

**MINUTES**  
**PUBLIC SERVICE BOARD**  
**CITY OF EL PASO**  
**February 10, 2016**

The regular meeting of the Public Service Board was held Wednesday, February 10, 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  
Bradley Roe, Member  
Dr. Kristina Mena, Member

**PSB MEMBERS ABSENT**

Dr. Richard T. Schoephoerster, Member

**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  
Christina Montoya, Marketing & Communications Manager  
Rose Guevara, Senior Purchasing Agent  
Hector Gonzalez, Government Affairs Manager  
Martín Noriega, Stormwater Operations Manager  
Adriana Castillo, Utility Engineer  
Yesenia Castro, Utility Engineer Associate  
Zulema Jamis, Secretary  
Georgette Webber, Executive Secretary

**GUESTS**

Pam Farone, Citizen  
Katherine Brennand, Citizen  
John O'Donnell, Murray, Montgomery and O'Donnell  
Alejandro Guerra, Hazen & Sawyer  
Kimberly Forsyth, City of El Paso  
Joseph Villarreal, Alpha Southwest  
Daniel Olson, Arcadis US  
Mel Herrera, ECM  
Deborah Torres, Citizen

Larry Nichols, City of El Paso

**MEDIA**  
KVIA

The Public Service Board meeting was called to order by Mr. Gallardo at 8:18 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Ms. Garcia, in reciting the Pledge of Allegiance.

**CONSENT AGENDA**

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

**APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON JANUARY 13, 2016.**

The Board approved the minutes of the regularly scheduled meeting held on January 13, 2016.

**APPROVED THE RENEWAL OF A CISCO SMARTNET MAINTENANCE SERVICES AND CONSOLIDATED THREE-YEAR SUPPORT AGREEMENT TO PRESIDIO NETWORKED SOLUTIONS GROUP, L.L.C., WITH BUY BOARD PRICING THROUGH TEXAS DIR CONTRACT NUMBER DIR-TSO-2544 IN THE AMOUNT OF \$63,519.17.**

The Board approved the renewal of a Cisco SMARTnet maintenance services and consolidated three-year support agreement to Presidio Networked Solutions Group, L.L.C., with buy board pricing through Texas DIR Contract Number DIR-TSO-2544 in the amount of \$63,519.17.

**APPROVED THE RENEWAL OF IBM HARDWARE AND SOFTWARE SUPPORT SERVICES TO MAINLINE INFORMATION SYSTEMS WITH BUY BOARD PRICING THROUGH TEXAS DIR CONTRACT NUMBER DIR-SDD-2240 IN THE AMOUNT OF \$95,955.64.**

The Board approved the renewal of IBM hardware and software support services to Mainline Information Systems with buy board pricing through Texas DIR Contract Number DIR-SDD-2240 in the amount of \$95,955.64.

**AUTHORIZED THE PRESIDENT/CEO TO SIGN AN AMENDMENT TO THE TECHNICAL ASSISTANCE AGREEMENT WITH THE BORDER ENVIRONMENTAL COOPERATION COMMISSION (BECC) FOR A COUNTY REGIONAL WATER AND WASTEWATER SERVICE PLAN UPDATE AND TO PARTICIPATE IN THE COST IN AN AMOUNT NOT TO EXCEED \$86,831.**

The Board authorized the President/CEO to sign an amendment to the technical assistance agreement with the Border Environmental Cooperation Commission (BECC) for a County Regional Water and Wastewater Service Plan update and to participate in the cost in an amount not to exceed \$86,831.

**AWARDED BID NUMBER 03-16, REPAIR AND MAINTENANCE OF THE INTERNATIONAL WATER QUALITY LABORATORY (IWQL) AIR QUALITY SYSTEM AND HVAC UNITS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, PC AUTOMATED CONTROLS, INCORPORATED, IN THE ESTIMATED ANNUAL AMOUNT OF \$74,628, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

The Board awarded Bid Number 03-16, Repair and Maintenance of the International Water Quality Laboratory (IWQL) Air Quality System and HVAC Units, to the lowest responsive, responsible bidder, PC Automated

Controls, Incorporated, in the estimated annual amount of \$74,628, with the option for two one-year extensions.

**AWARDED BID NUMBER 08-16, SMALL PRECAST CONCRETE METER BOXES TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER, EL PASO RIO ELECTRIC, INCORPORATED, IN THE ESTIMATED ANNUAL AMOUNT OF \$87,500, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

The Board awarded Bid Number 08-16, Small Precast Concrete Meter Boxes to the lowest, responsive, responsible bidder, El Paso Rio Electric, Incorporated, in the estimated annual amount of \$87,500, with the option for two one-year extensions.

**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.**

Mr. Balliew and Mr. Gallardo presented a plaque to Ms. Ruth Katherine Brennand, former Public Service Board Member, in recognition of her leadership, dedication and service to the community during her tenure on the Public Service Board. Comments were made by Mr. Balliew, Mr. Gallardo, Mayor Leeser and Ms. Brennand.

**APPROVED THE RECOMMENDATION OF THE 2016 ANNUAL NON-PROFIT STRATEGIC PARTNERSHIP WITH THE SALVATION ARMY.**

Ms. Adriana Castillo, Utility Engineer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Public Service Board has been a long-term community partner in supporting charitable organizations since its inception in 1952. The PSB approved the Strategic Partnerships and Alliances with Non-Profit Organizations Administrative Policy in 2009. The policy allows the PSB to select one charitable organization a year for a fundraising project. EPWU receives requests throughout the year to support local and charitable causes. An Employee Committee comprised of individuals from various EPWU departments made site visits and evaluated four candidates for this year's strategic partner. After careful thought and consideration, the Employee Committee is recommended the Salvation Army - a non-profit agency. The Salvation Army has been in the United States for 150 years. The Salvation Army in El Paso started in February 1899 and provides food and shelter assistance along with other social services. The biggest need at this moment is funding for the homeless shelter, including approximately 120 new mattresses. Ms. Castillo addressed questions and comments from the Board. Mayor Leeser also committed to donating \$2500 to this year's campaign.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried, the Board approved the 2016 Annual Non-Profit Strategic Partnership with the Salvation Army.

**APPROVED TASK ORDER NUMBER 1, AMENDMENT NUMBER 1, FOR CONSTRUCTION MANAGEMENT SERVICES FOR CONSTRUCTION OF THE GATEWAY WEST STORMWATER POND, TO ECM INTERNATIONAL, INCORPORATED IN THE AMOUNT OF \$285,656.**

Mr. Gilbert Trejo, Chief Technical Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). On December 16, 2015 the Public Service Board awarded an emergency contract to Jordan Foster Construction for the construction of the Gateway West Stormwater Pond. On March 25, 2015 ECM International was awarded the construction management services contract for this project. Amendment Number 1 to Task Order Number 1 was requested due to the additional time and services required to complete the additional scope for this emergency project. The construction engineering scope of services was developed based on the construction duration and includes project inspection and office engineering. The fee proposal

associated with the scope of services was submitted, reviewed, and negotiated with the consultant to come to an agreement on the value to be received for the costs proposed 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 consistent with similar work done recently. Mr. Trejo addressed questions and comments from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board approved Task Order Number 1, Amendment Number 1, for construction management services for construction of the Gateway West Stormwater Pond, to ECM International, Incorporated in the amount of \$285,656.

**APPROVED TASK ORDER NUMBER 3, CONSTRUCTION ADMINISTRATION SERVICES FOR THE EASTSIDE SERVICE AREA - MISSION RIDGE DRIVE EXTENSION 24-INCH WATER LINE PROJECT, TO CEA GROUP, INCORPORATED IN THE AMOUNT OF \$120,009, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This project is located in far east El Paso and is necessary to provide water service to developments east of Loop 375. The County of El Paso Roads and Bridges Department plans to construct Mission Ridge Drive, from Pellicano Drive to Paseo Del Este Boulevard. In March 2015, the Public Service Board approved the contract for design and bid phase services to CEA Group to design the water improvements so that construction of the water line is completed prior to construction of Mission Ridge. This project consists of approximately 9,000 linear feet of 24-inch water line beginning at the intersection of Pellicano Drive and Mission Ridge Drive, continuing south along Mission Ridge Drive to Paseo Del Este Boulevard. The Camino Real Regional Mobility Authority (CRRMA) bid out the project for the County of El Paso. EPWU staff worked with the consultant, CEA Group, to develop the scope of work for the project construction administration services. A fee proposal associated with the scope of services was negotiated with the consultant. The negotiated construction services fees are in line with the level of effort and hours required to complete the project and include coordination with the CRRMA, office engineering, field engineering, and resident project representative services.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board approved Task Order Number 3, construction administration services for the Eastside Service Area - Mission Ridge Drive Extension 24-Inch Water Line project, to CEA Group, Incorporated in the amount of \$120,009, and authorized the use of commercial paper. **(Resolution attached)**

**AWARDD REQUEST FOR PROPOSAL NUMBER 02-16, WELL OPERATIONS & MAINTENANCE PROGRAM, TO ALPHA SOUTHWEST COMMERCIAL, INCORPORATED, IN THE ESTIMATED ANNUAL AMOUNT OF \$1,958,900, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

Mr. Art Duran, Chief Financial Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This project is for the removal, repair and disassembly of all components such as oil tubing, shaft, column pipe and pump bowl assemblies for approximately 170 well sites. This includes installation work on the pumps and associated systems within the distribution system to include repairs or replacement of any and all components. Three potential bidders were provided requests for proposals (RFP). EPWU received only one proposal from Alpha Southwest. EPWU staff evaluated the RFP received and recommended award of RFP 02-16, Well Operations & Maintenance Program to Alpha Southwest in the estimated annual amount of \$1,958,900. 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 Request for Proposal Number 02-16, Well Operations & Maintenance Program, to Alpha Southwest Commercial, Incorporated, in the estimated annual amount of \$1,958,900, with the option for two one-year extensions.

**AUTHORIZED THE PRESIDENT/CEO TO TERMINATE THE PROFESSIONAL CONSULTING SERVICES AGREEMENT WITH ELECTRICAL CONSULTANTS, INCORPORATED FOR THE RIGHT-OF-WAY & SURVEY SERVICES CLINT TO DELL CITY.**

Ms. Cynthia Osborn, Real Estate Manager/Counsel, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The project is to provide right-of-way and survey services for the acquisition of easements and other property interests from Clint to Dell City for future water needs. On July 9, 2014, the Board authorized the President/CEO to enter into a Professional Services Consulting Agreement with Electrical Consultants, Incorporated (ECI) to acquire right-of-way on behalf of EPWU. A professional services agreement was executed on February 6, 2015, in the amount of \$496,615. On May 15, 2015, the scope of work was amended and ECI received an extension of time and a \$276,547 increase to the contract amount. In October 2015, ECI requested additional time and an increase of \$124,492 to the contract amount. Termination for Convenience will allow EPWU to retain a more cost effective replacement for a more timely completion of the work. Ms. Osborn and Mr. Balliew addressed question 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 the professional consulting services agreement with Electrical Consultants, Incorporated for the Right-of-Way & Survey Services Clint to Dell City.

**AUTHORIZED THE PRESIDENT/CEO TO SIGN A PERSONAL SERVICES AGREEMENT WITH JAMES E. SHELTON, JR. IN AN AMOUNT NOT TO EXCEED \$200,000, FOR THE ACQUISITION OF RIGHT-OF-WAY FOR FUTURE WATER NEEDS AND OTHER REAL ESTATE RELATED PROJECTS.**

Ms. Osborn presented the Board with information regarding this item. The Land Management Section of the El Paso Water Utilities desires to retain Mr. Shelton to assist with right-of-way acquisitions for future water needs and other Land Management Section projects as the need may arise. Mr. Shelton is the most qualified person to perform the work required, in that he has experience working for EPWU and is familiar with the processes and procedures of the Land Management Section. Ms. Osborn and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board authorized the President/CEO to sign a personal services agreement with James E. Shelton, Jr. in an amount not to exceed \$200,000, for the acquisition of right-of-way for future water needs and other real estate related projects.

**AUTHORIZED THE PRESIDENT/CEO TO RENEW A CONTRACT WITH THE FIRM MURRAY, MONTGOMERY AND O'DONNELL FOR FEDERAL GOVERNMENT RELATIONS SERVICES IN THE TOTAL ANNUAL AMOUNT NOT TO EXCEED \$189,220, WITH THE OPTION TO RENEW FOR ONE ADDITIONAL YEAR.**

Mr. Hector Gonzalez, Government Affairs Manager, introduced Mr. John O'Donnell to the make a PowerPoint presentation to the Board (copy on file in Central Files). Mr. O'Donnell has continued to provide excellent work and value for EPWU. He will provided the Board with a report of 2015 federal legislative issues and activities undertaken and also discussed EPWU's upcoming federal programs during 2016. The presentation covered the federal objectives for EPWU; key strategies to achieve objectives; relationships being fostered on Capitol Hill and with various federal agencies; collaboration with trade associations; influencing legislation; and partnership opportunities with Fort Bliss. At the conclusion of the presentation, Mr. Gonzalez and Mr. Balliew addressed questions from the Board.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and carried with Mayor Leeser opposing, the Board authorized the President/CEO to renew a contract with the firm Murray, Montgomery and O'Donnell for federal government relations services in the total annual amount not to exceed \$189,220, with the option to renew for one additional year.

**TOOK ACTION ON BRANDING MODERNIZATION WITH PROPOSED NEW LOGO, NAMING AND VISUAL IDENTITY.**

Ms. Lisa Rosendorf, Chief Communications and Government Affairs Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Utility's current logo and related visual identity are in need of an update to keep pace with modern online communication tools. Based on a design competition and a process of gathering internal and external feedback on multiple concepts, a formal recommendation was presented to the Board in respect to a proposed new logo, naming and visual identity. During her presentation, Ms. Rosendorf discussed the definition of branding and importance of evolution for the EPWU logo. She discussed the proposed brand modernization action plan and the evaluation process for selecting the proposed logo. The pros and cons for two concepts were presented to the Board for consideration. At the conclusion of her presentation, Ms. Rosendorf said staff proposed moving forward with Concept Number 1. She addressed questions and comments from the Board.

On a motion made by Mr. Ancliff, seconded by Ms. Garcia and unanimously carried, the Board approved Concept Number 1 to be utilized in the branding modernization process with respect to a new logo, naming and visual identity.

**AUTHORIZED THE PRESIDENT/CEO TO SIGN A DEVELOPER AGREEMENT WITH RANCHOS REAL HOLDINGS, L.L.C. SPECIFYING THE TERMS AND CONDITIONS FOR THE DEVELOPMENT AND ANNEXATION OF PROPERTY OWNED BY RANCHOS REAL HOLDINGS, LLC.**

Mr. Balliew and Ms. Kimberly Forsyth of the City of El Paso, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Ranchos Real Land Holdings-Southwest Land Development is the Owner/Developer of Tierra Del Este 3 Phase V Development. The development of the property is contiguous to the City's Annexation Plan. El Paso Water Utilities (EPWU) staff has concluded that water and wastewater service is possible without major additions to the Utility's system. There is a two percent cost for plan checking and inspection fees per EPWU Rules and Regulation Number 7. EPWU's staff is in agreement to waive the plan checking and inspection fees up to \$180,625. Mr. Balliew, Ms. Forsyth and Ms. Lupe Cuellar, General Counsel, addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Mr. Roe, and unanimously carried, the Board approved the agreement between the City of El Paso, the El Paso Water Utilities Public Service Board, and Ranchos Real Land Holding, LLC and the waiver of plan review fees by the El Paso Water Utilities Public Service Board called for in that agreement.

**ADOPTED A RESOLUTION AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A FINANCING AGREEMENT AND AN ESCROW AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD (TWDB) AND ANY OTHER DOCUMENTS NECESSARY TO RECEIVE GRANT FUNDING FOR THE PLANNING AND DESIGN PHASES OF THE MONTANA VISTA WASTEWATER COLLECTION PROJECT THROUGH THE ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP).**

Mr. Balliew presented information to the Board regarding this item. El Paso Water Utilities (EPWU) is managing a project that will provide Montana Vista with first time sanitary sewer service. On December 1, 2015, the Texas Water Development Board (TWDB) approved an application for financial assistance in the amount of \$2,800,000 from the Economically Distressed Areas Program (EDAP) funds. The approved funding is for the wastewater planning and design of eligible areas within Montana Vista. TWDB requires a PSB resolution authorizing the President/CEO to sign and submit a TWDB Financing Agreement. In addition, prior to closing, execute an escrow agreement approved as to form and substance by the TWDB Executive Administrator. The approved grant funds cover 100% of the approved planning and design costs for this project.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried with the Mayor absent from the vote, the Board adopted a resolution authorizing the President/CEO to execute a financing agreement and an escrow agreement with the Texas Water Development Board (TWDB) and any other documents necessary to receive grant funding for the planning and design phases of the Montana Vista Wastewater Collection project through the Economically Distressed Areas Program (EDAP). **(Resolution attached)**

**AUTHORIZED THE PRESIDENT/CEO TO SIGN AND SUBMIT AN APPLICATION FOR \$1,000,000 UNDER THE UNITED STATES BUREAU OF RECLAMATION WATERSMART WATER AND ENERGY EFFICIENCY 2016 PROGRAM TO PROVIDE FINANCIAL ASSISTANCE FOR THE KAY BAILEY HUTCHISON DESALINATION FACILITY UPGRADES WITH AN ESTIMATED TOTAL PROJECT COST OF \$4,806,829.**

Mr. Balliew presented the Board with information regarding this item. The U.S. Bureau of Reclamation WaterSMART Water and Energy Efficiency Grants 2016 is a grant funding program. El Paso Water Utilities is currently conducting a feasibility study on a water desalination project that will provide the Kay Bailey Hutchison Desalination Facility with necessary upgrades to restore design production capacity. The maximum design capacity of the plant is 27.5 million gallons per day (mgd), or 30,804 acre feet per year (AFY); its current maximum capacity is 23 mgd, or 25,763 AFY. The upgrades will increase efficiency as well as output. EPWU is requesting \$1,000,000 in grant funding and the estimated total project cost is \$4,806,829. The funding will be spent on replacing the RO membranes with upgraded membranes, which will lead to higher salt rejection and greater plant operational efficiency. Upgrading to an inter-stage pump will result in lower overall energy usage for the RO unit and decrease the load on the feed pumps. The Bureau of Reclamation requires a PSB resolution authorizing the President/CEO to sign and submit the US Bureau of Reclamation grant application. Mr. Balliew addressed questions from the Board.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board authorized the President/CEO to sign and submit an application for \$1,000,000 under the United States Bureau of Reclamation WaterSMART Water and Energy Efficiency 2016 Program to provide financial assistance for the Kay Bailey Hutchison Desalination Facility upgrades with an estimated total project cost of \$4,806,829. **(Resolution attached)**

**ACTION ON THE TRANSFER OF APPROXIMATELY 31.9 ACRES OF LAND LOCATED ALONG I-10 EAST, TO THE EAST OF ZARAGOZA FROM THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD LAND INVENTORY TO THE CITY LAND INVENTORY.**

Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The property was declared inexpedient to the system prior to being put out to bid for sale in 2008. EPWU received no bids at that time. The City of El Paso has requested that El Paso Water Utilities (EPWU) transfer the remaining approximate 31.9 acres of Zaragoza property to the City's land inventory. The transfer would take place according to the Land Memorandum of Understanding (MOU) between the PSB and the City, which requires it to be transferred at full appraisal value. Mr. Balliew addressed questions from the Board regarding this item.

On a motion by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board authorized the transfer of approximately 31.9 acres of land located along I-10 East, to the east of Zaragoza from the El Paso Water Utilities Public Service Board land inventory to the City land inventory.

**MANAGEMENT REPORT**

- **Provided an update on grant funding received, current grant applications pending, and outlook for additional grant funding.** – Mr. Hector Gonzalez, Government Affairs Manager, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Between 2010 to 2015, El Paso Water Utilities has received approximately \$22.7 million in grant Funding. Currently, the Utility has pending grant applications in the amount of \$15 million. Mr. Gonzalez reviewed in detail the projects which have received grant funding and those pending funding approval.

Mr. Gonzalez, Mr. Balliew and Mr. Duran addressed several questions from the Board regarding this update. Comments were also made by Mr. John O'Donnell.

- **Stormwater Efficiencies and Cost Reductions.** – Mr. Martin Noriega, Stormwater Operations Manager, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). In his presentation, Mr. Noriega highlighted the key factors contributing to the cost reductions and efficiencies in stormwater operations. New equipment purchases are allowing employees to work faster and increasing the number and variety of projects employees are able to complete. Stormwater service contracts allow for increased in-sourcing of work and reduces spending on services. Increased coordination and sharing of resources with other agencies has created additional efficiencies. Overall, operations and maintenance costs have decreased from \$6.15 million in FY 08-09 to \$5.39 million in FY 15-16. Mr. Noriega addressed several questions and comments from the Board regarding this report.
- **Briefing on EPWU activities for Engineer's Week (Feb. 21-27) and invitation to Tech2O's DISCOVERe Family Engineer Day on Saturday, February 27.** – Ms. Rosendorf made a PowerPoint presentation which provided the Board with a briefing on EPWU activities for Engineer's Week (copy on file in Central Files). She also extended an invitation to the Board and public to attend the Tech2O's DISCOVERe Family Engineer Day on Saturday, February 27, 2016.

**APPOINTED BOARD MEMBERS TO THE ARCHITECT/ENGINEER SELECTION ADVISORY COMMITTEE, COMMUNICATIONS COMMITTEE AND THE FINANCE/INVESTMENT COMMITTEE.**

On a motion made by Mr. Antcliff, seconded by Mr. Garcia and unanimously carried, the Board approved the following Board member appointments:

Architect/Engineer Selection Advisory Committee – Mr. Christopher Antcliff  
Communications Committee – Dr. Richard Schoephoerster and Dr. Kristina Mena  
Finance/Investment Committee – Ms. Terri Garcia and Mr. Henry Gallardo

**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. Ancliff, seconded by Mr. Roe, and unanimously carried, the Board retired into Executive Session at 10:13 a.m., February 10, 2016, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 through 551.076 to discuss any of the following:

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

- a. Section 551.072 Deliberation regarding Real Property  
The Board will deliberate regarding a potential land purchase.

On a motion made by Mayor Leaser seconded by Mr. Roe, and unanimously carried, the Board reconvened in open session at 10:44 a.m., February 10, 2016.



**DELIBERATION REGARDING A POTENTIAL LAND PURCHASE.**

No action was taken on this item.

**ADJOURNMENT**

The meeting was adjourned at 10:44 a.m., February 10, 2016.

ATTEST:

  
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Secretary-Treasurer

  
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Chair

## RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT/CEO'S SUBMISSION OF AN APPLICATION TO THE U. S. BUREAU OF RECLAMATION (USBR) FOR \$1,000,000. IN GRANT FUNDS (OVER THREE YEARS) FROM THE 2016 WATERSMART: WATER AND ENERGY EFFICIENCY PROGRAM, TO UPGRADE AND REFURBISH DESALINATION EQUIPMENT AND WELLS, AT THE KAY BAILEY HUTCHISON DESALINATION FACILITY (KBH), AND AFFIRMING THE COMMITMENT OF \$3,806,829. IN CASH OVER THREE YEARS, INCLUDING \$69,329. OF "IN-KIND" SERVICES BY EPWU-PSB FOR STAFF MANPOWER AND SUPPLIES REQUIRED.

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

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

WHEREAS, EPWU has historically applied for and received USBR grant funds for numerous water resource, conservation, reverse osmosis (RO) water treatment research, infrastructure, supply, monitoring, and reclaimed water projects; and,

WHEREAS, EPWU operates a desalination facility, the Kay Bailey Hutchison Desalination Facility (KBH) to treat brackish groundwater to potable standards; and,

WHEREAS, the desalination equipment and wells now produce 84% of their design maximum capacity production with the same energy expended to produce the former 27.5 mgd;

WHEREAS, EPWU has identified the need for upgrade of the equipment at the KBH Desalination Facility, in order to restore production to its design maximum capacity; such upgrade to include; replacement of reverse osmosis membrane units with improved membranes; installation of improved interstage booster pumps; installation of high capacity line shaft turbine well pumps; and installation of variable frequency drives, instrumentation and controls;); and,

WHEREAS, EPWU has worked with engineering consultants, vendors, researchers and manufacturers of who are experienced with the design, installation and operation of such state-of-the-art equipment, and such engineers, researchers and manufacturers have expressed their interest in participation in such a project; and,

WHEREAS, EPWU has approved the current fiscal year (FY 2016-2017) Budget including funds for capital investment in improving water treatment at EPWU's facilities; and,

WHEREAS, USBR has released Funding Opportunity Announcement (FOA) No. R16-FOA-DO-004 soliciting proposals for project funding under their WaterSMART; Water and Energy Efficiency Grants Program for FY 2016, and USBR requires a resolution of this type for submittal of a formal

application for grant funds; and,

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

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

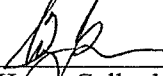
**Section 2.** That the PSB hereby authorizes the President/CEO to sign any and all documents required for application for USBR funds in the amount of \$1,000,000 over three years, and authorizes a total commitment of \$3,806,829 in local cash, over three years, including \$69,329. in equivalent "in-kind" services, towards the procurement and installation of equipment as previously described in the preamble.

**Section 3.** That the PSB further authorizes the President/CEO to sign any and all documents required as part of the award of the grant, should the grant be awarded to EPWU, and all documents required to be executed as part of the grant program, provided that such execution does not require the additional expenditure of funds above what is authorized in this Resolution.

**Section 4.** That the PSB agrees to conduct this project, if awarded, according to all of the water conservation, planning, environmental, engineering, and renewable energy reporting and accounting procedures required by the U. S. Bureau of Reclamation.

**PASSED AND APPROVED** at the regular meeting of the Public Service Board of the City of El Paso Texas, this 10<sup>th</sup> day of February, 2016, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001 et. seq.

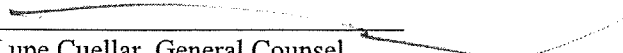
EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD

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

ATTEST:

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

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Lupe Cuellar, General Counsel

## RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A FINANCING AGREEMENT AND AN ESCROW AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD (TWDB) AND ANY OTHER DOCUMENTS NECESSARY TO RECEIVE GRANT FUNDING FOR THE PLANNING AND DESIGN PHASES OF THE MONTANA VISTA PROJECT THROUGH THE ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP).

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

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

WHEREAS, EPWU will continue to secure regional water resources that will allow them to provide residents of the City of El Paso, and surrounding communities, with safe, high-quality drinking water; and,

WHEREAS, the City of El Paso designated President/CEO of El Paso Water Utilities the authorized representative for purposes of furnishing information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the TWDB; and,

WHEREAS, the TWDB adopted Resolution No. 15-136 on December 1, 2015, making a commitment to EPWU for financial assistance in the total amount of \$2,800,000 from the EDAP of the Texas Water Development Fund II administered by the TWDB for the purpose of planning and design of a sanitary sewer system for the Montana Vista Colonia residents; and

WHEREAS, TWDB is requesting that EPWU sign a Financing Agreement, and prior to closing, an Escrow Agreement approved as to form and substance by the TWDB, for this award;

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


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

**Section 2.** That the El Paso Water Utilities Public Service Board has been awarded EDAP financial assistance from the TWDB in an amount of \$2,800,000., to provide for the costs of planning and design portions of a sanitary sewer system for the Montana Vista Colonia residents, located in east El Paso, Texas.

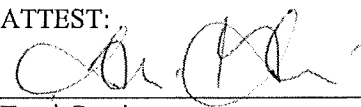
**Section 3.** That the Board authorizes the President/CEO to execute a financing agreement and an escrow agreement with the Texas Water Development Board (TWDB) and any other documents necessary to receive grant funding for the planning and design phases of the Montana Vista project through the Economically Distressed Areas Program (EDAP).

**PASSED AND APPROVED** at the regular meeting of the Public Service Board, this 10th day of February, 2016, at which meeting a quorum was present and which was held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. seq.


EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD

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

ATTEST:

  
\_\_\_\_\_  
Terry Garcia  
Secretary/Treasurer

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Lupe Cuellar  
General Counsel

RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO APPROVE TASK ORDER NUMBER 3 WITH CEA GROUP, INCORPORATED FOR CONSTRUCTION ADMINISTRATION SERVICES FOR THE MISSION RIDGE DRIVE EXTENSION 24-INCH WATER LINE; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

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**WHEREAS**, the County of El Paso Roads and Bridges Department plans to construct Mission Ridge Drive from Pellicano Drive to Paseo Del Este Boulevard; and,

**WHEREAS**, in March 2015, the Public Service Board approved the contract for design and bid phase services to CEA Group, Incorporated to design water improvements so that construction of the water line is completed prior to construction of County's Mission Ridge street construction; and,

**WHEREAS**, this project consists of approximately 9,000 linear feet of 24-inch water line beginning at the intersection of Pellicano Drive and mission Ridge Drive and continuing south along Mission Ridge Drive to Paseo Del Este Boulevard; and,

**WHEREAS**; this project is located in far east El Paso and is necessary to provide water services to developments east of Loop 375; and,

**WHEREAS**, El Paso Water Utilities Project Management Section worked with the consultant, CEA Group to develop the scope of work for the project construction administration services. The negotiated construction services fees are in line with the level of effort and hours required to complete the project and include coordination with the Camino Real Regional Mobility Authority, office engineering, field engineering and resident project representative 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;

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

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

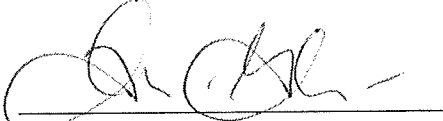
**Section 2.** That the Public Service Board hereby authorizes the President/CEO to sign a Task Order Number 3 with CEA Group, Incorporated for construction administration services for the Mission Ridge Drive extension 24-inch water line in the amount of \$120,009.00.


**Section 3.** That the Public Service Board hereby authorizes funding of this project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in the CIP#4050A , FY2015-2016, Account Number 6115-002, in the amount of \$120,009.00.

**PASSED AND APPROVED** at the regular meeting of the Public Service Board of the City of El Paso Texas, this 10<sup>th</sup> day of February, 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 Gallardo, Chair

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Lupe Cuellar, General Counsel