

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
April 13, 2016

The regular meeting of the Public Service Board was held Wednesday, April 13, 2016, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

PSB MEMBERS PRESENT

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

PSB MEMBERS ABSENT

Henry Gallardo, Chair

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
Daniel Ortiz, Assistant General Counsel
Cynthia Osborn, Real Estate Manager/Counsel
Alan Shubert, Vice President
Art Duran, Chief Financial Officer
Gilbert Trejo, Chief Technical Officer
Armando Renteria, Chief Information Officer
Karol Parker, Public Affairs Officer
Hector Gonzalez, Government Affairs Manager
Jeff Tepsick, Fiscal Operations Manager
Lidia Carranco, Utility Treasury and Property Control Manager
Alfredo Solano, Utility Information Systems Manager
Leticia Missirian, Utility Security and Emergency Response Coordinator
Gretchen Byram, Computer Media Specialist
Rose Guevara, Senior Purchasing Agent
Zulema Jamis, Secretary

GUESTS

Pam Farone, Citizen
Maria Urbina, First Southwest
Sanaan Villalobos, Arcadis
Hilma Perez, Arcadis
Adelmo Archuleta, Molzen Corbin
Jerry Paz, Molzen Corbin
B. Lucero, Clowe & Cowan
Mel Herrera, ECM
Dr. Yvonne Santiago, UTEP
Michael Smith, SBC & Associates

Phil Rothstein, Bath Engineering
Taylor Moreno, City of El Paso
Chris Cummings, CIC Limited, Incorporated
Eric Pearson, El Paso Community Foundation
Bill Helm, In Situ Architecture
Dr. Rene Franco, JMAS
Sergio Acosta, JMAS
Julio Cortes, JMAS
Manuel Herrera, JMAS

MEDIA

None

The Public Service Board meeting was called to order by Mr. Antcliff at 8:10 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.

CONSENT AGENDA

On a motion made by Dr. Schoephoerster, 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 MARCH 9, 2016.

The Board approved the minutes of the regularly scheduled meeting held on March 9, 2016.

APPROVED A ONE-YEAR MICROSOFT SOFTWARE MAINTENANCE RENEWAL OFFERED BY SHI GOVERNMENT SOLUTIONS, WITH BUY BOARD PRICING THROUGH TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR) CONTRACT NO. DIR-SDD-2503, FOR A TOTAL AMOUNT OF \$79,895.20.

The Board approved a one-year Microsoft software maintenance renewal offered by Shi Government Solutions, with buy board pricing through Texas Department of Information Resources (DIR) Contract No. DIR-SDD-2503, for a total amount of \$79,895.20.

AWARDED BID NUMBER 20-16, POWDER ACTIVATED CARBON, TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER, CABOT NORIT AMERICAS, INCORPORATED, IN THE AMOUNT OF \$68,250.

The Board awarded Bid Number 20-16, Powder Activated Carbon, to the lowest, responsive, responsible bidder, Cabot Norit Americas, Incorporated, in the amount of \$68,250.

AWARDED BID NUMBER 17-16, CARTRIDGE FILTERS, TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER, AMERICAN MELT BLOWN AND FILTRATION, INCORPORATED, IN THE ESTIMATED ANNUAL AMOUNT OF \$73,950, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

The Board awarded Bid Number 17-16, Cartridge Filters, to the lowest, responsive, responsible bidder, American Melt Blown and Filtration, Incorporated, in the estimated annual amount of \$73,950, with the option for two, one-year extensions.

REGULAR AGENDA

PRESENTATION OF THE MINORITY BUSINESS DEVELOPMENT AGENCY'S DISTINGUISHED SUPPLIER DIVERSITY AWARD.

Ms. Karol Parker, Public Affairs Officer, presented the Board with information regarding the Minority Business Development Agency's Distinguished Supplier Diversity Award. The El Paso Hispanic Chamber of Commerce and the Minority business Development Agency present the Distinguished Supplier Diversity Award to organizations or individuals who are dedicated to ensuring the growth and success of minority businesses. In 1992, the Public Service Board adopted a policy to increase its purchases from Historically Underutilized Businesses (HUB) (small local, minority and women-owned). This includes the purchase of supplies, materials, services and construction-related projects. Last fiscal year, \$15.7 million in goods and services was procured through HUB businesses. Additionally, \$6.6 million was expended with HUB contractors and suppliers for completed construction projects. The award was presented to Ms. Rose Guevara, Senior Purchasing Agent, by Mr. John Balliew, President/CEO and Mr. Roe.

PRESENTATION OF THE UNITED WAY OF EL PASO COUNTY'S 2015-2016 COMMUNITY SPIRIT AWARD.

Ms. Parker presented the Board with information regarding the 2015-2106 Community Spirit Award. Founded in 1923, the United Way of El Paso County has worked bringing together donors, advocates and volunteers to help advance their work in the areas of education, basic needs and income. Over the years, El Paso Water Utilities has partnered with the United Way of El Paso County to help them improve the lives of El Paso families. Each year, EPWU sponsors a fundraising campaign to raise funds for the United Way. Funds are contributed through various fundraising activities and through volunteer payroll deductions. At this year's United Way Appreciation Luncheon, EPWU was presented with the 2015-16 Community Spirit Award. The Community Spirit Award recognizes an organization's generosity and extraordinary commitment to improving the quality of life for El Pasoans through corporate responsibility. Mr. Balliew and Mr. Roe presented the award to Ms. Leticia Missirian, Utility Security and Emergency Response Coordinator and lead of the 2015-16 United Way Campaign Committee.

PRESENTATION ON EL PASO WATER UTILITIES' PARTNERSHIP WITH THE UNIVERSITY OF TEXAS AT EL PASO (UTEP) FOR THE SENIOR DESIGN PROJECT.

Mr. Gilbert Trejo, Chief Technical Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Mr. Trejo introduced Dr. Ivonne Santiago, Clinical Professor in the Civil Engineering Department at UTEP. EPWU was approached regarding an opportunity to develop a water supply and resource recovery campus. The campus would be located in southeast El Paso and would be comprised of the Jonathan Rogers Water Treatment Plant; Advanced Water Purification Facility; Roberto R. Bustamante Wastewater Treatment Plant; Rio Bosque Wetlands Park and a conservation storage basin. The senior project will consist of designing the Advanced Water Purification Facilities processes, pump stations piping and building in addition to designing the Water Supply and Resource Recovery Educational Center (WSRR). Students will also be tasked with designing improvements to the Rio Bosque Wetlands Park to consist of trails, viewing areas, lightings and learning stations. Also, students will have the opportunity to design accessible walking paths around the WSRR Campus (path, benches, learning stations, lights, restrooms and water fountains), a conservation storage basin and road improvements from Loop 375. In February 2016, staff introduced the senior design students to the concept of the campus and it was well received by both faculty and students. EPWU staff will continue to work and mentor the students as they develop the concept and design the facilities. Mr. Trejo, Dr. Santiago and Mr. Balliew addressed questions and comments from the Board.

PRESENTATION AND DIRECTION TO EPWU STAFF ON A PROPOSED BEAUTIFICATION PROJECT FOR AN EPWU FACILITY.

Mr. Chris Cummings, Mr. Eric Pearson and Mr. Bill Helm made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Mr. Chris Cummings approached EPWU with a proposed beautification project on October 9, 2015. The proposal consists of painting a mural on the Woods Reservoir

which is located in central El Paso. This is a very unique project which has gained the support of the El Paso Community Foundation. EPWU has set a goal to strategically improve the aesthetics of visible EPWU facilities by the year 2019 and this project will assist EPWU in meeting that goal. This project will be the world's largest mural, measuring almost seven acres in area. It will be visible from upper Tom Lea Park, Scenic Drive, Rim Road and by those traveling by air. The captured themes will promote water conservation awareness. Mr. Cummings said there would be ongoing communication and involvement with the Public Service Board. Mr. Helm and Mr. Pearson reviewed the project schedule and budget as well as their partnering efforts for this project. Mr. Cummings and Ms. Lupe Cuellar, General Counsel, addressed questions and comments from the Board.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board directed EPWU staff to work with the organizations and stakeholders of the proposed Woods Reservoir beautification project, to negotiate a contract detailing the responsibilities and obligations of all parties involved and provide a status update on the project along with a draft contract at the June 8, 2016 regular Public Service Board meeting.

APPROVED AMENDMENT NUMBER 1 TO TASK ORDER NUMBER 1 IN THE AMOUNT OF \$328,307 AND AMENDMENT 1 TO TASK ORDER NUMBER 2 IN THE AMOUNT OF \$420,379, FOR THE EMERGENCY BACKUP POWER PROJECT, TO BLACK AND VEATCH CORPORATION IN THE TOTAL AMOUNT OF \$748,686.

Mr. Alan Shubert, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This project is for the installation of emergency backup generators to various water supply facilities including production wells, pumping stations, and treatment plants. Black and Veatch was awarded Task Order Number 1 for the engineering design services by the Public Service Board (PSB) on February 13, 2013 and Task Order Number 2 for the construction phase services on March 25, 2015. The additions to the scope of work were performed by Black and Veatch at the request of El Paso Water Utilities. Amendment Number 1 to Task Order Number 1 (Design Phase) consists of: rebidding of Package 1 and Package 2; designs for generators at two additional sites; additional design services for unforeseen site conditions and to optimize generator sizing and start up systems. Amendment Number 1 to Task Order Number 2 (Construction Phase) consists of: additional inspection hours at the project sites for the Resident Project Representative (RPR) to insure presence of the RPR while the contractor is installing equipment at each site. Fee proposals associated with the scope of services were negotiated by staff and the agreed upon fees are in line with the level of effort required to complete the work. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Mr. Roe, and unanimously carried, the Board approved Amendment Number 1 to Task Order Number 1 in the amount of \$328,307 and Amendment 1 to Task Order Number 2 in the amount of \$420,379, for the Emergency Backup Power Project, to Black and Veatch Corporation in the total amount of \$748,686.

APPROVED CHANGE ORDER NUMBER 7 - MAGNOLIA STORMWATER PUMP STATION - REBID TO R. M. WRIGHT CONSTRUCTION COMPANY IN AN AMOUNT NOT TO EXCEED \$245,000.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This is a multi-phase project to reduce flooding on Interstate Highway 10 in central El Paso. This phase consists of the construction of a 113 million gallon per day stormwater pump station, 4.1 million gallon storage basin, and installation of 290 linear feet of 96-inch diameter steel-encased tunneled crossing with an 84-inch gravity inlet line. The scope of work for this change order includes excavation of the South Basin and street and drainage work along Magnolia Street to provide stormwater collection and storage for the adjacent neighborhood. This scope of work was originally included in the project budget, but was removed from the project when the PSB approved Change Order Number 5 which reallocated project funds to expand the capacity of the storage pond associated with the pump station. The scope of work approved for Change Order Number 6 was completed under budget, and those funds will be used to construct the scope of work for

Change Order Number 7. El Paso Water Utilities staff negotiated an equitable cost for the installation of the pipeline with the Contractor, R. M. Wright Construction. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board approved Change Order Number 7 - Magnolia Stormwater Pump Station – Rebid to R. M. Wright Construction Company in an amount not to exceed \$245,000.

AWARDED BID NUMBER 28-16, KBH SERVICE PIPELINES TO EWM FACILITY, TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER, SMITHCO CONSTRUCTION, INCORPORATED, IN THE AMOUNT OF \$2,024,945, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This item is for the construction and installation of three different pipelines to include all labor and materials. The scope of work consist of 6-inch, 8-inch, 10-inch and 12-inch stainless steel pipe, 1,700 linear feet of 12-inch PVC and 1,300 linear feet of 10-inch HDPE (High Density Polyethylene) pipe. The pipelines will serve EWM with concentrate and raw brackish well water and will deliver permeate water from EWM to the Desalination Facility, as per the Brine Water Treatment Services and Sale Agreement. El Paso Water Utilities received six bids for this project ranging from \$1,869,805.79 to \$2,648,330.00. The Engineer's estimate was \$1,395,000.00.

The project consultant engineer, CDM Smith, evaluated the qualifications of the apparent lowest bidder and determined VEMAC did not meet the Minimum Project Specific Criteria as specified in the bid documents. The project consultant engineer, evaluated the qualifications of the second apparent lowest bidder and determined Smithco Construction, did meet the minimum general requirements as well as the minimum project specific criteria. Staff recommended award of the contract to Smithco Construction, Incorporated as the lowest responsive, responsible bidder, in the amount of \$ 2,024,945.00. Mr. Shubert 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 28-16, KBH Service Pipelines to EWM Facility, to the lowest, responsive, responsible bidder, Smithco Construction, Incorporated, in the amount of \$2,024,945, and authorized the use of commercial paper. (Resolution attached)

RATIFIED A PURCHASE ORDER TO PLUMBERS DRAIN CLEANING, INCORPORATED, FOR UNFORESEEN GAS LINE REPAIR WORK, NECESSARY TO PROTECT THE PUBLIC HEALTH AND SAFETY, AT THE JOHN T. HICKERSON WATER RECLAMATION FACILITY IN THE FINAL AMOUNT OF \$54,770.

Mr. Shubert presented the Board with information regarding this item. On January 21, 2016, a gas leak was detected at the John T. Hickerson Water Reclamation Facility (WRF) and the Texas Gas Service Company shut off the gas line. Gas from this line is used throughout the entire facility, including the aeration blowers and our backup generator. Plumbers Drain Cleaning was selected to repair gas lines due to their expertise with repairing commercial gas lines. Plumbers Drain Cleaning provided an initial estimate repair quote of \$29,524, with the understanding that an exact quote could not be determined until the line was exposed. The work included the installation of various gas valves, repair of four underground leaks, replacement of two 45-foot gas lines, tightening minor leaks found inside the building; replacement of two inch gas risers and four hours of high pressured line testing. The final invoice for completing the work was \$54,770. The unforeseen repairs are exempt from bidding under Local Government Code # 252.022 (3). Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board ratified a purchase order to Plumbers Drain Cleaning, Incorporated, for unforeseen gas line repair work, necessary to protect the public health and safety, at the John T. Hickerson Water Reclamation Facility in the final amount of \$54,770.

AWARDED A PROFESSIONAL SERVICES CONTRACT FOR THE MONTANA VISTA WASTEWATER COLLECTION SYSTEM, TO BROCK AND BUSTILLOS, INCORPORATED IN AN AMOUNT NOT TO EXCEED \$2,450,000.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Texas Water Development Board (TWDB) provided funding through the Economically Distressed Area Program (EDAP) for the preparation of planning documents for a wastewater collection system for the Montana Vista service area; this task has been completed. Soon after the completion of these documents, TWDB approved funds for the design of the wastewater collection system. The project will provide first-time sewer service to 1,990 residences (approximately 8,132 residents). This amounts to 1.9 MGD to 2.5 MGD of wastewater flow. The proposed gravity collection system will consist of approximately 38 miles of 8, 12, and 18-inch diameter pipe and approximately 407 manholes. The Architectural/Engineering Selection Advisory Committee met on March 18, 2016 to review and recommend selection of the engineering firm for the above-referenced project. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. The team of consultants lead by Brock and Bustillos was selected as the most qualified firm that best meets the needs of the Utility for the services and demonstrated excellent abilities in all the evaluated categories. This design project is fully funded by a TWDB grant. Staff confirmed the amount of the grant is sufficient to complete the design as it in line with the level of effort required to complete the tasks and consistent with similar work completed recently. Mr. Trejo and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Ms. Garcia and unanimously carried with Mr. Roe abstaining from the discussion and vote, the Board awarded a professional services contract for the Montana Vista Wastewater Collection System, to Brock and Bustillos, Incorporated in an amount not to exceed \$2,450,000.

AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL SURVEYING SERVICES TO BROCK AND BUSTILLOS, INCORPORATED AND CONDE, 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). El Paso Water Utilities (EPWU) uses surveying firms for preparation of metes and bounds, boundary surveys as well as checking quality control of Contractors' surveyors. This contract allows staff to respond quickly when surveys or other documentation are needed to acquire property or easements. The Architectural/Engineering Selection Advisory Committee initially met on December 30, 2015 to review and recommend selection of the surveying firms for the above-referenced services. Three surveying on-call contracts were awarded at the January 2016 PSB meeting. In the weeks following the awards, it was discovered that two additional proposals were submitted from Brock and Bustillos and Conde, but a clerical error kept them from being reviewed by the Architectural/Engineering Selection Advisory Committee when they met on December 30, 2015.

The Architectural/Engineering Selection Advisory Committee met on March 18, 2016 to review the two proposals that were initially not reviewed by the Committee. The proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. The Committee concluded that both Brock and Bustillos and Conde are qualified and met the needs of the Utility for the services 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. Mr. Ancliff made brief comments.

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster and unanimously carried the Board awarded professional services contracts for On-Call Surveying Services to Brock and Bustillos, Incorporated and Conde, Incorporated and; authorized funding through the commercial paper program, as required. **(Resolution attached)**

AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL CONSTRUCTION MANAGEMENT SERVICES IN THE AMOUNT OF \$200,000 EACH WITH A TERM OF TWO YEARS FOR VARIOUS STORMWATER CONSTRUCTION PROJECTS TO PARKHILL, SMITH, AND COOPER, INCORPORATED; MORENO CARDENAS, INCORPORATED; AND ECM INTERNATIONAL, INCORPORATED.

Mr. Trejo made a PowerPoint presentation the Board regarding this item (copy on file in Central Files). EPWU has completed and will complete the designs for various stormwater projects in West, Central, Northeast, and other areas of El Paso. The projects range from the repairs of dams, outlet structures, stormwater conduits and any other stormwater infrastructure. These projects are scheduled for construction within the next two fiscal years and will require construction management. El Paso Water Utilities received seven proposals for this project on February 23, 2016. Proposals were accepted from Brown and Caldwell Consultants, CEA Group, ECM International, Essco International, Moreno Cardenas, Parkhill, Smith, and Cooper, and Smith Engineering. An EPWU Shortlist Committee reviewed all seven proposals and selected the three most qualified proposals for referral to the Architectural/Engineering Selection Advisory Committee.

The Architectural/Engineering Selection Advisory Committee met on March 18, 2016 to review and recommend selection of the engineering firms for these services. Submittals were scored in the areas of minimum qualifications, team and project manager, and past project experience. ECM International, Moreno Cardenas, and Parkhill, Smith, and Cooper were all selected as the firms that best meets the needs of the Utility for this type of project, 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 Dr. Schoephoerster, seconded by Mr. Roe and unanimously carried, the Board awarded professional services contracts for On-Call Construction Management Services in the amount of \$200,000 each with a term of two years for Various Stormwater Construction Projects to Parkhill, Smith, and Cooper, Incorporated; Moreno Cardenas, Incorporated; and ECM International, Incorporated.

AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL VARIOUS CONVEYANCE REHAB-IMPROVEMENTS AND NEW CONVEYANCE CITY-WIDE IN THE AMOUNT OF \$200,000 EACH, WITH A TERM OF TWO YEARS, TO HUITT-ZOLLARS, INCORPORATED; CEA ENGINEERING GROUP; AND S & B INFRASTRUCTURE, LTD.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Various localized flooding areas have been identified in the Storm Water Master Plan or identified by other means as areas in need of stormwater structures to convey runoff. The Stormwater Utility will utilize the services of the contracted firms to improve the condition of these areas by providing new conveyance systems or by rehabilitation/design improvements of the existing stormwater systems affected by rain events during monsoon season. El Paso Water Utilities received 13 proposals for this project on February 23, 2016. Proposals were accepted from S&B Infrastructure, CEA Group, CSA Design Group, Essco International, TRE & Associates, Parkhill, Smith, and Cooper, Conde, GRV Integrated Engineering Solutions, Huitt-Zollars, Frank X. Spencer & Associates, Roe Engineering, Villaverde, and Dannenbaum Engineering. An EPWU Shortlist Committee reviewed all thirteen proposals and selected the three most qualified proposals for referral to the Architectural/Engineering Selection Advisory Committee.

The Architectural/Engineering Selection Advisory Committee met on March 18, 2016 to review and recommend selection of the engineering firms for these services. Submittals were scored in the areas of

minimum qualifications, team and project manager, and past project experience. Huitt-Zollars, CEA Engineering Group, S & B Infrastructure, were all selected as the firms that best meet the needs of the Utility for this type of project, 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. Mr. Trejo and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Dr. Schoephoerster and unanimously carried with Mr. Roe abstaining, the Board awarded professional services contracts for On-Call Various Conveyance Rehab-Improvements and New Conveyance City-Wide in the amount of \$200,000 each, with a term of two years, to Huitt-Zollars, Incorporated; CEA Engineering Group; and S & B Infrastructure, Ltd.

AUTHORIZED THE PRESIDENT/CEO TO SIGN AN AMENDMENT TO THE EMERGENCY CONTRACT WITH JORDAN FOSTER CONSTRUCTION, LLC FOR THE GATEWAY WEST POND PROJECT, INCREASING THE MAXIMUM CONTRACTED AMOUNT BY \$81,585 TO \$3,081,585.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Gateway West Pond will assist to reduce flooding on I-10 by detaining stormwater runoff from the Cebada watershed. Rain events in late October 2015 damaged the Gateway West Pond site to an extent where the design could not be constructed within the contract time and budget. A redesign was completed and a contractor with the experience to construct a project of this type, in challenging conditions, and with available resources was needed to begin immediately as the side slopes were failing, endangering adjacent property. An emergency contract was awarded to Jordan Foster Construction on December 16, 2015, for a not to exceed amount of \$3,000,000. An amendment to the not to exceed amount is required for items unforeseen at the time of the negotiation of the contract. This contract amendment was negotiated with the contractor. The unforeseen items include: the replacement of concrete barriers, relocation of a 72-inch reinforced concrete pipe, and repair of 72-inch junction box, grout filling of voids along the side slopes, repairing 24-inch reinforced concrete pipe, and wrought iron fence. The total increase for this amendment is \$81,585 or 2.72% of the emergency contract amount. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Roe and unanimously carried, the Board authorized the President/CEO to sign an amendment to the emergency contract with Jordan Foster Construction, LLC for the Gateway West Pond project, increasing the maximum contracted amount by \$81,585 to \$3,081,585.

AUTHORIZED THE PRESIDENT/CEO TO SIGN AN AMENDMENT TO THE AGREEMENT WITH JRBR-TEXAS, LLC FOR DISPOSAL OF PROCESS WASTEWATER AND EXPEDITED DESIGN AND CONSTRUCTION OF A PROCESS WASTEWATER PRETREATMENT SYSTEM FOR GLOBAL ALTERNATIVE FUELS, LLC IN THE AMOUNT \$172,688 AND AUTHORIZED FUNDING OF THE ENTIRE PROJECT AMOUNT THROUGH THE COMMERCIAL PAPER PROGRAM.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). On January 13, 2016 the Public Service Board (PSB) approved the President/CEO of El Paso Water Utilities (EPWU) to sign an agreement with JRBR-Texas for disposal of process wastewater and expedited design and construction of a process wastewater pretreatment system. Overall, in exchange for an easement from JRBR for EPWU's 54-inch water line and two 36-inch sanitary sewer pipelines. EPWU will contribute toward the cost for hauling and disposal of JRBR's process wastewater and construction of a pretreatment wastewater plant by JRBR. The PSB approved the agreement for an amount not to exceed \$1,700,000.

The \$1,700,000 included actual and estimated disposal costs up to the PSB meeting on January 13, 2016 in the amount of \$800,000; an additional allowance of \$300,000 for additional disposal costs over the next six months while the treatment plant is constructed; and \$600,000 to expedite the design and construction of the pretreatment system. After PSB approval, while finalizing the estimated costs as invoices were submitted, it

was discovered that two payments were not accounted for in the estimation (invoices for \$69,276 and \$71,465). In addition, the fee charged at the processing location accepting the waste increased two cents from thirteen cents per gallon to fifteen cents per gallon. This fee increase affected the disposal period from November 8, 2015 to January 13, 2016, amounting to \$31,947 in additional cost for disposal of 1,542,226 gallons. The total of these actual costs is \$172,688. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster, and unanimously carried, the Board authorized the President/CEO to sign an Amendment to the Agreement with JRBR-Texas, LLC for Disposal of Process Wastewater and Expedited Design and Construction of a Process Wastewater Pretreatment System for Global Alternative Fuels, LLC in the amount \$172,688 and authorized funding of the entire project amount through the commercial paper program. **(Resolution attached)**

AWARDED BID NUMBER 26-16, PIPE, TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDERS, PER LINE ITEM AS FOLLOWS: HD SUPPLY WATERWORKS (ITEMS 3 THRU 7 AND 31) IN THE ESTIMATED ANNUAL AMOUNT OF \$33,533.20, AND CLOWE AND COWAN OF EL PASO, LLC, (ITEMS 1, 2 AND 8 THRU 30) IN THE ESTIMATED ANNUAL AMOUNT OF \$254,692.70, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.

Mr. Art Duran, Chief Financial Officer, presented information to the Board regarding this item. PVC and ductile iron water pipe is utilized throughout the City and is stored at the Warehouse for operations and emergencies. Four potential bidders were provided bids. EPWU received three bids from Ferguson Enterprises, HD Supply Waterworks and Clowe and Cowan. EPWU staff evaluated these bids and recommended award to the lowest, responsive responsible bidders, per line item as follows: HD Supply Waterworks (items 3 thru 7 and 31) in the estimated annual amount of \$33,533.20; Clowe & Cowan of El Paso (items 1 & 2 and 8 thru 30) in the estimated annual amount of \$254,692.70. Mr. Duran addressed questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Ms. Garcia and unanimously carried, the Board awarded Bid Number 26-16, Pipe, to the lowest, responsive, responsible bidders, per line item as follows: HD Supply Waterworks (Items 3 thru 7 and 31) in the estimated annual amount of \$33,533.20, and Clowe and Cowan of El Paso, LLC, (Items 1, 2 and 8 thru 30) in the estimated annual amount of \$254,692.70, with the option for two one-year extensions.

AWARDED BID NUMBER 27-16, EPWU OFFSITE VEHICLE AND EQUIPMENT REFUELING, TO THE SOLE, RESPONSIVE, RESPONSIBLE BIDDER, WESTERN REFINING WHOLESALE, LLC, IN THE ESTIMATED ANNUAL AMOUNT OF \$500,000, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.

Mr. Duran presented the Board with information regarding this item. Gasoline and diesel fuels are a major component for the efficient and economical supply to the Utility's transportation fleet that provides continuous operation support to all service, work and construction activities. This is a contract for offsite refueling which adds flexibility and accessibility to various locations throughout the city. Six potential bidders were provided bids. EPWU received one bid from Western Refining Wholesale. EPWU staff evaluated the bid and recommended award to the sole, responsive, responsible bidder, Western Refining Wholesale with a unit bid price markup of +\$0.035 from the Oil Price Information Service (OPIS) Transportation Fuel Index. The estimated annual amount is \$500,000. Mr. Duran addressed questions from the Board.

On a motion made by Mayor Leaser, seconded by Mr. Roe and unanimously carried, the Board awarded Bid Number 27-16, EPWU Offsite Vehicle and Equipment Refueling, to the sole, responsive, responsible bidder, Western Refining Wholesale, LLC, in the estimated annual amount of \$500,000, with the option for two one-year extensions.

AWARDED BID NUMBER 31-16, LIQUID FERRIC CHLORIDE (RE-BID), TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER, KEMIRA WATER SOLUTIONS, INCORPORATED, IN THE ESTIMATED ANNUAL AMOUNT OF \$587,310.75, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS.

Mr. Duran presented the Board with information regarding this item. Liquid Ferric Chloride is used as a premium coagulant in the water treatment process. Three bids were received from Kemira Water Solutions, PVS Technologies and Pencco. Bids were evaluated based on cost per pound of iron as ferric chloride. An estimated quantity of 5,750,000 pounds of liquid ferric chloride solution is needed by EPWU, with a minimum 13% iron content. Kemira Water Solutions was the lowest responsive, responsible bidder in the estimated annual amount of \$587,310.75. Mr. Duran addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Dr. Mena and unanimously carried, the Board awarded Bid Number 31-16, Liquid Ferric Chloride (Re-Bid), to the lowest, responsive, responsible bidder, Kemira Water Solutions, Incorporated, in the estimated annual amount of \$587,310.75, with the option for two, one-year extensions.

APPROVED THE EL PASO WATER UTILITIES/PUBLIC SERVICE BOARD'S 4TH QUARTER PRELIMINARY FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING FEBRUARY 29, 2016.

Mr. Duran made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Public Service Board requires regular financial reporting from the President/CEO and staff on the financial condition of the El Paso Water Utilities. In regards to the Water and Wastewater Utilities, operating revenue through the fourth quarter increased by 7.9% to \$191 million as compared to the prior fiscal year. This increase is mainly due to the approved eight percent water and wastewater rate increases effective March 1, 2015. Operations and maintenance expenses of \$83.5 million were \$3.3 million more as compared to the prior year mainly due to an increase of \$1.6 million in salaries and an increase of \$1.5 million in water purchased from EPCWID#1 and offset by a decrease of \$1.9 million in utilities expense. Staff projects utilizing 94.4% of the approved Operating Budget from last fiscal year, a 5.6% favorable variance. The Utility met all of water and wastewater operating, capital and debt service obligations this year. As for the Stormwater Utility, the total operating revenues through the fourth quarter were \$16.8 million. This is an increase of \$1.5 million or 9.7% compared to the last fiscal year mainly due to the approved eight percent fee increase effective March 1, 2015. Operating expenditures were \$6.1 million. This is a decrease of \$100,000 or 1.6% compared to last fiscal year mainly due to a decrease of \$282,000 in emergency response and maintenance costs of basins, ponds and dams and offset by an increase of \$367,000 in salary expense. The Utility met all stormwater operating, capital and debt service requirements this year. Mr. Duran and Mr. Balliew addressed questions from the Board regarding this report.

On a motion made by Ms. Garcia, seconded by Dr. Schoephoerster and unanimously carried, the Board approved the El Paso Water Utilities/Public Service Board's 4th Quarter Preliminary Financial and Performance Measures Report for period ending February 29, 2016.

APPROVED THE EL PASO WATER UTILITIES/PUBLIC SERVICE BOARD'S 4TH QUARTER INVESTMENT REPORT FOR PERIOD ENDING FEBRUARY 29, 2016; AND APPROVED THE UTILITY'S RULES AND REGULATIONS NUMBER 10, ESTABLISHING THE INVESTMENT POLICY.

Mr. Duran made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Public Funds Investment Act (PFIA) requires a quarterly report be submitted and an annual review of the entity's investment policy and investment strategies. The Utility's Investment Committee, consisting of Board member Terri Garcia, the President and CEO, the Vice President of Strategic, Financial and Management Services, General Counsel, Chief Financial Officer, Fiscal Operations Manager, Treasury Manager, and the Water and Wastewater Economic Analyst met on April 6, 2016 to review the 4th quarter investment report and

the investment policies and strategies. The only change in the Investment Policy reflects a reduction in required training hours of the investment officers from ten to eight hours every two years as per the latest PFIA. During the fourth quarter of FY 2015-16, the portfolio par value was \$211.5 million. The weighted average maturity was 59 days. Mr. Duran said the Utility bid 42 investments totaling of \$44.67 million. The overall yield for the quarter was 0.37%.

On a motion made by Mr. Roe, seconded by Ms. Garcia and unanimously carried, the Board approved the El Paso Water Utilities/Public Service Board's 4th Quarter Investment Report for period ending February 29, 2016; and approved the Utility's Rules and Regulations Number 10, Establishing the Investment Policy.

APPROVED THE PROPOSED PSB MEMBER SELECTION TIMELINE.

Mr. Balliew made a PowerPoint presentation to the Board regarding this item. Board member, Dr. Richard Schoephoerster, notified staff of his resignation from the Board effective June 9, 2016. In 2009, City Council adopted a resolution establishing the process for the selection of new board members. The process requires a selection committee consisting of the Public Service Board members and eight other members appointed by City Council to review all qualified applicants to determine which three applicants will be forwarded to City Council as candidates to fill the board member seat. The selection of one of the candidates will be made by City Council during a council meeting. The Mayor serves as the presiding officer for the selection committee and calls all committee meetings. The proposed selection timeline was presented to the Board. Comments were made by members of the Board.

On a motion made by Mayor Leaser, seconded by Mr. Roe and unanimously carried, the Board approved the proposed PSB Member Selection timeline.

MANAGEMENT REPORT

- **Introduction and Discussion with Guests from the Juarez Water Utilities** – Mr. Hector Gonzalez, Government Affairs Manager, introduced Mr. Antonio Andreu, from Junta Municipal de Aqua y Saneamiento, to make a statement to the Board. **(Statement attached)**
- **Bond Issue Transaction Results for the El Paso Municipal Drainage Utility System Series 2016 Bonds** – Mr. Duran presented the Board with information regarding the bond issue transaction results for the El Paso Municipal Drainage Utility System Series 2016 bonds. The final par amount of the bond issue was \$19.8 million. The Utility met all PSB and City Council parameters. The maximum true interest cost parameter set by the PSB and City Council was 4%. The actual true interest cost was 2.96%. Mr. Duran said this is the lowest true interest cost the Utility has ever issued for the Stormwater Utility. In 2015, the Utility issued bonds at a true interest cost of 3.39% and in 2012, bonds were issued at 3.23%. He said staff is scheduled to close the transaction on May 4, 2016. Mr. Duran and Ms. Maria Urbina of First Southwest, addressed questions from the Board regarding this item.
- **Discussion and Action on Arsenic Levels in Drinking Water** – Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Mr. Balliew said there has been recent press coverage on the arsenic levels within drinking water. The arsenic rule governed by the Environmental Protection Agency (EPA) was revised in January 2006 and states the arsenic maximum containment level (MCL) is 10 micrograms per liter. Prior to that revision, the maximum arsenic containment level was 50 micrograms per liter. The EPA estimated 3,024 community and 1,080 non-community non-transient water systems would have to install treatment to comply with the revised MCL. Mr. Balliew said naturally occurring arsenic is geographically specific. There are a few places in New Hampshire that have naturally occurring arsenic however, the majority of the naturally occurring arsenic is in the western United States. The two largest municipalities affected by the EPA rule are El Paso and Albuquerque. Mr. Balliew said based on the coverage and remarks made in the press, he believes there are other entities who are proposing the MCL be lowered. Mr. Balliew discussed

the Utility's history in investing money into the arsenic treatment systems utilized by EPWU. When the rule was passed in 2006, EPWU invested approximately \$76 million in lowering the arsenic levels from 16.8 micrograms to less than 10 micrograms. In his presentation, Mr. Balliew presented the Board with a table showing the arsenic concentrations for EPWU wells. Currently the arsenic levels range between 10 and 2 micrograms per liter. If the MCL is lowered, EPWU will have to potentially treat all drinking water for arsenic. Mr. Balliew said if the MCL is lowered between 5 and 2 micrograms per liter, additional water systems across the nation will be affected. Mr. Balliew addressed questions from the Board regarding this item.

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 Dr. Schoephoerster, seconded by Mr. Roe, and unanimously carried, the Board retired into Executive Session at 10:28 a.m., April 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 551.072 Deliberation Regarding Real Property**
Update and discussion regarding potential disposition of land.
- b. **Section 551.071 Consultation with Attorney**
The Board will consult with its attorneys regarding the claim of Maria Ramirez, Roberto Ramirez, and Josephine Ramirez.
- c. **Section 551.076 Deliberation Regarding Security Devices or Security Audits**
Discussion of cybersecurity measures implemented by El Paso Water Utilities.

On a motion made by Dr. Schoephoerster, seconded by Mr. Roe and unanimously carried, the Board reconvened in open session at 11:53 a.m., April 13, 2016.

UPDATE AND DISCUSSION REGARDING POTENTIAL DISPOSITION OF LAND.

On a motion made by Ms. Garcia, seconded by Mr. Roe, and unanimously carried, the Board directed the President/CEO to continue coordination with City staff on the disposition of the land under the parameters recommended by the Board.

CONSULTATION WITH ATTORNEYS REGARDING THE CLAIM OF MARIA RAMIREZ, ROBERTO RAMIREZ, AND JOSEPHINE RAMIREZ.

On a motion made by Ms. Garcia, seconded by Mr. Roe, and unanimously carried, the Board authorized the General Counsel with settlement authority in the claim of Maria Ramirez, Roberto Ramirez and Josephine Ramirez. The Office of General Counsel is authorized to take any and all action necessary to effectuate this authority and defend the best interest of the Utility in connection with this claim.

DISCUSSION OF CYBERSECURITY MEASURES IMPLEMENTED BY EL PASO WATER UTILITIES.

No action taken.

ADJOURNMENT

The meeting was adjourned at 11:54 a.m., April 13, 2016.

ATTEST:

[Handwritten Signature]
Secretary-Treasurer

[Handwritten Signature]
Chair

**ADDRESS OF
LIC. ANTONIO ANDREU
BEFORE THE BOARD OF DIRECTORS
EL PASO WATER UTILITIES**

WEDNESDAY APRIL 13, 2016

MEMBERS OF THE BOARD OF DIRECTORS AND MR. JOHN BALLIEW, PLEASE RECEIVE MY WARMEST GREETINGS THIS MORNING.

IT IS INDEED A GREAT HONOR TO BE HERE AND SHARE SOME OF OUR EXPERIENCES WITH THIS SISTER AGENCY, TO WHICH WE ARE UNITED THROUGH A FRIENDSHIP THAT DATES BACK MANY YEARS. ALSO WE ARE UNITED BY IMPORTANT AQUIFERS WHICH WE SHARE IN OUR BORDERS. WE BOTH HAVE THE RESPONSIBILITY OF DELIVERING WATER TO ALL HOUSEHOLDS IN OUR COMMUNITY, AND REGARDLESS OF WHICH SIDE OF THE BORDER WE ARE, WE MUST TAKE CARE AND MANAGE THIS DELICATE RESOURCE.

AS YOU ARE PROBABLY AWARE, THIS IS NOT THE FIRST TIME THAT WE HAVE THESE MEETINGS BETWEEN THE TWO UTILITIES. IT IS EXTREMELY IMPORTANT TO WORK IN COORDINATION, AND KNOW WHAT IS GOING ON BOTH SIDES OF THE BORDER, BECAUSE OUR DUTY IS TO MANAGE A RESOURCE THAT KNOWS NO BOUNDARIES.

IT IS FOR THIS REASON THAT WE CONSIDER WATER RE-USE AS AN ESSENTIAL ELEMENT TO PONDER BY BOTH CITIES. IN THE PAST, WE HAVE PARTICIPATED IN JOINT PROGRAMS AIMED AT PROMOTING RE-USE AND THE BENEFITS OF PURPLE LINES, AND MOST IMPORTANT THE FEAR THAT SOME PEOPLE HAVE OF TREATED EFFLUENTS. OUR CITY HAS MADE IMPORTANT PROGRESS IN THIS DIRECTION, WE NOW USE PURPLE LINES TO WATER LAWNS OF MAJOR PARKS.

OUR WASTE WATER TREATMENT PLANTS HAVE BEEN ESCALATED TO SECONDARY TREATMENT, AND TODAY WE CAN SAY WITH PRIDE THAT JUAREZ NOW HAS THE CAPACITY TO TREAT 100% OF THE WASTE WATER DELIVERED INTO OUR PLANTS.

WE NOW HAVE PHOTOVOLTAIC LAMPS IN SOME OUR PLANTS, AND SOON WILL PUT INTO OPERATION A CO-GENERATION UNIT THAT TRANSFORM OUR TREATMENT PLANTS INTO MORE SUSTAINABLE FACILITIES. BY THE SAME TOKEN, OUR LABORATORY HAS BEEN CERTIFIED BY THE REGULATORY BODY IN MEXICO, THE MEXICAN ACCREDITATION ENTITY (EMA).

THE CITY OF JUAREZ HAD THE FORTUNE OF HAVING A WATER MASTER PLAN WHICH WAS FINANCED BY BECC, AND THAT PLAN IDENTIFIES THE PRIORITY PROJECTS WHICH WE MUST COMPLETE. WE HAVE TRIED TO FOLLOW THESE RECOMMENDATIONS, WITHIN OUR BUDGETARY LIMITATIONS.

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO INVITE ALL OF YOU TO JOIN US AT A FUTURE MEETING IN CIUDAD JUAREZ. OUR CITY HAS CHANGED DRAMATICALLY, IT IS NOW A WORKING COMMUNITY AND THRIVING. IT WOULD GIVE US GREAT PLESURE TO HAVE YOU AGAIN IN OUR HOUSE AND SHOW YOU WITH PRIDE THE PROGRESS THAT WE HAVE ACHIEVED OVER THE YEARS.

AGAIN RECEIVE OUR SALUTE WITH RESPECT, AND HOPE THAT OUR RELATIONS CONTINUE TO GROW AND OUR WATER UTILITES CONTINUE TO PROFIT BY TIMELY INFORMATION THAT WE CAN SHARE AND DISCUSS, FOR THE BENEFIT OF THE PASO DEL NORTE.

RESOLUTION

A RESOLUTION AWARDING PROFESSIONAL SERVICES CONTRACT FOR ON-CALL SURVEYING SERVICES TO CONDE, INCORPORATED AND BROCK AND BUSTILLOS, INCORPORATED; 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 is needed to acquire property or easements; and

WHEREAS, three surveying on-call contracts were awarded at the January 2016 PSB meeting. After the PSB approval, it was discovered that two additional proposal were submitted from Conde, Incorporated and Brock and Bustillos Incorporated with a clerical error that kept them from being reviewed by the Architectural/Engineering Selection Advisory Committee on December 30, 2015; and,

WHEREAS, the Architectural/Engineering Selection Advisory Committee met on March 18, 2015 to review the two proposals which were scored in the areas of technical competence, project approach, team organization and availability, project management and quality controls. Conde, Incorporated and Brock and Bustillos, 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 \$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 Conde, Incorporated and Brock and Bustillos, Incorporated 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
Conde, Incorporated and Brock and Bustillos, Incorporated
Page 2

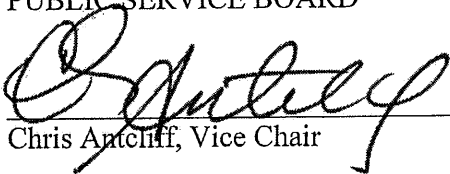
PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 13th day of April, 2016, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. seq.

ATTEST:



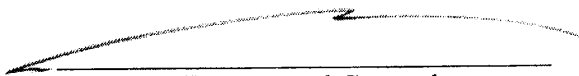
Terri Garcia
Secretary-Treasurer

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD



Chris Antcliff, Vice Chair

APPROVED AS TO FORM:



Lupe Cuellar, General Counsel

RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT/CEO TO SIGN AN AMENDMENT TO THE AGREEMENT WITH JRBR-TEXAS, LLC FOR DISPOSAL OF PROCESS WASTEWATER AND CONSTRUCTION OF A PROCESS WASTEWATER PRETREATMENT SYSTEM TO INCREASE THE NOT TO EXCEED AMOUNT BY \$172,688; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

WHEREAS, on January 13, 2016 the Public Service Board (PSB) authorized the El Paso Water Utilities (EPWU) President/CEO to sign an Agreement with JRBR-Texas for disposal of process wastewater and expedited design and construction of a process wastewater pretreatment system; and,

WHEREAS, under the Agreement, JRBR agreed to grant an easement to EPWU for EPWU's 54-inch water line and two 36-inch sanitary sewer pipelines in exchange for EPWU contributing towards the cost for hauling and disposal of JRBR's process wastewater and to contribute to construction of a pretreatment wastewater plant by JRBR for Global Alternative Fuels LLC; and,

WHEREAS, the PSB approved the expenditure of funds under the Agreement in an amount not to exceed \$1,700,000; and,

WHEREAS, after the PSB approval, it was discovered that two invoices for hauling and disposal services were not accounted for; thereby, necessitating the increase in the not to exceed amount by \$172,688.00 in order to account for the expenditure; 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 authorizes the President/CEO to sign an amendment to the agreement made January 13, 2016 with JRBR-Texas, LLC for disposal of process wastewater and expedited design and construction of a process wastewater pretreatment system for Global Alternative Fuels LLC to increase the not to exceed by \$172,688.00.

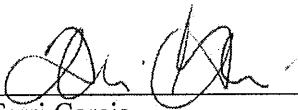
Section 3. That the Public Service Board hereby authorizes funding of the project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in CIP#S4316, Account #1915-010, Budget FY 2015/16 in the amount not to exceed \$1,872,688.00.

Resolution to Amend Agreement with JRBR-Texas, LLC

Page 2

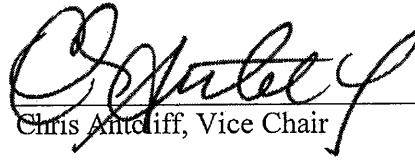
PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 13th day of April 2016, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. seq.

ATTEST:



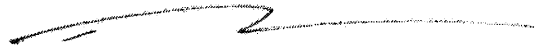
Terri Garcia
Secretary-Treasurer

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD



Chris Antcliff, Vice Chair

APPROVED AS TO FORM:



Lupe Cuellar, General Counsel

RESOLUTION

A RESOLUTION AWARDING BID NUMBER 28-16, KBH SERVICES PIPELINES TO EWM FACILITY, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER SMITHCO CONSTRUCTION, INCORPORATED, IN THE AMOUNT OF \$2,024,945; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

WHEREAS, El Paso Water Utilities and EWM P1, LLC (EWM) are parties to a Brine Water Treatment Services and Sales Agreement entered into on May 13, 2015, which was amended on September 9, 2015, and,

WHEREAS, the purpose of said agreement is to facilitate the desalination of brine from the Kay Bailey Hutchison Desalination Plant (KBH), increasing the amount of treated water produced at KBH; and,

WHEREAS, the construction of a pipeline to transport brackish water to EWM facilities is necessary to effectuate the intent of the agreement; and,

WHEREAS; El Paso Water Utilities sought bids to complete said task through Bid Number 28-16; and,

WHEREAS, the El Paso Water Utilities received multiple bids and the Public Service Board (PSB) finds Smithco Construction, Incorporated to be the lowest, responsive, responsible bidder; and,

WHEREAS, in order to take advantage of favorable interest rates and reduce financing costs, the 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 award of Bid Number 28-16, KBH Service Pipelines to EWM Facility to the lowest, responsive, responsible bidder, Smithco Construction, Incorporated, in the amount of \$2,024,945.

Section 3. That the Public Service Board hereby authorizes funding of this project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in the CIP#W1402, FY 2016-2017, Account Number 1215-094, in the amount of \$2,024,945.00.

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



Chris Antcliff, Vice Chair

APPROVED AS TO FORM:



Lupe Cuellar, General Counsel

RULES AND REGULATIONS NO. 10

RULES AND REGULATIONS ESTABLISHING
THE INVESTMENT POLICY FOR THE
PUBLIC SERVICE BOARD

BY THE AUTHORITY GRANTED TO THE PUBLIC SERVICE BOARD BY VIRTUE OF ARTICLES 1111-1118, REVISED CIVIL STATUTES OF TEXAS, THE PUBLIC FUNDS INVESTMENT ACT, CHAPTER 2256 TEXAS GOVERNMENT CODE, AND ORDINANCE 752, PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS ON MAY 22, 1952, AND AS THEREAFTER AMENDED, NOW, THEREFORE BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF EL PASO:

THAT PUBLIC SERVICE BOARD RULES AND REGULATIONS NO. 10 ESTABLISHING THE INVESTMENT POLICY FOR THE PUBLIC SERVICE BOARD ARE HEREBY AMENDED BY ADOPTION OF NEW RULES AND REGULATIONS NO. 10, WHICH SUPERSEDE AND REPLACE THE EXISTING RULES AND REGULATIONS NO. 10, AND WHICH SHALL READ AS FOLLOWS:

SECTION I TABLE OF CONTENTS

The following headings or captions are adopted as the Table of Contents for Public Service Board Rules and Regulations No. 10.

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SECTION II POLICY

It is the policy of the El Paso Water Utilities that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal Regulations, applicable Bond Ordinance requirements (specifically the Public Funds Investment Act, Texas Government Code, Chapter 2256, the "Act"), to define, adopt and review a formal investment strategy and policy.

In accordance with Chapter 402, Subchapter C of the Texas Local Government Code, the City of El Paso established the El Paso Municipal Drainage Utility System under the auspices of the El Paso Water Utilities Public Service Board with the complete authority and control of the management and operation of the System vested in the Board. The Board will establish a drainage utility fund. All drainage utility fees shall be deposited as collected and received into this fund and shall be used exclusively for the drainage services set forth under the Act, including but not limited to those services referenced in Local Government Code Section 402.044(2). The revenues collected from drainage utility fees must be segregated and completely identifiable from other City or Board accounts. Any investments made of such funds shall be in accordance with the Texas Public Funds Investment Act and the Investment Policy of the El Paso Water Utilities Public Service Board as may be amended from time to time.

Management responsibility for the investment program is hereby delegated to the Investment Committee, which shall establish written procedures for the operation of the investment program consistent with this Investment Policy. The Investment Committee shall be made up of three Public Service Board Members designated by the Board, the President/CEO, the General Counsel, Vice President, Chief Financial Officer, Fiscal Operations Manager, Treasury Manager, and the Water and Wastewater Economic Analyst.

Effective cash management is recognized as essential to good fiscal management. Aggressive cash management and effective investment strategy development will be pursued to take advantage of interest earnings as viable and material revenue to all PSB funds. The PSB portfolio shall be designed and managed in a manner responsive to the public trust and consistent with these Rules and Regulations. Investments shall be made with the primary objectives of:

- Preservation of capital;
- Safety of PSB funds;
- Maintenance of sufficient liquidity;
- Maximization of return within acceptable risk constraints; and,
- Diversification of investments.

SECTION III PURPOSE

A. FORMAL ADOPTION

This Investment Policy is authorized by the Public Service Board.

B. SCOPE

This Investment Policy applies to all of the investment activities of the PSB. These Rules and Regulations establish guidelines for: (1) who can invest PSB funds; (2) how PSB funds will be invested; and, (3) when and how a periodic review of investments will be made. In addition to these Rules and Regulations, bond funds (as defined by the Internal Revenue Service) shall be managed by their governing ordinance and all applicable State and Federal Law. These funds are accounted for in the PSB Comprehensive Annual Financial Report (CAFR) and include Operating Funds, the General Bond Reserve Fund, the Interest and Sinking Fund, and various Improvement & Construction Funds.

C. INVESTMENT STRATEGY

The PSB shall annually have a review and adoption of its investment policy and strategies. The PSB attempts to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, with the exception of debt service reserve funds, the PSB will not directly invest in securities maturity more than three (3) years from the date of purchase; however, the above described obligations, certificates, or agreements may be collateralized using longer dated investments. The composite portfolio will have a weighted average maturity of one (1) year or less. This dollar weighted average maturity will be calculated using the stated final maturity dates of each security. The investment strategy must describe the investment objectives for each particular fund according to the following objectives:

- Investment suitability;
- Preservation and safety of principal;
- Liquidity;
- Diversification; and,
- Yield
- Public Trust

SECTION IV INVESTMENT OBJECTIVES

A. SAFETY OF PRINCIPAL

The primary objective of all investment activity is the preservation of capital and the safety of principal in the overall portfolio. Each investment transaction shall seek to ensure first that capital losses are avoided, whether they are from securities defaults or erosion of market value. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- Credit Risk - The PSB will minimize credit risk, the risk of loss due to failure of the security issuer backer, by:
 - Limiting investments to the safest types of securities
 - Pre-qualifying the financial institutions and broker/dealers with which the PSB will do business
 - Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- Interest Rate Risk - The PSB will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:
 - Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
 - Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pool.

B. MAINTENANCE OF ADEQUATE LIQUIDITY

The investment portfolio will remain sufficiently liquid to meet the cash flow requirements that might be

reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements; investing in securities with active secondary markets; and maintaining appropriate portfolio diversification.

C. YIELD

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

D. PUBLIC TRUST

All participants in the PSB investment process shall seek to act responsibly as custodians of the public. Investment officials shall avoid any transactions which might impair public confidence in the PSB's ability to operate.

SECTION V INVESTMENT PROCEDURES A

A. AUTHORIZED INVESTMENTS

Investments described below are authorized by Chapter 2256, Texas Government Code, as eligible securities for the PSB. The purchase of specific issues may at times be restricted or prohibited by the Investment Committee. PSB funds may be invested in:

1. Obligations of the United States or its agencies and instrumentalities, excluding mortgage backed securities, collateralized mortgage obligations and real estate mortgage investment conduits.
2. Direct obligations of the State of Texas, or its agencies and instrumentalities.
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas, or the United States, or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicitly full faith and credit of the United States. Excluding mortgage backed securities, collateralized mortgage obligations and real estate mortgage investment conduits,
4. Other obligations of states, agencies, counties, cities, and other political subdivisions of any State

having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent.

5. Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution that has its main office or a branch office in Texas, and secured by obligations described by #1 above, which are eligible investments under the Public Funds Investment Act, pledged with a third party selected or approved by the PSB, and having a market value of not less than the principal amount of the funds disbursed. The term includes direct security repurchase agreements and reverse repurchase agreements structured in compliance with the Texas Government Code and purchased only through approved Investment Pools or Money Market Mutual Funds. All PSB repurchase agreement transactions shall be governed by a signed Master Repurchase Agreement.
6. Certificates of deposit issued by state and national banks and/or depository institutions that has its main office or a branch office in Texas and is:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or insured by the National Credit Union Share Insurance Fund or its successor and is secured by obligations that are obligations under the law and described by #1-4 above, which are intended to include all direct Federal agency or instrumentality issued mortgage backed securities, but excluding those mortgage backed securities of the nature described in Section 2256.009(b) of the Texas Government Code, that have a market value of not less than the principal amount of the certificates or in any other manner and amount provided by law for deposits of the PSB;
 - b. Governed by a Depository Contract, that complies with Federal and State regulation to properly secure a pledged security interest; and,
 - c. Solicited for bid orally, in writing, electronically, or any combination of those methods.
 - d. In addition to the authority to invest funds in certificates of deposit under Subsection (a), an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under this subchapter:
 - 1) The funds are invested by an investing entity through:

- A) A broker that has a main office or a branch office in this state and is selected from a list adopted by the investing entity as required by section 2256.025: or
 - 2) The broker or the depository institution selected by the investing entity under Subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity;
 - 3) The full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States;
 - 4) The investing entity appoints the depository institution selected by the investing entity under Subdivision (1) an entity described by Section 2257.041 (d), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity;
7. Eligible money market funds must provide PSB with a fund prospectus.
- (a) A no-load money market mutual fund is an authorized investment under this subchapter if the mutual fund:
- (1) is registered with and regulated by the Securities and Exchange Commission;
 - (2) provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);
 - (3) has a dollar-weighted average stated maturity of 90 days or fewer; and
 - (4) includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share.
- (b) In addition to a no-load money market mutual fund permitted as an authorized investment in Subsection (a), a no-load mutual fund is an authorized investment under this subchapter if the mutual fund:

- (1) is registered with the Securities and Exchange Commission;
- (2) has an average weighted maturity of less than two years;
- (3) is invested exclusively in obligations approved by this subchapter;
- (4) is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and
- (5) conforms to the requirements set forth in Sections 2256.016(b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities.

(c) An entity is not authorized by this section to:

- (1) The PSB may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund or exceeds 80% of the PSB's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service in money market mutual funds.

8. Eligible Investment Pools as defined in Section 2256.016 of the Texas Government Code, provided that:

(a) An entity may invest its funds and funds under its control through an eligible investment pool if the governing body of the entity by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by this subchapter. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with this subchapter and the investment policies and objectives adopted by the investment pool.

(b) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:

- (1) the types of investments in which money is allowed to be invested;

(2) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;

(3) the maximum stated maturity date any investment security within the portfolio has;

(4) the objectives of the pool;

(5) the size of the pool;

(6) the names of the members of the advisory board of the pool and the dates their terms expire;

(7) the custodian bank that will safekeep the pool's assets;

(8) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;

(9) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;

(10) the name and address of the independent auditor of the pool;

(11) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and

(12) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.

(c) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity:

(1) investment transaction confirmations; and

(2) a monthly report that contains, at a minimum, the following information:

- (A) the types and percentage breakdown of securities in which the pool is invested;
- (B) the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
- (C) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
- (D) the book value versus the market value of the pool's portfolio, using amortized cost valuation;
- (E) the size of the pool;
- (F) the number of participants in the pool;
- (G) the custodian bank that is safekeeping the assets of the pool;
- (H) a listing of daily transaction activity of the entity participating in the pool;
- (I) the yield and expense ratio of the pool, including a statement regarding how yield is calculated;
- (J) the portfolio managers of the pool; and
- (K) any changes or addenda to the offering circular.

(d) An entity by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

(e) In this section, "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the federal Securities and Exchange Commission.

(f) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005. In

addition to the requirements of its investment policy and any other forms of reporting, a public funds investment pool created to function as a money market mutual fund shall report yield to its investors in accordance with regulations of the federal Securities and Exchange Commission applicable to reporting by money market funds.

g) If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Subsection (b), (c)(2), and (f) must be posted on the website.

(h) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool must have an advisory board composed:

(1) equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 and managed by a state agency; or

(2) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.

(i) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must:

1) be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

2) Make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested.

(j) If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

B. NOT AUTHORIZED

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts

opposite to the changes in a market index.

5. Neither shall investments be made in obligations that are secured by these prohibited investments.
6. Collateral debt obligations (CDOs) structured asset-backed securities that are issued by special purpose entities and collateralized by debt obligations including bonds and loans.

C. PROTECTION OF PRINCIPAL

The PSB shall seek to control the risk of loss due to the failure of a security issuer or grantor. Such risk shall be controlled by investing only in the safest types of securities as defined in these Rules and Regulations, by collateralization as required by law, and through portfolio diversification by maturity and type.

The purchase of individual securities shall be executed "delivery versus payment" (DVP) through the PSB Safekeeping Agent. By so doing, PSB funds are not released until the PSB has received, through the Safekeeping Agent, the securities purchased.

1. Diversification by Investment Type

Diversification by investment type shall be maintained by ensuring an active and efficient secondary market in portfolio investments and by controlling the market and opportunity risks associated with specific investment types. Risk is controlled through portfolio diversification which shall be achieved by the following general guidelines:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities)
- Limiting investments in securities that have a higher credit risks,
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds.

Diversification by investment type shall be established by the following maximum percentages of investment type to the total PSB investment portfolio:

- U.S. Government Securities 100%
- State, Agencies, Counties, Cities, and Other 50%
- Certificates of Deposit..... 50%
- Money Market Mutual Funds..... 80%

- Eligible Investment Pools100%

Bond proceeds may be invested in a single security or investment if the Chief Financial Officer determines that such an investment is necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation.

2. Diversification by Investment Maturity

In order to minimize risk of loss due to interest rate fluctuation, investment maturities will not exceed the anticipated cash flow requirements of the funds.

Maturity guidelines by fund are as follows:

a. Operating Fund

The weighted average days to maturity for the operating fund portfolio shall be less than 270 days and the maximum allowable maturity shall be two years.

b. Improvement & Construction Funds

The investment maturity of construction fund proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. Improvement & Construction funds may be invested for three years at an unrestricted yield. After the expiration of the temporary period, construction fund proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

c. Debt Service Reserve Funds

Market conditions, Bond Ordinance constraints and arbitrage regulations compliance will be considered when formulating Debt Service Reserve Fund strategy. Maturity limitations shall generally not exceed the call provisions of the Bond Ordinance and shall not exceed the final maturity of the bond issue or five years, whichever is shorter.

d. Debt Service Funds

Debt Service Funds shall be invested to ensure adequate funding for each consecutive debt service payment. The Investment Officers shall invest in such a manner as not to exceed an "unfunded" debt service date with the maturity of any investment. An

unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy said payment.

PSB funds that are considered "bond proceeds" for arbitrage purposes will be invested using a more conservative approach than the standard investment strategy when compliance with the arbitrage regulations will result in a rebating of any excess earnings.

3. Ensuring Liquidity

Liquidity shall be achieved by anticipating cash flow requirements by investing in securities with active secondary markets and by investing in eligible money market mutual funds and local government investment pools.

A security may be liquidated to meet unanticipated cash requirements, to re-deploy cash into other investments expected to outperform current holdings, or otherwise to adjust the portfolio.

4. Collateralization

Consistent with the State law, the PSB requires all deposits in depository institutions to be insured. Amounts not insured must be collateralized with eligible securities. Financial institutions serving as PSB Depositories will be required to sign a Depository Agreement with the PSB and the PSB safekeeping agent. The safekeeping portion of the Agreement shall define the PSB rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The Agreement must be in writing;
- The Agreement has to be executed by the Depository and the PSB contemporaneously with the acquisition of the asset;
- The Agreement must be approved by the Board or the Loan Committee of the Depository and a copy of the meeting minutes must be delivered to the PSB; and,
- The Agreement must be part of the Depository's "official record" continuously from its execution.

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the PSB to require full collateralization of all PSB investments and funds on deposit with a depository bank, other than investments which are obligations of the U.S. government and its agencies and instrumentalities. At its discretion, the PSB may require a higher level of collateralization for

certain investment securities. Securities pledged as collateral shall be held by an independent third party with whom the PSB has a current custodial agreement. The Chief Financial Officer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution for release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the PSB and retained. Collateral shall be reviewed at least weekly to assure the market value of the pledged securities is adequate.

a. Allowable Collateral

The Public Service Board shall accept only the following securities as collateral:

- ▲ FDIC and NCUA insurance coverage.
- ▲ A bond, certificate of indebtedness, or Treasury Notes of the United States, or other evidence of indebtedness of the United States that is guaranteed as a principal and interest by the United States.
- ▲ Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas.
- ▲ A bond of the State of Texas or of a county, city or other political subdivision of the State of Texas having been rated as investment grade (investment rating no less than "A" or its equivalent) by a nationally recognized rating agency with a remaining maturity of ten (10) years or less.
- ▲ Surety Bonds

b. Collateral Levels

In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC and NCUA.

c. Monitoring Collateral Adequacy

The PSB shall require monthly reports with market values of pledged securities from all financial institutions with which the PSB has collateralized deposits. The Investment Officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.

d. Additional Collateral and Securities

If the collateral pledged for a certificate of deposit falls below the par value of the deposit, plus accrued interest less FDIC insurance, the institution issuing the Collateralized Deposit will be notified by the Investment Officers and will be required to pledge additional securities no later than the end of the next business day.

e. Collateral Substitution

Collateralized certificates of deposit often require substitution of collateral. Any financial institution requesting substitution must contact the Investment Officers for approval and settlement. The substituted security's value will be calculated and substitution approved if its value is equal to or greater than the required security level. The Investment Officers, or their designee, must provide written notification of the decision to the bank or the safekeeping agent holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The Investment Officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

f. Subject to Audit

All collateral shall be subject to inspection and audit by the EPWU Chief Financial Officer or the PSB's independent auditors.

5. Safekeeping

a. Safekeeping Agreement

The PSB shall contract with a bank or other depository institutions for the safekeeping of securities either owned by the PSB as a part of its investment portfolio or as part of its depository.

b. Safekeeping of Collateralized Deposits Collateral

All collateral securing bank or other depository institutions deposits must be held by a third-party banking institution acceptable to and under contract with the PSB, or by the Federal Reserve Bank, except the collateral for certificates of deposits in banks. The collateral for certificates of deposits in banks will be registered in the PSB's name in the bank's trust department or, alternatively, in a Federal Reserve Bank account in the PSB's name, or a third party bank in the PSB's name, at the PSB's discretion. Original

safekeeping receipts shall be obtained.

D. INVESTMENT ADVISORS AND INVESTMENT PROVIDERS

Investment Advisors are brokers/dealers, banks, and other financial institutions who may participate in the management or handling of PSB cash and investments.

Investment Advisors shall adhere to the spirit, philosophy and specific term of these Rules and Regulations and shall invest within the same "Standard of Care". Investment Providers shall adhere to the spirit and philosophy of these Rules and Regulations and shall avoid recommending or suggesting transactions outside that "Standard of Care".

The Investment Officers will establish criteria to evaluate Investment Advisors and Investment Providers, including:

- Investment performance and transaction pricing within accepted risk constraints;
- Understanding of the inherent fiduciary responsibility of investing public funds; and,
- Similarity in philosophy and strategy with the PSB objectives.
- Adherence to the PSB policies, procedures and strategies;
- Responsiveness to the PSB request for services, information, and open communication;

Business organizations eligible to transact investment business with the PSB shall be presented a written copy of this Investment Policy. Additionally, the registered principal of the business organization seeking to transact investment business shall execute a written instrument substantially to the effect that the registered principal has: (1) received and reviewed this Investment Policy; and, (2) acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the PSB.

The PSB shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above.

E. SELECTION OF BANKS AND DEALERS

1. Authorized Brokers/Dealers

Selection of Investment Advisors and Providers will be performed by the PSB. The PSB shall

select dealers reporting to the Market Reports Division of the Federal Reserve Bank of New York, also known as "Primary Government Security Dealers", or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule.)

Selected Investment Advisors and Providers shall provide timely transaction confirmations and monthly activity reports.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- audited financial statements
- completed broker/dealer questionnaire
- certification of having read and understood the PSB's investment policy and agreeing to comply with the policy

The PSB Investment Committee shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity.

2. Competitive Bids

Competitive quotes must be taken from at least three qualifying institutions for any investment transaction. Investment transactions may be done orally, but followed by electronic or written confirmation. Funds will be authorized to be released after notification that the purchased security has been received. Written confirmation shall be received from the financial institution or broker/dealer. All investments purchased will be held in safekeeping at a third party custodial institution with safekeeping receipt being sent to the PSB.

3. Delivery vs. Payment

Securities shall be purchased using the delivery vs payment method with the exception of investment pools and mutual funds. Funds shall not be wired or paid until verification has been made that the Trustee received the correct security. The security shall be held in the name of the PSB or held on behalf of the PSB. The Trustee's records shall assure the notation of the PSB's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the PSB.

4. Depository

At least every five years a Depository shall be selected through the PSB's banking service procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by competitive bid and evaluation of bids will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state and local laws.
- The ability to provide requested information or financial statements for the periods specified.
- The ability to meet all requirements in the banking RFP.
- Complete response to all required items on the bid form.
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.
- The credit worthiness and financial stability of the bank.

F. RESPONSIBILITY AND CONTROLS

1. Authority to Invest

The Chief Financial Officer, Vice President, Treasury Manager, and Fiscal Operations Manager are the "Investment Officers" of the PSB. As Investment Officers, they are authorized to deposit, withdraw, invest, transfer, execute documentation, and otherwise manage PSB funds according to these Rules and Regulations.

The Chief Financial Officer and designated Investment Officers must attend ten (10) hours of training within twelve (12) months of taking office. The Chief Financial Officer and designated investment officers must attend eight (8) hours of training relating to investment responsibilities not less than once in a two year period that begins on the first day of that local government fiscal year and consists of the two consecutive fiscal years after that date. The investment training session shall be provided by an independent source approved by the PSB. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a business organization with whom the PSB may engage in an investment transaction.

2. Prudent Investment Management

The designated Investment Officers shall perform their duties in accordance with the adopted Investment Policy and internal procedures. In determining whether an adopted Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds over which the Investment Officer had responsibility, rather than the prudence of a single investment, shall be considered. Investment Officers, acting in good faith and in accordance with these policies and procedures, shall be relieved of personal liability.

3. Standard of Care

The standard of care used by the PSB shall be the "prudent investor rule", and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The Public Funds Investment Act states:

"Investments shall be made with judgment and care, under circumstances then prevailing, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation but for investment, considering the probable safety of capital and the probable income to be derived."

4. Standard of Ethics

The designated Investment Officers shall act as custodians of the public trust, avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Additionally, all Investment Officers shall file with the Texas Ethics Commission and the Board a statement disclosing any personal business relationship with an entity seeking to sell investments to the PSB or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investments to the PSB. For purposes of this policy, an investment official has a personal business relationship with a business organization if:

- the investment official owns 10 percent or more of the voting stock or shares of the organization or owns \$5,000 or more of the fair market value of the business organization;
- funds received by the investment official from the business organization exceed 10 percent

of the investment official's gross income for the previous year;

- the investment official has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment official.

5. Establishment of Internal Controls

The Chief Financial Officer will maintain a system of internal controls over the investment activities of the PSB.

6. Reporting

Investment performance will be monitored and evaluated by the Investment Officers. The Investment Officers will provide a quarterly comprehensive report signed by all to the Board. This investment report must:

- Contain a summary statement of each pooled fund group that states the:
 - a) Beginning market value for the reporting period
 - b) Ending market value for the period
- Describe in detail the investment position of the PSB;
- State the reporting period market value of each pooled fund group;
- State the reporting period book value, market value and accrued interest for each investment security at the end of the reporting period by asset type and fund type;
- State the maturity date of each investment security;
- State the fund for which each investment security was purchased; and,
- State the compliance of the investment portfolio with the PSB's Investment Policy and Investment Strategy Statement, and the Public Funds Investment Act.

The PSB, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the PSB's investment policies, procedures and strategies.

7. Portfolio Pricing

Current market prices for individual securities held in the portfolio shall be obtained at least quarterly. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequent price volatility. These prices should be obtained from a reputable source including, but not limited to the Wall Street Journal, Bloomberg Capital Markets, PSB's safekeeping agent and broker/dealers other than those who originally sold

the security to the PSB.

G. PERFORMANCE

1. Performance Standards

The PSB's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the PSB.

2. Performance Benchmarks

It is the policy of the PSB to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the PSB attempts to purchase the highest yielding allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value of those securities to determine portfolio performance during the period of time. The PSB's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the PSB's weighted average maturity in days.

ATTACHMENT A INVESTMENT STRATEGY STATEMENT

A. PREFACE

It is the policy of the PSB that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal investment regulations, applicable Bond Ordinance requirements, adopted Investment Policy and Investment Strategy.

In accordance with the Public Funds Investment Act, the PSB strategies shall address the following objectives (in order of importance):

- ◆ Understanding the suitability of the investment to the financial requirements of the PSB;
- ◆ Preservation and safety of principal;
- ◆ Liquidity;
- ◆ Marketability of the investment if the need arises to liquidate the investment prior to maturity; and,
- ◆ Yield.

Effective investment strategy development coordinates the primary objectives of the PSB investment policies and procedures and cash management practices with investment security risk/return analysis to enhance interest earnings and reduce investment risk. Aggressive cash management will be used to increase the available "investment period". Maturity selections shall be based on cash flow and market conditions to take advantage of interest earnings as a viable and material revenue to all PSB funds. The PSB's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with the PSB's policies and procedures.

Each major fund type has varying cash flow requirements and liquidity needs. Therefore, specific strategies shall be implemented considering the fund's unique requirements. PSB funds shall be analyzed and invested according to the following major fund types:

- ◆ Operating Funds;
- ◆ Improvement and Construction Funds;
- ◆ Debt Service Reserve Funds; and,
- ◆ Debt Service Funds.

B. INVESTMENT STRATEGY

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investing guidelines by fund type are as follows:

1. Operating Funds

a. Suitability

Any investment eligible in the Investment Policy is suitable for the Operating Funds.

b. Safety of Principal

All investment will be of high quality securities with no perceived default risk. Market price fluctuations will be managed by the weighted average days to maturity for the Operating Pool portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.

c. Marketability

Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirements. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.

d. Liquidity

The Operating Fund requires the greatest short term liquidity of any of the fund types. Short term investment pools and money market mutual funds shall provide daily liquidity and may be used as a competitive yield alternative to fixed maturity investments.

e. Diversification

Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the PSB. Market cycle risk will be reduced by diversifying the appropriate maturity structure throughout two years.

f. Yield

Attaining a competitive yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three month treasury bill portfolio shall be the minimum yield objective.

2. Improvement & Construction Funds

a. Suitability

Any investment eligible in the Investment Policy is suitable for the Improvement & Construction Fund.

b. Safety of Principal

All investments will be of high quality securities with no perceived default risk. Market price fluctuations will however occur, by managing the Improvement & Construction Fund's portfolio to not exceed the anticipated expenditure schedule the market risk of the overall portfolio will be minimized.

c. Marketability

Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security - type of less than a quarter of a percentage point shall define an efficient secondary market.

d. Liquidity

Improvement & Construction funds used for construction programs have reasonably predictable draw down schedules. Therefore investment maturities shall generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds shall provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments

e. Diversification

Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable arbitrage yield for a specific bond issue, the PSB is best served by locking in most investments. If the arbitrage yield cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger lumps. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

f. Yield

Achieving a positive spread to the applicable arbitrage yield is the desired objective for Bond Proceeds. For other Improvement & Construction Funds, the yield of an equally weighted, rolling three month treasury bill portfolio shall be the minimum yield objective.

3. Debt Service Reserve Funds

a. Suitability

An investment eligible in the Investment Policy is suitable for the Debt Service Reserve Funds. Bond Ordinance and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

b. Safety of Principal

All investments will be of high quality securities with no perceived default risk. Market price fluctuations will however occur, by managing the Debt Service Reserve Fund's portfolio maturities to not exceed the call provisions of the borrowing will reduce the investment's market risk if the PSB's debt is redeemed and the reserve fund liquidated. No investment maturity shall exceed the final maturity of the borrowing or five years, whichever is shorter. Annual market-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the

attractiveness of market risk and may reduce the opportunity for maturity extensions.

c. Marketability

Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

d. Liquidity

Debt Service Reserve Funds have no anticipated expenditures. The funds are deposited to provide annual debt service payment protection to the PSB's debt holders. The funds are "returned" to the PSB at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally if investment rates exceed the cost of borrowing, the PSB is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing in shorter and anticipating future increase yields.

e. Diversification

Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

f. Yield

Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all time operates within the limits of the Investment Policy's risk constraints.

4. Debt Service Funds

a. Suitability

Any investment eligible in the Investment Policy is suitable for the Debt Service Fund.

b. Safety of Principal

All investments will be of high quality securities with no perceived default risk. Market price fluctuations will however occur, by managing the Debt Service fund's portfolio to not

exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

c. Marketability

Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash requirement is not probable.

d. Liquidity

Debt Service funds have predictable payment schedules. Therefore investment maturities shall not exceed the anticipated cash flow requirements. Investment pools and money market mutual funds shall provide a competitive yield alternative for short term fixed maturity investments.

e. Diversification

Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally if investment rates exceed the applicable arbitrage yield for a specific bond issue, the PSB is best served by locking in most investments. If the arbitrage yield cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger lumps. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

f. Yield

Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three month treasury bill portfolio shall be the minimum yield objective.

PASSED, APPROVED, and ADOPTED the 24th day of January, 1996, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION II, MODIFIED, APPROVED, and ADOPTED this 9th day of October, 2002.

RULES AND REGULATIONS NO. 10, SECTION III(B), SECTION V(A)(6), SECTION V(A)(6)(a) AND SECTION V(C)(4)(a), MODIFIED, 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. 10, SECTION II AND SECTION V(F)(1), MODIFIED, APPROVED, and ADOPTED the 27th day of April, 2005, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION II, SECTION III(B), SECTION V(A)(5), SECTION V(A)(6), SECTION V(A)(6)(a), SECTION V(C)(4), SECTION V(C)(4)(a), SECTION V(C)(4)(b), SECTION V(C)(5)(a) AND SECTION V(C)(5)(b), MODIFIED, APPROVED, and ADOPTED the 26th day of April, 2006, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, TABLE OF CONTENTS SECTION V(C)(2)(B); TABLE OF CONTENTS SECTION ATTACHMENT "A"(B)(2); SECTION II, SECTION III(B), SECTION IV(A), SECTION V (C)(2)(b); SECTION V(F)(1), ATTACHMENT "A" (A); ATTACHMENT "A" (B)(2)(a)(b)(d)(f), ADDED, MODIFIED, APPROVED, and ADOPTED the 12th day of December, 2007, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION V(A)(6)(D)(1)(2)(3)(4)(5); SECTION V (A)(7)(a)(1)(2)(3)(4); SECTION V(A)(7)(B)(1)(2)(3)(4)(5); SECTION V(A)(7)(c)(1); SECTION V(A)(8)(a)(b)(1)(2)(3)(4)(5); SECTION V(A)(7)(c)(1); SECTION V(A)(8)(c)(1)(2)(A)(B)(C)(D)(E)(F)(G)(H)(I)(J)(K); SECTION V(A)(8)(d)(e)(f)(g)(h); SECTION V(6)(B)(1)(2)(3)(4)(5), ADDED, MODIFIED, APPROVED, AND ADOPTED THE 28TH day of April, 2010, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION II POLICY; SECTION V(A)(3); SECTION V(6)(d)(4)(5); SECTION V(8)(a); SECTION V(8)(c)(2)(l); SECTION V (8)(f)(g)(h)(i)(1)(2); SECTION V (B)(6); SECTION V(F)(1)(6), ADDED, MODIFIED, APPROVED, and ADOPTED the 11th day of April 2012, by the Public Service Board of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION II POLICY; SECTION V(A)(3); SECTION V(6)(d)(4)(5); SECTION V(8)(a); SECTION V(8)(c)(2)(l); SECTION V (8)(f)(g)(h)(i)(1)(2); SECTION V (B)(6); SECTION V(F)(1)(6), ADDED, MODIFIED, APPROVED, and ADOPTED the 11th day of April 2012, by the Public Service Board of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION II POLICY; SECTION V(A)(3); SECTION V(6)(d)(4)(5); SECTION V(8)(a); SECTION V(8)(c)(2)(l); SECTION V (8)(f)(g)(h)(i)(1)(2); SECTION V (B)(6); SECTION V(F)(1)(6), ADDED, MODIFIED, APPROVED, and ADOPTED the 9th day of April, 2014, by the Public Service Board of El Paso, Texas.

RULES AND REGULATIONS NO. 10, APPROVED AND ADOPTED THE 8TH day of April 2015, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION V (F)(1), APPROVED AND ADOPTED THE 13TH day of April 2016, by the Public Service Board of the City of El Paso, Texas.

PUBLIC SERVICE BOARD



HENRY GALLARDO, CHAIR
Chris Anteliff, Vice Chair

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