocating the frontage road along I-10 from Loop 375 to Eastlake Blvd. There are existing water and wastewater lines located within the project boundary that must be relocated. The agreement sets forth the terms of the relocation and allocates the costs for relocating the infrastructure. Allowing the President/CEO to execute the agreement will allow the contractor to proceed with the project and relocate any existing infrastructure within the project boundary.

On a motion made by Mr. Antcliff, seconded by Mr. Roe, and unanimously carried, the Board authorized the President/CEO to enter into a Standard Utility Agreement with the State of Texas for the I-10 Project from Loop 375 to Eastlake Blvd., specifying the terms and conditions, including the allocation of costs, for the relocation of existing water and waste water lines within the project boundary, and sign any supplemental amendments to the agreement.

TOOK ACTION ON THE PUBLIC SERVICE BOARD'S ANNUAL LAND INVENTORY REPORT AND THE SEMIANNUAL REPORT (JULY 2015 THROUGH DECEMBER 2015) ON THE ACTIVITIES OF THE LAND MANAGEMENT PROGRAM, AS REQUIRED BY THE CITY/EPWU JOINT RESOLUTION OF SEPTEMBER 2012.

Ms. Osborn presented the Board with information regarding this item. The Joint Resolution between the El Paso City Council and the El Paso Water Utilities/Public Service Board adopted on March 31, 2010, and later revised on September 26, 2012, sets forth the policies, procedures and reimbursements related to transfers of land and land use policies. The Joint Resolution requires the Board to submit to the City Council of El Paso, both an Annual Land Inventory Report identifying the land under its management and control which may be

considered for land sale, as well as a Semiannual Report on the activities of the Land Management Program summarizing the land activities that are the subject of the Joint Resolution. The Annual Land Inventory Report identifies EPWU/PSB land which may be considered for sale in 2016. The reporting period for the Semiannual Report on the activities of the Land Management Program is from July 2015 through December 2015 and includes a summary of the land sales, land transfers, land exchanges and planning applications associated with these land transactions that have been completed, disapproved or are currently being processed during the reporting period.

On a motion made by Mr. Antcliff, seconded by Mr. Roe, and unanimously carried, the Board adopted a resolution approving the Public Service Board's Annual Land Inventory Report and the Semiannual Report (July 2015 through December 2015) on the activities of the Land Management Program, as required by the City/EPWU Joint Resolution of September 2012. **(Resolution attached)**

DR. SCHOEPHOERSTER DEPARTED THE MEETING AT 11:07 A.M.

APPROVED THE 3RD QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING NOVEMBER 30, 2015.

Mr. Duran made a PowerPoint presentation to the Board regarding this report (copy of presentation and report 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 Utilities. In regards to the Water and Wastewater Utilities, operating revenue through the third quarter was \$11.07 million more than the same period last year mainly due to the approved eight percent water and wastewater rate increases effective March 1, 2015. Operations and maintenance expenses costs were \$427,000 more than last year mainly due to increases in salaries and water purchased from El Paso County Water Improvement District #1 (EPCWID#1) and offset by decreases in utilities and maintenance costs. The Utility is expected to meet all of its operating, capital and debt service obligations this year. As for the Stormwater Utility, the total operating revenues through the third quarter were \$1.06 million more than for the same period last year mainly due to the approved eight percent fee increase effective March 1, 2015. Operating expenditures were \$218,000 less than last year mainly due to a decreased in maintenance costs. The Utility is on target to meet all operating, capital and debt service requirements this year.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff, and unanimously carried with Dr. Schoephoerster absent for the remainder of the meeting, the Board approved the 3rd Quarter Financial and Performance Measures Report for period ending November 30, 2015.

APPROVED THE 3RD QUARTER INVESTMENT REPORT FOR PERIOD ENDING NOVEMBER 30, 2015.

Mr. Duran made a PowerPoint presentation to the Board regarding this report (copy of presentation and report on file in Central Files). The Public Funds Investment Act and the Public Service Board's Investment Policy require that a quarterly report be submitted to the Public Service Board. During the third quarter of FY 2015-16, the portfolio par value was \$217.7 million. The weighted average maturity was 80 days. Mr. Duran said the Utility bid 34 investments totaling of \$43.82 million. The overall yield for the quarter was 0.32%. Comments were made by members of the Board.

On a motion made by Ms. Garcia, seconded by Mr. Roe, and unanimously carried with Dr. Schoephoerster absent for the remainder of the meeting, the Board approved the 3rd Quarter Investment Report for period ending November 30, 2015.

MANAGEMENT REPORT

- **Acknowledgement of PSB Members**– Mr. Shubert made a PowerPoint presentation the Board regarding this item (copy on file in Central Files). Mr. Shubert acknowledged and congratulated Mr. Roe on receiving the John Schatzman Community Award by the El Paso Association of Builders.

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

There were no additional comments from the public.

EXECUTIVE SESSION

On a motion made by Mr. Roe, seconded by Mr. Antcliff, and unanimously carried, the Board retired into Executive Session at 11:25 a.m., January 13, 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 551.074 Personnel Matters
Annual Performance Review of the President/CEO
- b. Section 551.072 Deliberation regarding Real Property
The Board will deliberate regarding whether property generally described as Block 2 Las Casitas #1 E 33 Ft of N 110.49 Ft of Lot 10 & W 33 Ft of Lot 11 of Block 5 of Las Quintas (7513.22 Sq Ft) and generally located near the intersection of Krag and Marvin, El Paso County, Texas, can be declared inexpedient to the water system.

MAYOR LEESER DEPARTED THE MEETING AT 11:25 A.M.

The Board reconvened in open session at 12:25 p.m., January 13, 2016.

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 recommended that a salary increase in the amount of four and one-half percent be authorized.

DELIBERATION REGARDING WHETHER PROPERTY GENERALLY DESCRIBED AS BLOCK 2 LAS CASITAS #1 E 33 FT OF N 110.49 FT OF LOT 10 & W 33 FT OF LOT 11 OF BLOCK 5 OF LAS QUINTAS (7513.22 SQ FT) AND GENERALLY LOCATED NEAR THE INTERSECTION OF KRAG AND MARVIN, EL PASO COUNTY, TEXAS, CAN BE DECLARED INEXPEDIENT TO THE WATER SYSTEM.

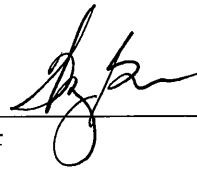
On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board declared the property generally described as, Block 2 Las Casitas #1 E 33 Ft of N 110.49 Ft of Lot 10 & W 33 Ft of Lot 11 of Block 5 of Las Quintas (7513.22 Sq Ft) and generally located near the intersection of Krag and Marvin, El Paso County, Texas, inexpedient to the water system and authorized the President/CEO to recommend to the City of El Paso that the land be sold through the sealed bidding process, and obtain one appraisal and set the minimum bid price at the appraised value.

ADJOURNMENT

The meeting was adjourned at 12:27 p.m., January 13, 2016.

ATTEST


Secretary-Treasurer



Chair

RESOLUTION

RATIFICATION OF A DESIGN PHASE SERVICES CONTRACT AND AUTHORIZATION FOR THE PRESIDENT/CEO TO AWARD A CONSTRUCTION ADMINISTRATION SERVICES CONTRACT FOR UPPER VALLEY STRAHAN ROAD WATER TRANSMISSION MAIN PHASE 1 TO CDM SMITH, INCORPORATED; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM AS NEEDED.

WHEREAS, grant funding was applied for with the United States Army Corps of Engineers and on September 9, 2015, the El Paso Water Utilities Public Service Board authorized the President/CEO to sign amendments to existing agreements with the United States Army Corps of Engineers for the design and construction assistance of the El Paso Water Line Replacement Phases 8, 9, and 10, Upper Valley Strahan Water Transmission Main Phase 1 Project; and,

WHEREAS, CDM Smith, Incorporated was originally awarded the engineering design phase services for the Upper Valley Strahan Road Water Transmission Phase 1 project and was also selected to perform the construction phase services due to their completion of design phases of this project; and

WHEREAS, the fee proposal associated with this scope of services was submitted, reviewed and negotiated with the Consultant to reach an agreement on the costs to complete the work and are in line with the level of effort and hours required to complete this project and include office and field engineering services; 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 the Project is eligible for financing through the authorized Commercial Paper Program;

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

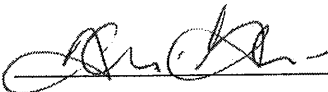
Section 1. The findings and recitations set out in the preamble to this Resolution are true and correct and are hereby adopted by the Public Service Board and made a part of this Resolution for all purposes.

Section 2. That the Public Service Board hereby ratifies a design phase contract and authorizes the President/CEO to enter into a construction administration services contract with CDM Smith, Incorporated for Upper Valley Strahan Road Water Transmission Main Phase 1 in the amount of \$218,639.00

Section 3. That the Public Service Board hereby authorizes funding of the project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in CIP#W4049, Account #1215-064, Budget FY 2015-16, in the amount of \$136,793.00.00.


PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 13th day of January, 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 Galardo, Chair

APPROVED AS TO FORM:



Lupe Cuellar, General Counsel

RESOLUTION

A RESOLUTION AWARDED ENGINEERING SELECTION FOR ON-CALL SURVEYING SERVICES TO FRANK X. SPENCER AND ASSOCIATES, INCORPORATED, LAND-MARK PROFESSIONAL SURVEYING, INCORPORATED, AND ROE ENGINEERING, LC; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM AS NEEDED

WHEREAS, El Paso Water Utilities uses surveying firms for preparation of metes and bounds and boundary surveys as well as checking quality control of Contractors' surveyors. This contract will allow El Paso Water Utilities to respond quickly when surveys or other documentation are needed; and

WHEREAS, the Architectural/Engineering Selection Advisory Committee met on December 30, 2015 to review and recommend selection of the surveying firms for the above-referenced project. Proposals scored in the areas of technical competence, project approach, team organization and availability, project management and quality controls. Frank X. Spencer and Associates Incorporated, Land-Mark Professional Surveying Incorporated and Roe Engineering LC were selected as the firms that best meet the needs of the Utility in performing on projects and demonstrated excellent abilities in all the evaluated categories and are the most qualified; and

WHEREAS, each consultant will be issued a professional services contract for a maximum amount of \$200,000 and each contract will be limited to no more than two years.

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 and made a part of this Resolution for all purposes.

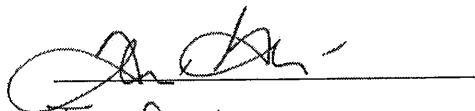
Section 2. That the Public Service Board hereby authorizes the President/CEO to enter into contract for on-call surveying services to Frank X. Spencer and Associates Incorporated, Land-Mark Professional Surveying Incorporated and Roe Engineering LC to provide on-call Surveying Services as needed. The contract for each firm utilized shall not exceed a total sum of \$200,000 and each contract will be limited to no more than two (2) years.

Section 3. That the Public Service Board hereby authorizes funding of the project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved as needed.

Resolution for On-Call Surveying Services
Page 2


PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 13th day of January, 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:



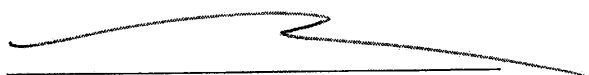
Terri Garcia, Secretary-Treasurer

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD



Henry Galardo, Chair

APPROVED AS TO FORM:



Lupe Cuellar, General Counsel

RESOLUTION

A RESOLUTION OF THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD (EPWU/PSB) TO APPROVE THE PUBLIC SERVICE BOARD'S ANNUAL LAND INVENTORY REPORT AND THE SEMIANNUAL LAND MANAGEMENT REPORT ON THE ACTIVITIES OF THE EL PASO WATER UTILITIES LAND MANAGEMENT PROGRAM (JULY 2015 THROUGH DECEMBER 2015) AND TO DIRECT THE PRESIDENT/CEO TO FORWARD THE REPORTS TO THE CITY COUNCIL

WHEREAS, the Joint Resolution between the El Paso City Council and the El Paso Water Utilities/Public Service Board adopted on March 31, 2010, and later revised on September 26, 2012, sets forth the policies, procedures and reimbursements relating to transfers of real estate and land use policies; and,

WHEREAS, the Joint Resolution requires the Public Service Board to provide the El Paso City Council an Annual Land Inventory Report that identifies the land(s) under PSB management and control that may be considered for land sale and for which the PSB has or can declare as inexpedient to its utility system and a Semiannual Land Management Report of the activities of the Land Management Program for land activities that are the subject of the Joint Resolution;

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

Section 1. The recitations as set out in the preamble above are found to be true and correct, and are hereby adopted by the El Paso Water Utilities Public Service Board and made a part of this Resolution for all purposes.

Section 2. That the El Paso Water Utilities Public Service Board (EPWU/PSB) approves the Annual Land Inventory Report identifying the land(s) under (EPWU/PSB) management and control which may be considered for land sale in 2016 and the Semiannual Land Management Report on the activities of the El Paso Water Utilities Land Management Program from July 2015 through December 2015 and directs the President/CEO to forward the reports to the El Paso City Council.

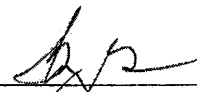
PASSED, ADOPTED and APPROVED at a Regular Meeting of the El Paso Water Utilities Public Service Board of the City of El Paso, Texas, this 13th day of January 2016, at which meeting a quorum was present and which meeting was held in accordance with the provisions of Government Code, Sections 551.001, et seq.

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD

ATTEST:

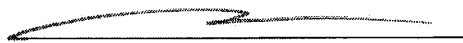


Terri Garcia, Secretary-Treasurer



Henry Cardenas, Chair

APPROVED AS TO FORM:



Lupe Cuellar, General Counsel

RESOLUTION

A RESOLUTION APPROVING THE AWARD OF BID 62-15, BLOWER AND DIFFUSER SYSTEM PROJECT AT FRED HERVEY WATER RECLAMATION PLANT CLARIFIERS TO SIEMENS ENERGY, INCORPORATED; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

WHEREAS, primary treatment is accomplished by aerating the wastewater with three centrifugal high-speed blowers. The blowers are critical for the plants treatment operation, which relies on two blowers operating with the third unit as a stand-by; and,

WHEREAS, one of the three blowers failed in June 2014, damaging the gearbox and blower housing leaving the plant vulnerable with no redundancy. AECOM was contracted to assess and make recommendations for a suitable replacement unit, while considering future treatment improvements compatible with the existing blower building and blower system, maximizing energy efficiency. Recommendation was to continue with a high-speed blower similar to the existing unit based on performance, and as a drop-in replacement, not requiring building or equipment modifications; and,

WHEREAS, El Paso Water Utilities received two (2) bids for this project on November 19, 2015. Bids ranged from \$160,000 to \$520,845 or 68% below to 5% above the Engineer's estimate of \$495,000. AECOM determined that one bidder did not meet the specified requirements for the equipment replacement as specified on bid documents with no installations in North American and Siemens Energy, Incorporated both met the minimum general requirements or the minimum project specific criteria as specified on the bid documents; and,

WHEREAS, El Paso Water Utilities Project Administration has reviewed the engineer's evaluation and recommends award of Bid 62-15 to Siemens Energy, Incorporated as the lowest responsive, responsible bidder in the amount of \$520,845.00.

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 by this reference for all purposes.


Section 2. That the Public Service Board approves award of Bid Number 32-15, for the blower and diffuser system project at Fred Hervey Water Reclamation Plant Clarifiers to Siemens Energy, Incorporated, the lowest, responsible, responsive bidder, meeting the general requirements in the amount not to exceed \$520,845.00. That the Public Service Board hereby authorizes the President/CEO to execute an agreement with Siemens Energy, Incorporated.
Fred Hervey Water Reclamation Plant Clarifiers Project.

Section 3. That the Public Service Board hereby authorizes funding of the Project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in CIP#S4224, Account Number 1913-009, Budget FY2013-14, in the amount not to exceed \$520,845.00.

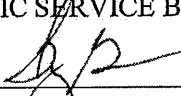
PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 13th day of January, 2016 at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. seq.

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD

ATTEST:




Terri Garcia, Secretary-Treasurer



Henry Galardo, Chair

APPROVED AS TO FORM:



Lupe Cuellar, General Counsel

RESOLUTION

A RESOLUTION EXPRESSING SUPPORT FOR THE CREATION OF THE CASTNER RANGE NATIONAL MONUMENT.

WHEREAS, the Castner Range region stretches more than 11 square miles from the city limits of El Paso to edge of the Franklin Mountain State Park; and,

WHEREAS, the Castner Range lands in their current natural state provide unique local wildlife and natural water conservation and quality of life for the El Paso residents, Service Members stationed at Fort Bliss, and other West Texas residents; and

WHEREAS, the Castner Range region contains dozens of natural canyons, arroyos, and alluvial fans which transport run-off from the Franklin Mountains to City owned channels that lead to large retention ponds that help reduce flooding; and,

WHEREAS, the El Paso Water Utility – Public Service Board’s Stormwater Master Plan recognizes the importance of preserving the current natural state of the Castner Range lands in order to control runoff from the Franklin Mountains; and,

WHEREAS, even preserved in its current natural state, stormwater runoff from the mountains deposits sediment, rock and debris along drainage infrastructure abutting Highway 54 (Patriot Highway); and,

WHEREAS, preserving Castner Range lands, while also allowing stormwater infrastructure to be maintained and if needed constructed on Castner Range lands, directly abutting Highway 54 (Patriot Highway) with low impact and if possible natural infrastructure will protect public safety; and,

WHEREAS, permanently protecting the Castner Range region will ensure continued opportunities while helping to effectively control stormwater runoff from the Franklin Mountains.

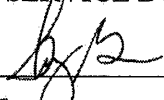
NOW, THEREFORE, BE IT RESOLVED by the Public Service Board of the City of El Paso, El Paso Water Utilities:

Section 1. That the El Paso Water Utilities – Public Service Board supports the establishment of the historic Castner Range National Monument in order to preserve the area’s natural state and to effectively control stormwater runoff from the Franklin Mountains as expressed in El Paso Water Utilities’ Stormwater Master Plan; and

Section 2. That the El Paso Water Utilities – Public Service Board supports the President of United States establishing the Castner Range lands as a National Monument under his authority granted under the 1906 Antiquities Act.


SIGNATURES ON FOLLOWING PAGE

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD




Henry Gallardo, Chair

ATTEST:



Terri Garcia, Secretary-Treasurer

APPROVED AS TO FORM:



Lupe Cuellar, General Counsel

RESOLUTION

A RESOLUTION AWARDED ENGINEERING SELECTION FOR ON-CALL GEOTECHNICAL SERVICES TO AMEC FOSTER WHEELER ENVIRONMENT & INFRASTRUCTURE INCORPORATED; CQC TESTING AND ENGINEERING, LLC; LOI ENGINEERS, PROFESSIONAL SERVICES INDUSTRIES, INCORPORATED; AND TERRACON CONSULTANTS, INCORPORATED; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM AS NEEDED.

WHEREAS, El Paso Water Utilities (EPWU) uses geotechnical engineering firms for materials and density testing on all El Paso Water Utilities construction project. Testing includes density testing for backfilling pipeline trenches and compressive strength testing on concrete structures; and,

WHEREAS, this contract will allow El Paso Water Utilities to respond quickly to required density testing on construction projects whether it pertains to water, wastewater and/or Stormwater projects; and

WHEREAS, the Architectural/Engineering Selection Advisory Committee met on December 30, 2015 to review and recommend selection of the engineering firms for the above-referenced project. Proposals scored in the areas of technical competence, project approach, team organization and availability, Project management and quality controls. Amec Foster Wheeler Environment & Infrastructure, Incorporated; CQC Testing and Engineering LLC; LOI Engineers; Professional Services Industries, Incorporated; and Terracon Consultants, Incorporated were selected as the firms that best meet the needs of the Utility in such projects and demonstrated excellent abilities in all the evaluated categories and are the most qualified; and,

WHEREAS, each consultant will be issued a professional services contract for a maximum amount of \$100,000 and each contract will be limited to no more than two years.

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 and made a part of this Resolution for all purposes.

Section 2. That the Public Service Board hereby authorizes the President/CEO to enter into a contract for on-call geotechnical services to Amec Foster Wheeler Environment & Infrastructure, Incorporated; CQC Testing and Engineering LLC; LOI Engineers, Professional Services Industries, Incorporated; and Terracon Consultants, Incorporated to provide on-call Geotechnical Services as needed. The contract for each firm utilized shall not exceed a total sum of \$100,000 and each contract will be limited to no more than two (2) years.

Section 3. That the Public Service Board hereby authorizes funding of the project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as needed.

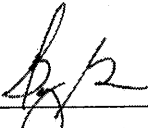
PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 13th day of January, 2016, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. seq.

ATTEST:




Terri Garcia, Secretary-Treasurer

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD



Henry Gallardo, Chair

APPROVED AS TO FORM:



Lupe Cuellar, General Counsel

RULES AND REGULATIONS NO. 3

RULES AND REGULATIONS
ESTABLISHING ADJUSTED RATES FOR THE
FURNISHING OF STORMWATER SERVICE
BY THE EL PASO WATER UTILITIES

BY THE AUTHORITY GRANTED TO THE PUBLIC SERVICE BOARD BY VIRTUE OF CHAPTER 552, SUBCHAPTER C OF THE TEXAS LOCAL GOVERNMENT CODE, AS AMENDED (THE ACT), AUTHORIZING THE CITY TO ESTABLISH A MUNICIPAL DRAINAGE UTILITY SYSTEM, AND ORDINANCE 16668, PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS ON JUNE 19, 2007, DECLARING THE DRAINAGE SYSTEM OF THE CITY TO BE A PUBLIC UTILITY AND AUTHORIZING THE PUBLIC SERVICE BOARD TO HAVE COMPLETE AUTHORITY AND CONTROL OF THE MANAGEMENT AND OPERATION OF THE SYSTEM; NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE CITY OF EL PASO, THAT THE FOLLOWING RULES FOR THE FURNISHING OF STORMWATER SERVICE WITHIN THE CITY OF EL PASO ARE HEREBY ESTABLISHED.

SECTION I GENERAL

A. TABLE OF CONTENTS

The headings or captions following are adopted as the Table of Contents for Public Service Board Rules and Regulations No. 3.

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B. DEFINITIONS

Benefited Property:

An improved lot or tract to which service is made available under the establishing Drainage Ordinance and in accordance with applicable Rules and Regulations.

Best Management Practices (BMP):

Schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to control, prevent or reduce the discharge of pollutants. BMPs also include treatment requirements, operating procedures, and practices to control site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage.

Delinquent Accounts:

A user of the Utility who has failed to pay the charges promptly when due.

Drainage Ordinance:

Ordinance 16668 passed and approved by the City Council of the City of El Paso, Texas on June 19, 2007 authorizing the Public Service Board to have authority and control of the management and operation of the stormwater system.

Equivalent Residential Unit ("ERU"):

The ERUs shall be determined by dividing the impervious square footage of a property by 2,000 square feet.

Impervious Area:

Any area that has been disturbed from its natural condition in such a way as to reduce the ability of the surface to absorb and infiltrate water into the soil. Impervious areas include, but are not limited to, compacted soils, buildings, pavement, parking lots, driveways, sidewalks, and any other man-made structure or surface that is built or laid on the natural surface of the land which has the effect of increasing, concentrating, or otherwise altering stormwater runoff so that flows are increased. Xeriscaped properties and turf are considered pervious.

Municipal Separate Storm Sewer System ("MS4"):

The system of conveyances (including roads with drainage systems, municipal streets, flood control dams, retention and detention basins, grate and/or curb inlets, curbs, gutters, ditches, man-made channels, arroyos, agriculture drains, storm drains or designated flow paths) owned, operated or controlled by the city and/or PSB and designed or used for collecting or conveying stormwater, and which is not used for collecting or conveying sewage.

Non-residential Property:

Non-residential properties shall include all non-residential customer classes including apartments (quadplexes and higher), commercial and industrial customers, and any other class not designated as residential, but excluding those subject to mandatory exemption under Chapter 402.053(c) of the Texas Local Government Code.

Residential Property:

Residential properties shall include single family, duplex, and triplex properties.

Undeveloped Land:

Property held and maintained in its natural state on which no improvements currently exist.

SECTION II ADJUSTED STORMWATER CHARGES

A monthly stormwater fee shall be imposed on each improved parcel within the City for services and facilities provided by the Utility, except as provided for by law or by these Rules and Regulations. The stormwater fee shall be based on the developed use of the benefited property and its estimated amount of impervious area. The adjusted Stormwater rates are effective with the March Utility billing cycle. The following charges shall apply for stormwater service provided to property within the City of El Paso:

A. STORMWATER CHARGE FOR RESIDENTIAL

Residential properties shall include single family residential, duplex, and triplex properties. Residential properties will be charged a fixed monthly charge as shown in the following table:

Residential Category	Impervious Area (Square Feet)	Stormwater Monthly Charge
Small	0 – 1,200	\$1.79
Typical	1,201 – 3,000	\$3.56
Large	> 3,000	\$7.13

Residential properties may be assigned to the Small, Typical, or Large category using data obtained from the Central Appraisal District, Utility's GIS database, or any other source deemed reasonable by the Utility.

B. STORMWATER CHARGE FOR NON-RESIDENTIAL

Non-residential properties shall include apartments, commercial, and industrial customers, and any other customer class not designated as residential but excluding those subject to mandatory exemption. Non-residential properties shall be charged for their estimated impervious square footage on a per Equivalent Residential Unit ("ERU") basis. The ERUs shall be determined by dividing the property's estimated impervious square footage by 2,000 square feet. The monthly charge per non-residential ERU is \$3.63.

An example of the monthly stormwater bill for a non-residential property is shown below:

Non-residential impervious square footage	20,000 sq. ft.
Equivalent residential unit value	<u>2,000 sq. ft.</u>
Equals calculated ERUs	10 ERUs
Monthly charge (10 ERUs x \$3.63/ERU/Mo.)	\$36.30

All social service and non-profit agencies, and churches will pay a fee equal to 10% of the approved non-residential fee.—This rate will remain in effect until the account is closed. New account ownership must apply for the reduced fee in writing to EPWU Customer Service.

Apartment units with meters classified as residential will be billed individually based on the unit size per residential category (small, typical or large). If the complex is two or more stories, the charge will be divided among the number of units sharing the same footprint.

City of El Paso Housing Authority and independent school districts made exempt from stormwater fees by action of the 81st Texas Legislature.

C. IMPERVIOUS AREA DETERMINATION

The Utility has the authority to establish the impervious square footage using the following approaches:

1. An analysis of El Paso Central Appraisal District data on the footprint of the main building and any structural additions such as garages or tennis courts that would increase the impervious footprint of the parcel¹.
2. A calculation of the impervious square footage using GIS and aerial photography.
3. Detailed and approved building plans provided.
4. Any other source deemed reasonable by the Utility.

The impervious area for a property may be updated at any time to reflect improvements made to the property that would either increase or decrease the estimated impervious square footage.

D. STORMWATER-ONLY ACCOUNTS

The Utility may establish stormwater-only accounts for properties that contribute stormwater as a result of their impervious area.

E. NO DEPOSIT REQUIRED FOR SERVICE

There is no deposit required for service as a precondition to accepting surface flow in the system.

SECTION III BILLING FOR STORMWATER

A. MONTHLY BILLING

A stormwater charge shall be billed on the monthly utility bill. The due date for payment and associated charges for delinquent accounts under Section V of Rules and Regulations No. 5 are hereby incorporated by reference as applying to stormwater. Discontinuance of service and delinquent accounts are addressed further in these Rules and Regulations.

B. RESPONSIBLE PARTY

The monthly charge for stormwater will be billed to the customer established as the responsible party for water service. If the benefited property does not receive a monthly utility bill, the bill will be the responsibility of the property owner.

C. MULTIPLE METERS

If more than one meter serves a benefited property, the Utility will determine the allocation of the charge among the users, using any reasonable method, including allocating the charge equally among the users of a benefited property.

D. EXEMPTIONS

The following entities or persons shall be exempt from charges:

1. Any property to which a mandatory exemption under Chapter 402.053(c) of the Texas Local Government Code applies, including without limitation:

¹ Sidewalks and driveways were not included in the residential impervious square footage information obtained from the Central Appraisal District as it was not available.

- a. Property with proper construction and maintenance of a wholly sufficient and privately owned drainage system including each of the following elements:
 - (i) Land and dedicated engineered stormwater structures owned and operated for the purpose of retaining 100 percent of the volume, with no discharge, of the Probable Maximum Flood, which includes proper allowances for emergency storage, and siltation.
 - (ii) There shall be no discharge of the system into a creek, river, slough, culvert or other channel that is part of the municipal drainage system.
 - (iii) The facility must have a written maintenance plan effectively documenting policies and procedures designed to ensure that the stormwater system will continue to safely contain the Probable Maximum Flood.
 - (iv) The owner must provide documentation of (i) through (iii) in the form of engineering reports, surveys, maps, and supporting documentation signed and sealed by a Registered Professional Engineer along with an Application for Determination of Wholly Sufficient.
 - (v) The Stormwater Utility engineering staff will review the documentation submitted. If there is insufficient information, the Application will be returned to the owner along with list of required information. The owner will then be responsible to resubmit the Application with the required documentation.
 - (vi) A decision by the Stormwater Utility engineering staff will be rendered. That decision could include defining all or a portion of the parcel as Wholly Sufficient.
 - (vii) The exemption shall be for such time as the stormwater structures are operated and maintained as indicated in (i) through (iii).
 - (viii) The Stormwater Utility staff retains the right to enter the property to inspect the facilities at any time during normal business hours. If entry is denied, the Wholly Sufficient exemption shall be withdrawn.
 - b. Property held and maintained in its natural state, until such time that the property is developed and all of the public infrastructure constructed has been accepted by the municipality in which the property is located for maintenance; and
 - c. A subdivided lot, until a structure has been built on the lot and a certificate of occupancy has been issued by the municipality in which the property is located.
2. Any property to which a mandatory exemption under Chapter 430.003 of the Texas Local Government Code applies or which is exempt under applicable federal law, including without limitation:
- a. A federal or state agency; and
 - b. A public institution of higher education.

E. CREDITS

A credit will be provided for non-residential properties that have implemented stormwater management measures that meet the minimum design standards established by the City. A 25% credit will be given upon written application to the Utility and verification that the stormwater pond is properly designed and maintained. Residential properties are not eligible for credits.

SECTION IV DISCONTINUANCE OF SERVICE

The Utility shall have the right, with notice to the customer, to discontinue water service for non-payment of stormwater; for violation of any provisions of the Utility's Rules and Regulations; or any other lawful rule or regulation of the Utility or the City of El Paso or for any other action which interferes with providing stormwater service or which creates a danger of contamination to the water system. Provided, however, the Utility shall have the authority to immediately discontinue the customer's service without notice should any violation of these rules and regulations cause an immediate threat to the public health or safety or the environment. Such service shall remain discontinued until all errors are rectified and/or violations have ceased.

SECTION V DELINQUENT ACCOUNTS

The Texas Local Government Code, Chapter 402.050, authorizes a utility to discontinue any utility services it currently provides for failure to pay stormwater charges when due: "...failure of a user of the municipal utilities within the service area to pay the charges promptly when due shall subject such user to discontinuance of any utility services provided by the municipality...". The schedule for payment and disconnection of water service and all associated charges and fees apply to delinquent stormwater accounts and are herein incorporated by reference to Section V of Rules and Regulations No. 5.

SECTION VI APPEALS

Customer inquiries regarding stormwater rates, charges and regulations shall follow the Appeals process under Section II of Rules and Regulations No. 8.

SECTION VII SEVERABILITY

If any provision, paragraph, word, or section of this Rules and Regulations No. 3, is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words, or sections shall not be affected and shall continue in full force and effect.

SECTION VIII SAVINGS

These rules and regulations are a part of the other rules and regulations of the Public Service Board and, save and except as amended hereby, the remaining provisions of the Public Service Board's rules and regulations shall remain in full force and effect.

SECTION IX EFFECTIVE DATE

These rules and regulations shall be and become effective from and after their adoption by the Board and shall remain in effect until amended or changed by the Public Service Board. Changes to any fees or rates resulting from approval of the budget are effective on the 1st day of March and shall remain in effect until amended or changed by the Public Service Board

PASSED, APPROVED and ADOPTED, AMENDED STORMWATER RATES at the special meeting of the Public Service Board of the City of El Paso, Texas, this 7th day of May, 2008, and AMENDED DEFINITION OF WHOLLY SUFFICIENT at a regular meeting of the Public Service Board of the City of El Paso, Texas, this the 23rd day of July, 2008, at which a quorum was present, held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001 et. seq.

RULES AND REGULATIONS NO. 3, SECTION III(E), AMENDED, APPROVED and ADOPTED this 11th day of March, 2009.

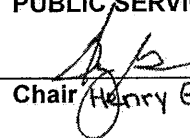
RULES AND REGULATIONS NO. 3, SECTION II(B), AMENDED IN 2011 BY ACTION OF THE 81ST TEXAS LEGISLATURE.

No action necessary by Public Service Board

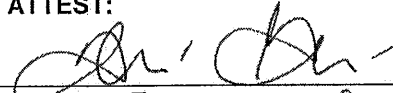
RULES AND REGULATIONS NO. 3 SECTION II (A, B), AMENDED, APPROVED, and ADOPTED this 21st day of January 2015, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 3 SECTION II (A, B), SECTION III D(a)(vii) AMENDED, APPROVED, and ADOPTED this 13th day of January 2016, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

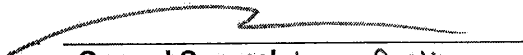
PUBLIC SERVICE BOARD:


Chair Henry Galardo

ATTEST:


Secretary-Treasurer Terri Garcia

APPROVED AS TO FORM:


General Counsel Lupe Cuellar

RULES AND REGULATIONS NO.5

RULES AND REGULATIONS ESTABLISHING A RATE
FOR THE FURNISHING OF WATER SERVICE
BY THE EL PASO WATER UTILITIES

BY THE AUTHORITY GRANTED TO THE PUBLIC SERVICE BOARD BY VIRTUE OF ARTICLES 1111-1118, REVISED CIVIL STATUTES OF TEXAS, AND ORDINANCE 752, PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS ON MAY 22, 1952 NOW THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE CITY OF EL PASO, THAT THE FOLLOWING WATER RATES SUPERSEDE ALL RATES HERETOFORE FIXED AND ALL ORDINANCES HERETO PASSED WITH REFERENCE TO THE FIXING OF RATES FOR THE FURNISHING OF WATER SERVICE: (KNOWN AS RULES AND REGULATIONS NO.5).

SECTION I

There shall be collected from the users of each and every water service connected to the water system of the El Paso Water Utilities of the City of El Paso, Texas, for use thereof, a monthly charge consisting of a minimum charge plus a commodity charge for water used. For residential customers only, a volume of 4 hundred cubic feet (4 Ccf) will be included in the minimum charge. The following charges shall apply:

A. MONTHLY MINIMUM CHARGES FOR WATER SERVICE. BASED ON SIZE OF METER

<u>Meter Size</u>	<u>Minimum Monthly Bill</u>
Less than 1"	\$6.20
1"	\$9.66
1½"	\$16.57
2"	\$19.94
3"	\$39.82
4"	\$59.44
6"	\$90.12
8"	\$154.37
10"	\$296.85

B. Water used in excess of the volume allowance (4 Ccf) included in the minimum charge shall be billed at the following rates:

<u>Block</u>	<u>Volume</u>	<u>Charge Per Ccf</u>
Block 1	Over 4 Ccf to 150% of AWC*	\$1.86
Block 2	Over 150% to 250% of AWC	\$4.42
Block 3	Over 250% of AWC	\$6.32

C. AVERAGE WINTER CONSUMPTION

*Average Winter Consumption (AWC) is the average amount of water used during the most recent December, January, and February billing periods. Any Customer that at the time of service has not established an AWC will be assigned the class average AWC by meter size for their customer classification. If the customer's calculated AWC is lower than the class average then the customer will be assigned the class average AWC by meter size of their customer classification.

D. WATER SUPPLY REPLACEMENT CHARGE

There shall be collected from the users of every service connected to the water system, including Local Government Turf Accounts and Very Large Water Users, a monthly Replacement Charge as follows:

<u>Meter Size</u>	<u>Monthly Charge</u>
Less than 1"	*\$8.81
1"	\$19.15
1 ½"	\$38.30
2"	\$61.27
3"	\$122.49
4"	\$191.41
6"	\$382.83
8"	\$712.03
10"	\$1,355.54

* If the monthly water consumption is less than 3 Ccf the monthly charge for Water Supply Replacement Charge will not be charged.

E. Charges for services less than the normal 30-day reading cycle shall be calculated in the same manner as a full reading cycle.

F. LOCAL GOVERNMENT TURF IRRIGATION ACCOUNTS

A uniform rate of \$2.33 per Ccf is hereby established for local government turf irrigation accounts serving only an associated turf area of local governments for all usage per acre that does not exceed a per month Ccf usage based on the evapotranspiration information set forth in the following table:

<u>Month</u>	<u>Maximum Ccf Per Acre</u>	<u>Month</u>	<u>Maximum Ccf Per Acre</u>
Jan.	40	July	280
Feb.	40	Aug.	200
March	50	Sep.	180
April	180	Oct.	120
May	200	Nov.	50
June	280	Dec.	40

"Turf irrigation accounts" shall mean an account established for applying water for irrigation and landscaping only, as determined by the PSB's President/CEO or his designee.

"Local government" shall mean any county, municipality, village, town, a common or independent school district, hospital district or political subdivision of the State of Texas; excluding from this definition, however, any department, board, or agency of the State of Texas; including, without limitation, any of the following local governmental entities: the City of El Paso, Texas; the County of El Paso, Texas; the El Paso Independent School District; and the El Paso Community College District.

Any usage by the local government turf irrigation accounts in excess of the above monthly allotments shall be billed at the Block 3 rates shown in subsection B above.

Participating local governments in this rate shall provide the Water Conservation Department the total acres served by each irrigation only meter, excluding the total areas for parking lots, building, hard surface courts, streets, and any other impervious areas. If such information is not provided by this date by those local governments participating on this date, water use for those local governments will be billed in accordance with the procedures and rates shown in subsection B above. Provided, however, any local government participating in the parks and recreation rate on the effective date of this Resolution shall not be required to comply with this paragraph and will continue to be billed under their established allotment, as that allotment may be adjusted in the future. Provided further, this exception shall not exempt any new account for such local government participating in the parks and recreation rate from fully complying with this paragraph.

In the case of multiple yard meters serving one location, the total acreage served must be divided in such a manner as to represent the acreage served per/by each yard meter. If the President/CEO, or his designee, after an investigation, determines that an equitable adjustment is required due to pressure variations and other factors, total consumption for meters looped at a single location must not exceed maximum Ccfs per acre allocated for the location.

No local government non-irrigation usage will be included in this special rate, including, without limitation, the use of water for swimming pools, fountains, and for human and animal consumption.

All local government turf irrigation accounts that modify the size of their landscape or turf area must provide the Water Conservation Department with written notice of the modification to allow the Water Conservation Department to recalculate new allotments.

Where reclaimed water is available, and an irrigation customer does not connect to the reclaimed water system, that customer shall pay the rate established in Section 1-K.

Reclaimed water is considered available if the property abuts on an easement or street with a reclaimed water line capable of providing service.

G. VERY LARGE WATER USERS

Section 15.13.05 of the El Paso Municipal Code, also known as The Water Conservation Ordinance, defines a "Very Large Water User" as a person who uses an average of 100,000 gallons per day or more. Monthly metered water consumption for any person or account having daily water use of 100,000 or more gallons shall be charged in accordance with the following table:

		<u>Charge Per Ccf</u>
Block 1	0 Ccf to 5,000 Ccf	\$2.33
Block 2	5,001 Ccf to 15,000 Ccf	\$2.94
Block 3	15,001 Ccf to 30,000 Ccf	\$3.53
Block 4	Over 30,000 Ccf	\$4.42

The Monthly Minimum Charge based on the size of the meter and contained in Section I A shall also apply to all Very Large Water Users. No minimum volume will be included in the Monthly Minimum Charge; all metered use will be charged at the rates noted above.

For existing accounts served by the El Paso Water Utilities Public Service Board, daily water use shall be determined each year based on metered water consumption for the twelve-month period ending December 31. Annual water use (in gallons) will be divided by 365 to determine daily water use. Any account determined to have used an average of 100,000 or more gallons per day shall be classified as a Very Large Water User, and the rates contained in Section I G of this Rule and Regulation shall apply for the twelve-month period beginning March 1 and ending at the end of February of the following fiscal year. This classification shall apply for the full twelve month period regardless of actual water use. The procedure for determining a Very Large Water User shall be repeated each year based on annual metered water use per account for the twelve months ending December 31.

New accounts with an anticipated water use in excess of 100,000 gallons per day will be charged the rates for Very Large Water Users until sufficient data is available for a consecutive twelve-month

period. This data shall then be used to calculate average daily water consumption and determine whether an account meets the definition of a Very Large Water User.

Local Government Turf Irrigation accounts will be charged in accordance with Section 1-F of this Rule and Regulation, regardless of average daily water use.

H. INCENTIVES FOR RECYCLING

1. All Customers

In order to encourage the use of recycled water by Very Large Water Users, the Utility will assist industries in evaluating alternatives to potable water use by providing water reuse technology seminars, providing water conservation audits, and assisting in providing water application techniques. Industries who recycle at least 25% of their potable water use or who connect to the Utility's reuse water system will be publicly acknowledged for their conservation efforts.

2. Existing Customers (served prior to July 1, 1995)

Very Large Water Users receiving service on July 1, 1995, who recycle a percentage of potable water, either purchased from the PSB and/or produced by the users from wells, as verified by Utility staff, will receive a recycling rebate as follows:

Percent of Potable Water Recycled	Amount of Recycling Rebate
25% to 29%	5% of water bill only
30% to 50%	10% of water bill only
>50%	15% of water bill only

Recycling rebates will be based on the percentage of recycled water used in comparison with the total potable water usage from January through December of each year. Recycling rebates for 1995 will be based on potable water usage and recycling from July through December, 1995. Rebates to qualifying customers will be paid in February for the prior year's recycled water usage. This program only applies to industries in existence as of July 1, 1995.

Very Large Water Users must complete a recycling rebate program application providing the company name, address, telephone and fax numbers, the names and telephone numbers of the plant manager and the person supervising the daily operation of the water recycling system, and a schematic diagram of the potable water and recycled water systems. The Utility will inspect the system and determine eligibility in accordance with these Rules and Regulations, and certify eligibility in writing. Participation will begin with the receipt of the first flow report submitted by the industry. Applications may be submitted to: Water Reclamation and Bio solids Manager- El Paso Water Utilities.

The following conditions must be met in order to be eligible for recycling rebates:

- a. The account must have been an active account as of July 1, 1995.
- b. Recycle rebates will not apply for new or additional accounts or metered service as a result of expansion or addition of new facilities.
- c. Industries must, at their own expense, purchase and install recycle flow meters and wastewater flow meters. Meters and installation must be Utility approved.
- d. Effluent water, recycle water, and wastewater flow meters must be read each production day and the information recorded in a bound logbook and shall be entered into a spreadsheet format. The information in the form of the spreadsheet printouts must be faxed and hand-delivered to the Utility's Water Reclamation and Bio solids Manager ever Friday by 5:00pm.

- e. Utility staff will assess the hydraulic capacity of all treatment equipment. The maximum theoretical recycle percentage will be developed from this flow. No higher percentage will be considered unless the equipment capacity is increased.
- f. Recycled water is intended to be used for production of finished products. Wash water, landscape irrigation, and other similar uses will not count toward the recycle percentage unless they are a minor constituent of overall recycle water usage for production purposes.
- g. Utility staff will assess the type of recycle equipment. Equipment designed only to remove solids will not be counted towards the recycle percentage unless such equipment is integral pretreatment for more advanced treatment. The final product of an approved recycle system must be suitable for actual process use.
- h. By participating in the program, customers agree to allow complete access during normal production hours to Utility employees for the purpose of inspecting equipment, water usage, and records. Water recycling records shall be verified at random by Utility staff.
- i. Participating in the recycling rebate program may be terminated under any of the following conditions: falsification of meter readings, tampering with or bypassing meters, violations of the Rules and Regulations of the Public Service Board, refusal of entry to authorized Utility personnel on official business, failure to keep adequate records, failure to properly operate and maintain equipment.

I. CITY OF EL PASO LANDSCAPE AND TURF IRRIGATION RATE

A uniform rate of \$1.96 per hundred cubic feet (Ccf) is hereby established for the City of El Paso's landscape and turf irrigation accounts.

"Landscape and turf irrigation accounts" shall mean an account established for applying water for irrigation and landscaping only, as determined by the PSB's President/CEO or his designee.

No non-irrigation usage will be included in this special rate, including, without limitation, the use of water for swimming pools, fountains, and for human and animal consumption.

Where reclaimed water is available, and an irrigation customer does not connect to the reclaimed water system, that customer shall pay the rate established in Section 1-K.

Reclaimed water is considered available if the property abuts on an easement or street with a reclaimed water line capable of providing service.

J. BRACKISH WATER RATE -Water containing 1000 mg/L or more of Total Dissolved Solids (TDS) and/or 300 mg/L or more of chlorides.

The Utility will supply brackish water at a rate of \$1.36 per Ccf (advanced secondary treatment reclaimed water rate).

K. NON-GOVERNMENT LANDSCAPE AND TURF IRRIGATION RATE

A uniform rate of \$4.42 per hundred cubic feet (Ccf) is hereby established for all non-government landscape and turf irrigation accounts.

"Landscape and turf irrigation accounts" shall mean an account established for applying water for landscaping and turf irrigation only, as determined by the PSB's President/CEO or his designee.

Non-irrigation usage will not be included in this special rate, including, without limitation, the use of water for swimming pools, fountains, and for human and animal consumption.

L. CONSTRUCTION METER RATES

A uniform rate equal to the rate established in Section 1-K is hereby established for all construction meter accounts. Reclaimed water used for construction purposes will be billed at the rates established in Rules and Regulations No. 6, Section X-A.

M. ANNEXATION FEES -1999

For property subject to annexation fees pursuant to a contract, a water connection fee shall be paid at the time of application for meter installation, including fire line and irrigation/yard services, for each water meter that is connected to the City of El Paso's water system as follows:

<u>Meter Size</u>	<u>Eastside Annexation Fee</u>	<u>Westside Annexation Fee</u>
Less than 1"	\$ 621	\$ 897
1"	\$ 1,553	\$ 2,243
1 ½"	\$ 3,105	\$ 4,485
2"	\$ 4,968	\$ 7,176
3"	\$ 9,936	\$ 14,352
4"	\$15,525	\$ 22,425
6"	\$31,050	\$ 44,850
8"	\$57,753	\$ 83,421
10"	\$82,593	\$119,301

Based on gallons-per-minute (gpm) water flow, El Paso Water Utilities Public Service Board Rules and Regulations No. 1, Section VII-J.

The water connection fee for the Eastside shall increase by three percent (3%) on December 1, 2000, and each year thereafter, compounded annually, rounded to the nearest dollar, in accordance with City of El Paso Ordinances 014262 and any amendments thereto.

The water connection fee for the Westside increase by three percent (3%) on September 1, 2000, and each year thereafter, in accordance with City of El Paso Ordinances 014200 and any amendments thereto. Payment of the water connection fee shall be due at the time of application for water connection to the system.

N. EASTSIDE ANNEXATION FEES- 2005

For property subject to annexation fees pursuant to a contract, a water connection fee shall be paid at the time of application for meter installation, including fire line and irrigation/yard services, for each water meter that is connected to the City of El Paso's water system as follows:

<u>Meter Size</u>	<u>EASTSIDE Annexation Fee Water(\$)</u>
Less than 1"	\$ 566
1"	\$ 1,396
1 ½"	\$ 2,830
2"	\$ 4,528
3"	\$ 9,056
4"	\$14,150
6"	\$28,300
8"	\$52,827
10"	\$75,467

The Annexation Fee shall increase by three (3) percent on March 1, 2006, and each year thereafter, compounded annually, rounded to the nearest dollar. Payment of the water connection fee shall be due at the time of application for water connection to the system.

O. CITY OF EL PASO FRANCHISE FEE

Effective September 1, 2014, City Council established a franchise fee to be paid by the El Paso Water Utilities to compensate the City of El Paso for the use of city streets and rights of way for utility lines and wear and tear on City streets in a total amount of Three Million Five Hundred Fifty Thousand and No/100 Dollars (\$3,550,000.00). Effective September 1, 2015, City Council approved a franchise fee to be paid by the El Paso Water Utilities in a total amount of Three Million Five Hundred Fifty Thousand and No/100 Dollars (\$3,550,000.00). Effective June 2015, the City of El Paso's franchise fee was applied to all residential, non-residential and standby fire protection accounts based on meter size as follows:

<u>Meter Size</u>	<u>Residential Monthly Fee</u>	<u>Non-Residential Monthly Fee</u>	<u>Standby Fire Protection Monthly Fee</u>
Less than 1"	\$1.33	\$1.69	N/A
1"	\$2.84	\$3.64	N/A
1 ½"	\$4.47	\$8.00	\$4.24
2"	\$6.21	\$15.49	\$9.54
2 ½"	N/A	N/A	9.54
3"	\$13.28	\$29.20	\$12.80
4"	N/A	\$49.26	\$18.78
6"	N/A	\$135.66	\$47.32
8"	N/A	\$217.07	\$73.65
10"	N/A	\$312.07	\$76.47

P. In the interest of transparency, the President/CEO or his designee may determine that customer bills will reflect rate components. Additionally, The President/CEO is expressly authorized to adjust the franchise fee amounts to comply with the franchise fee as the El Paso City Council may amend it from time to time.

SECTION II

There shall be collected from every user of a connection to the water system for providing Standby Fire Protection a monthly standby charge based on the size of the service as follows:

<u>Size of Service</u>	<u>Monthly Charge</u>
1 ½"	\$7.91
2"	\$11.06
2 ½"	\$12.05
3"	\$15.70
4"	\$20.39
6"	\$28.29
8"	\$47.14
10"	\$78.55

When any water is used through a standby fire service, the charge shall be the Monthly Charge plus \$1.86 for each 100 cubic feet for the first 1,000 cubic feet as measured by the detector meter. Registration of flow in excess of 1,000 cubic feet in any billing cycle shall be used to indicate that large volumes of water are being used that are only partially indicated by the detector meter and the excess volume shall be determined by multiplying the volume measured by the detector meter less 1,000 cubic feet,

by two times the ratio of the area of the fire line to the area of the by-pass line, both in inches, and this volume billed at \$1.86 per estimated 100 cubic feet.

If consumption through the fire line is determined to have been caused by an underground leak which the customer could not have reasonably detected, then the Utility shall allow relief to the customer under PSB Rules and Regulations No. 5, Section VII, and the Utility will waive the two times ratio calculation charge. If consumption through the fire line is incurred due to an actual fire on the premises, then only the fixed meter charge will be assessed to the customer.

SECTION III

All of the aforementioned charges apply to water service to property within the City of El Paso. Where the water connection provides service to property outside the City Limits of El Paso, the charge for such service shall be 1.15 times the rates for similar service to customers, whose property is inside the city limits, including the monthly Water Supply Replacement Charge.

SECTION IV

Payment of the monthly service charges is due 14 days after the date of billing. A termination notice will be generated on the 15th day, allowing an additional 7 days from the billing due date. Services will be scheduled for disconnection the following work day unless the billed amount has been paid.

A charge of \$12.00 per \$100 of the delinquent amount or any part thereof will be assessed when the "past due" amount of a bill is not paid before a Field Service Worker is dispatched to disconnect the service for non-payment. If payment is made at the service location prior to the service being disconnected, no other charge shall be made. If the service is turned off for non-payment, an additional charge of \$20.00 will be made to restore the service if the service is restored or the request to restore service is received between 7:00 A.M. and 4:00 P.M. on a normal working day. A charge of \$25.00 will be made for restoration of service under all other circumstances. In the event that service is not restored until after the customer's bill has been finalized, a new guarantee deposit and customer account fee must be paid.

A separate charge of \$100.00 will be made when water service to a property is restored by someone other than an authorized representative of the EL PASO WATER UTILITIES.

A charge of \$25.00 will be added to each customer's account that is affected when the customer makes payment by check and said check has been returned for insufficient funds or other reasons by a financial institution.

SECTION V

No customer or person shall use water from the City system except from a metered connection installed by the Utility. All meters are the property of the Utility and shall not be damaged, removed or altered by the customer or non-utility personnel. A charge of \$15.00 plus the cost of correcting any such damage and the estimated cost of the water used shall be paid before water is reconnected to any customer or property that has or has permitted the meter or service connection to be altered in such a way as to not accurately meter all of the water that flowed through the service connection.

SECTION VI

The Utility shall allow an adjustment on all leaks which the customer could not have reasonably detected. The adjustment will only be allowed on the highest billing (a maximum of two month's consumption) when the Utility, in its sole discretion, determines that the loss of water could not have been reasonably detected by the customer using the service, such as a leak beneath a cement floor and/or running commodes. All other water lost through other causes is the responsibility of the customer using the service. Nothing herein shall relieve the customer from repairing such leaks when the customer has an obligation to do so under the Water Conservation Ordinance, Chapter 15.13. of the City code. The Utility will bear 50% and the customer the other 50% of the water lost. The amount of water lost will be determined by comparing the usage when the leak occurred and the previous year's usage during the same billing cycle. If the customer does not have a previous usage, a monthly average usage before the leak occurred will be considered in determining the adjustment. If such an adjustment is granted, no such adjustment of this nature will be made on the same property for a period of 24 months from the month in which the adjustment was granted.

SECTION VII

These rules and regulations shall be and become effective from and after their adoption by the Board and shall remain in effect until amended or changed by the Public Service Board. Changes to any fees or rates resulting from approval of the budget are effective on the 1st day of March and shall remain in effect until amended or changed by the Public Service Board.

SECTION VIII

This Rule and Regulation is a part of the other Rules and Regulations of the Public Service Board and persons accepting service agree to comply with the appropriate provisions and conditions of all of the Rules and Regulations. If any part of the Rules and Regulations be held void, such part shall be deemed severable and invalidity thereof shall not affect the remaining parts of these Rules and Regulations.

PASSED, APPROVED and ADOPTED the 27th day of March, 1991 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTION II REVISED, APPROVED and ADOPTED the 25th of September, 1991 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO. 5, SECTION 1-D REVISED, APPROVED and ADOPTED the 12th of February, 1992 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO. 5, SECTION 1-F PASSED, APPROVED and ADOPTED the 24th of February, 1993 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO. 5, SECTION 1-A, 1-B, 1-F AND SECTION III REVISED, APPROVED and ADOPTED the 23rd of February, 1994 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTION 1-F AND SECTION II REVISED, APPROVED and ADOPTED the 8th of March, 1995 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO. 5, SECTION G AND SECTION H PASSED, APPROVED and ADOPTED the 14th of June, 1995 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO. 5, SECTIONS I(A), I(B), I(C), I(D), and SECTION III REVISED, APPROVED, and ADOPTED the 28th of February, 1996, by the Public Service Board of the City of El Paso.

RULES & REGULATIONS NO.5, SECTION I PASSED, APPROVED and ADOPTED the 8th of May, 1996 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO. 5, SECTION J PASSED, APPROVED and ADOPTED the 11th of December, 1996 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTION I (D) and SECTION V, REVISED, APPROVED and ADOPTED the 18th of December, 1997 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO. 5, SECTIONS I(B), I(F), I(G), 1(I), I(J), and V REVISED, APPROVED and ADOPTED the 8th of December, 1999 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTIONS I (K) and I (L) PASSED, APPROVED and ADOPTED the 8th of December, 1999 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTIONS I(A), I(B), I(F), I(G), I(J), and II REVISED, APPROVED and ADOPTED the 24th of January, 2001 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTIONS I(A), I(B), I(D), I(F), I(G), I(J), and II REVISED,

APPROVED and ADOPTED the 23rd of January, 2002 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO. 5, SECTIONS I (L) REVISED, APPROVED and ADOPTED the 13th of February, 2002 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTIONS I (A,B,D,F,G,I,J,& K), and Section II, REVISED, APPROVED and ADOPTED the 8th day of January, 2003 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTIONS I (A,B,D,F,G,I,J,& K), and Section II, REVISED, APPROVED and ADOPTED the 14th day of January, 2004 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTION VII, REVISED, APPROVED and ADOPTED the 12th day of January, 2005 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTIONS I (J,K,L,M,N), REVISED, APPROVED and ADOPTED the 12th day of January, 2005 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTIONS I (J,K,L,M,N), ADDED, REVISED, APPROVED and ADOPTED the 25th day of January, 2006 by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTIONS I (A,B,D,F,G,J,K), SECTION II, ADDED, REVISED, APPROVED and ADOPTED the 13th day of December, 2006, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTIONS I (A,B,F,G,I,J,L) AND SECTION II, ADDED, REVISED, APPROVED and ADOPTED the 9th day of January, 2008, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTIONS I (A,B,C,D,F,G,J,& K), Section II, Section V and Section VI REVISED, APPROVED and ADOPTED the 14th day of December, 2011 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO.5, SECTIONS I (A,B,D,F,G,J,K,M,N), Section II and Section V REVISED, APPROVED and ADOPTED the 12th day of December, 2012 by the Public Service Board of the City of El Paso, Texas.

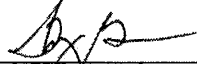
RULES & REGULATIONS NO.5, SECTIONS I (C, J, M, N) REVISED, APPROVED and ADOPTED the 11th day of December, 2013 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO. 5, SECTION I (A,B,D,F,G,J,K,O,P), SECTION II, SECTIONS IV, V, VI, VII, VIII, REVISED, APPROVED and ADOPTED the 10th day of December, 2014 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO. 5, SECTION I (A,B,D,F,G,J,K,O,P), SECTIONS IV, VII, and XI, REVISED, APPROVED and ADOPTED the 13th day of May, 2015 by the Public Service Board of the City of El Paso, Texas.

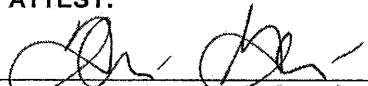
RULES & REGULATIONS NO. 5, SECTION I (A,B,D,F,G,H (e),(g),I,J,K,M,N,O), SECTION II, SECTION IV, SECTION VI, SECTION VII REVISED, APPROVED and ADOPTED the 13th day of January, 2016 by the Public Service Board of the City of El Paso, Texas.

PUBLIC SERVICE BOARD:



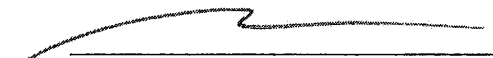
Chair Henry Gallardo

ATTEST:



Secretary-Treasurer Terri Garcia

APPROVED AS TO FORM:



General Counsel Lupe Cuellar

RULES AND REGULATION NO.6

RULES AND REGULATIONS ESTABLISHING A RATE
FOR THE FURNISHING OF SANITARY SEWER SERVICE
BY THE EL PASO WATER UTILITIES

BY THE AUTHORITY GRANTED TO THE PUBLIC SERVICE BOARD BY VIRTUE OF ARTICLES 1111-1118, REVISED CIVIL STATUTES OF TEXAS, AND ORDINANCE 752, PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS ON MAY 22, 1952, NOW THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE CITY OF EL PASO THAT THE FOLLOWING SEWER SERVICE RATES SUPERSEDE ALL RATES HERETOFORE FIXED AND ALL ORDINANCES HERETO PASSED WITH REFERENCE TO THE FIXING OF RATES FOR THE FURNISHING OF SEWER SERVICE. (KNOWN AS RULES AND REGULATIONS NO. 6).

SECTION I

There shall be collected from each and every user connected to the sewer system of the El Paso Water Utilities of the City of El Paso, Texas, a sewer service charge. Said sewer service charge shall consist of a minimum monthly charge plus a commodity charge based on the water usage as measured by the water meter serving the property or as otherwise provided herein. For residential customers only, a volume of 4 hundred cubic feet (4 Ccf) will be included in the minimum charge. The following charges shall apply:

A. MONTHLY MINIMUM SEWER CHARGE FOR CITY WATER CUSTOMERS. BASED ON SIZE OF WATER METER

<u>Meter Size</u>	<u>Minimum Monthly Bill</u>
Less than 1"	\$13.10
1"	\$30.14
1 ½"	\$64.15
2"	\$80.71
3"	\$178.42
4"	\$274.80
6"	\$425.62
8"	\$741.65
10"	\$1,431.76

B. COMMODITY CHARGE

The commodity charge for sewer service to all customers is \$1.65 per Ccf. The commodity charge shall be calculated based on 90% of AWC* in excess of the volume allowance included in the minimum charge. The minimum and commodity charge will be set through the following February billing cycle.

*Average Winter Consumption (AWC) is the average amount of water used during the most recent December, January, and February billing periods. Any Customer that at the time of service has not established an AWC will be assigned the class average AWC by meter size for their customer classification. If the Customer's calculated AWC is lower than the class average then the customers will be assigned the class average AWC by

meter size of their customer classification.

C. The commodity charge for new customers will be calculated using the class average AWC by meter size for their respective class until they establish an AWC base.

D. ANNEXATION FEES -1999

For property subject to annexation fees pursuant to a contract, a wastewater connection fee shall be paid at the time of application for meter installation for each water meter that is connected to the City of El Paso's water system as follows:

Meter Size	Eastside Annexation Fee
Less than 1"	\$110
1"	\$275
1 ½"	\$550
2"	\$880
3"	\$1,760
4"	\$2,750
6"	\$5,500
8"	\$10,230
10"	\$14,630

Based on gallons-per-minute (gpm) water flow, El Paso Water Utilities Public Service Board Rules and Regulations No. 1, Section VII-J.

The sewer connection fee shall be increased by three percent (3%) on December 1, 2000, and each year thereafter, compounded annually, rounded to the nearest dollar, in accordance with City of El Paso Ordinances 014262, and any amendments thereto. Payment of the sewer connection fee shall be due at the time of application for sewer connection to the system.

E. EASTSIDE ANNEXATION FEE- 2005

For property subject to annexation fees pursuant to a contract, a wastewater connection fee shall be paid at the time of application for meter installation for each water meter that is connected to the City of El Paso's water system as follows:

Meter Size	EASTSIDE Annexation Fee Wastewater (\$)
Less than 1"	\$328
1"	\$809
1 ½"	\$1,640
2"	\$2,624
3"	\$5,248
4"	\$8,200
6"	\$16,400
8"	\$30,613
10"	\$43,733

The Annexation Fee shall be increased by three (3) percent on March 1, 2006, and each year thereafter, compounded annually, rounded to the nearest dollar. Payment of the sewer connection fee shall be due at the time of application for sewer connection to the system.

SECTION II

Charges for services less than the normal 30-day reading cycle shall be calculated in the same manner as a full reading cycle.

SECTION III

Sewer services to facilities where all or part of the water supply is obtained from other than the City water system shall be charged on the basis of the actual sewage volume as estimated by the utility or as measured by a meter installed at the customer's expense, except as provided herein for certain residential properties. The charge for such sewer service shall be \$18.24 per month, plus \$1.65 per hundred cubic feet of the total actual or estimated sewage volume for all users.

SECTION IV

Where the sewer service charge is based on water consumption and the use of the water is such that a considerable portion thereof is not returned to the sanitary sewer system, the user may, at his option, install a meter for the purpose of measuring such water that does not return to the sewer or a meter to measure the amount of sewage actually entering the system, and the monthly sewer charges shall be based on the difference between the two water meters or on the reading of the sewer meter, whichever is applicable. Meter installations as described herein shall be made at the user's expense. The charge for sewer service based on actual volume of sewage shall be \$21.00 per month, plus a fixed monthly charge based on meter size and \$1.65 per hundred cubic feet of the total measured sewage volume.

SECTION V

Sewer charges are based on the "normal" quality (or strength) of sewage. A surcharge shall be added for strengths exceeding the normal limits based upon analysis of samples taken by the Utility under provisions of the Rules and Regulations, and upon the quantities of sewage determined by the same methods used to calculate the regular sewage charge. The surcharge shall be 15.0 cents for each pound of BOD in excess of 300 parts per million (ppm), plus 14.0 cents for each pound of suspended solids in excess of 300 ppm.

Management shall review its cost structure annually and shall make such adjustments in the surcharges as may be necessary to properly reflect the cost to the Utility of treating over strength wastes or as required by the Environmental Protection Agency.

SECTION VI

Any person who discharges into the sanitary sewer system and exceeds the normal quality or strength without paying the surcharge set forth under Section V above, shall be subject to the enforcement action provided in Section 15.12.120-2 of the El Paso Municipal Code and shall be subject to any additional enforcement action, as set forth in the Public Service Board's Rules and Regulations and the El Paso Municipal Code, as they may now read or may hereinafter be amended, including the discontinuance of service and a suit for collection of the surcharge.

SECTION VII

Permit fees for Wastewater Discharge Permits (two types) and Waste Hauler Permits shall be as follows:

	<u>Permit Fee</u>
Categorical Industries	\$1,090 per year
Non-categorical Industries	\$218 per year
Waste Haulers	\$109 per year

Waste Haulers and categorical and non-categorical industries shall be defined as those terms are defined or used in Rules and Regulations No. 9 and under other applicable laws and regulations.

SECTION VIII

Payment of the monthly service charges is due 14 days after the date of billing. A termination notice will be generated on the 15th day, allowing an additional 7 days from the billing due date. Services will be scheduled for disconnection the following work day unless the billed amount has been paid.

SECTION IX

All of the aforementioned charges apply for sewer service to property within the city limits of El Paso. Where the sewer connection provides service to property outside the city limits of El Paso, the charge for such service shall be 1.15 times the rates for similar service to customers whose property is inside the city limits.

SECTION X

- A. For all reclaimed water delivered to customers, except as stated in specific contractual arrangements, the charges will be as follows:

Reclaimed Water Rate \$1.36 per Ccf

- B. If a local government turf irrigation account, as defined in subsection F of Section I of Rules and Regulations No. 5, has a restroom facility, water fountains, or other plumbing fixtures which are isolated from major facilities, a flat monthly fee of \$9.40 is hereby charged for every such fixture connected to the sanitary sewer system as determined by the President/CEO or his designee.

SECTION XI

If a Landscape or Turf Irrigation account as defined in subsections F, I or K of Section I of Rules and Regulations No. 5, or a City of El Paso landscape and turf irrigation account, as defined in subsection I of Section I of Rules and Regulations No. 5, has a restroom facility, water fountains, or other plumbing fixtures which are isolated from major facilities, a flat monthly fee of \$9.40 is hereby charged for every such fixture connected to the sanitary sewer system as determined by the President/CEO or his designee.

SECTION XII

These rules and regulations shall be and become effective from and after their adoption by the Board and shall remain in effect until amended or changed by the Public Service Board. Changes to any fees or rates resulting from approval of the budget are effective on the 1st day of March and shall remain in effect until amended or changed by the Public Service Board.

SECTION XIII

This Rule and Regulation is a part of the other Rules and Regulations of the Public Service Board and persons accepting service agree to comply with the appropriate provisions and conditions of all of the Rules and Regulations. If any part of the Rules and Regulations be held void, such part shall be deemed severable and invalidity thereof shall not affect the remaining parts of these Rules and Regulations.

PASSED, APPROVED and ADOPTED the 27th day of March, 1991, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO.6, SECTION 1-C REVISED, APPROVED and ADOPTED the 12th of February, 1992, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO.6, SECTION VI REVISED, APPROVED and ADOPTED the 8th of April, 1992, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO.6, SECTION VIREVISED, APPROVED and ADOPTED the 28th of July, 1993, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION 1-A, 1-B, SECTION IX AND SECTION X REVISED, APPROVED and ADOPTED the 23rd of February, 1994, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION III and SECTION IV REVISED, APPROVED and ADOPTED the 25th of May, 1994, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION X REVISED, APPROVED and ADOPTED the 27th of February, 1995, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO.6, SECTIONS I (A), I (B), and SECTION IV REVISED, APPROVED, and ADOPTED the 28th day of February, 1996, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION III and SECTION XI REPLACED, APPROVED and ADOPTED the 8th of May, 1996, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO.6, SECTION I REPLACED, APPROVED and ADOPTED the 11th of December, 1996, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION X REPLACED, APPROVED and ADOPTED the 8th of January, 1997, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTIONS I (A), I(B), VIII, and X(A) REVISED, APPROVED, and ADOPTED the 8th day of December, 1999, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO.6, SECTION I (D) ADDED, APPROVED, and ADOPTED the 8th day of December, 1999, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTIONS I(A), I(B), III, IV, X(A), X(B), and XI REVISED, APPROVED, and ADOPTED the 24th day of January, 2001, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO.6, SECTIONS I (A), I (B), III, IV, X (B), and XI, REVISED, APPROVED, and ADOPTED THE 23rd day of January 2002, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO.6, SECTIONS I(D) REVISED, APPROVED, and ADOPTED the 13th day of February, 2002, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTIONS I (A & B), III, IV, V, VII, X (A&B), and XI, REVISED, APPROVED and ADOPTED the 8th day of January, 2003, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO.6, SECTIONS I(A & B), III, IV, X (A&B), and XI, REVISED, APPROVED and ADOPTED THE 14th day of January, 2004, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO.6, SECTION I(D), I(E) ADDED, REVISED, APPROVED and ADOPTED the 25th day of January, 2006, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO.6, SECTION I(A), I(B), SECTION III, SECTION IV, SECTION X(A) ADDED, REVISED, APPROVED and ADOPTED the 13th day of December, 2006, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION I(A)&(B), SECTION III, SECTION IV, SECTION X(A)&(B) AND SECTION XI, REVISED, APPROVED and ADOPTED the 9th day of January, 2008, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION I(A)&(B), SECTION III, SECTION IV, SECTION X(A)&(B) AND SECTION XI, REVISED, APPROVED and ADOPTED the 9th day of January, 2008, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION I(A)&(B), SECTION III, SECTION IV, SECTION X(A)&(B) AND SECTION XI, REVISED, APPROVED and ADOPTED the 14th day of December, 2011, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION I(A),(B),(C),(D),(E), SECTION III, SECTION IV, SECTION X(A)&(B) AND SECTION XI, REVISED, APPROVED and ADOPTED the 12th day of December, 2012, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.


RULES AND REGULATIONS NO. 6, SECTION I(B), SECTION X(A) REVISED, APPROVED, AND ADOPTED THE 11th day of December, 2013, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION III, SECTION IV, SECTION X, SECTION XI, REVISED, APPROVED AND ADOPTED THE 10TH day of December, 2014, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION III, SECTION IV, SECTION X, SECTION XI, REVISED, APPROVED AND ADOPTED THE 13TH day of January, 2015, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 6, SECTION I (A, B), SECTION III, SECTION IV, SECTION X (A,B), SECTION XI, REVISED, APPROVED AND ADOPTED THE 13TH day of January, 2016, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas

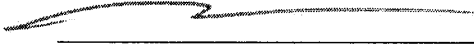
PUBLIC SERVICE BOARD:


Chair Henry Ballard

ATTEST:


Secretary-Treasurer Terri Garcia

APPROVED AS TO FORM:


General Counsel Lupe Cuellar

