

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
May 11, 2016

The regular meeting of the Public Service Board was held Wednesday, May 11, 2016, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

PSB MEMBERS PRESENT

Henry Gallardo, Chair
Christopher Antcliff, Vice Chair
Dr. Richard T. Schoephoerster, Member
Bradley Roe, Member
Dr. Kristina Mena, Member

PSB MEMBERS ABSENT

Terri Garcia, Secretary-Treasurer
Mayor Oscar Leeser, Ex-Officio Member

PSB EMPLOYEES PRESENT

John E. Balliew, P.E., President and Chief Executive Officer
Lupe Cuellar, General Counsel

EPWU EMPLOYEES PRESENT

Matthew Behrens, Assistant General Counsel
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
Gretchen Byram, Computer Media Specialist
Georgette Webber, Executive Secretary
Christina Montoya, Marketing and Communications Manager
Robert Davidson, Temporary Employee
Chris Pellicano, Procurement Analyst
Joey Paz, Operations Supervisor
Martin Noriega, Stormwater Operations Manager
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Aide Zamarron, Water Production Manager
Anai Padilla, Water Conservation and TechH₂O Manager
Nancy Nye, Pretreatment Manager
Luis Lopez, Public Information Coordinator
Paul Rivas, Environmental Compliance Manager
Mike Fahy, Contract Employee
Isabel Rodriguez, Public Information Coordinator
Marcela Navarrete, Vice President
Severo Borrego, Instrumentation Control Manager
Lino Gamon, Wastewater Plant Assistant Superintendent
Bernie Cardenas, Pretreatment Inspector Supervisor

GUESTS

Pam Farone, Citizen
Debbie Torres, Citizen
Brad Dubow, Townsquare Media
Veronica Hernandez, Townsquare Media
Tom Superville, Townsquare Media
Emily Beardmore, Townsquare Media
Sanaan Villalobos, Arcadis
Steve Ainsa, CDM Smith
Joe Cardenas, Moreno Cardenas
Daniel Olson, Arcadis
Jerry Paz, Molzen Corbin
John Montoya, Molzen Corbin
Victor Morales, Freese & Nichols
Champlain Cable Corporation
Coca-Cola Refreshments USA
Coleman Cable, Inc.
Del Sol Medical Center
Federal Mogul Systems Protection Group
Four Star Sugar Company
Frontier Foods Meat Market
GH Dairy El Paso
Global Enterprises
Green Bay Packaging, Inc.
Harvest Manor Foods, LLC.
International Paper Company
Las Palmas Del Sol Regional Healthcare System
Liquid Environmental Solutions
Productos Real
Providence Memorial Hospital
Steris Isomedix Services
The Boeing Company
Unifirst Holdings, LPD
Union Pacific Railroad Company
WestRock, CP, LLC.

MEDIA

None

The Public Service Board meeting was called to order by Mr. Gallardo at 8:08 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Mr. Antcliff, 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 APRIL 13, 2016.

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

ADOPTED A RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO SIGN AND SUBMIT AN APPLICATION AND ALL REQUIRED DOCUMENTS FOR FUNDING THROUGH THE TEXAS WATER DEVELOPMENT BOARD'S STATE WATER IMPLEMENTATION FUND FOR TEXAS (SWIFT) PROGRAM.

The Board adopted a resolution authorizing the President and CEO to sign and submit an application and all required documents for funding through the Texas Water Development Board's State Water Implementation Fund for Texas (SWIFT) program. (Resolution attached)

ADOPTED A RESOLUTION AUTHORIZING THE PRESIDENT/CEO TO SUBMIT AN APPLICATION TO THE U.S. BUREAU OF RECLAMATION (USBR) FOR \$10,600 IN 2016 WATERSMART, TITLE XVI RESEARCH PROGRAM GRANT FUNDS, TO STUDY A WATER RECYCLING SYSTEM AT THE ROBERTSON-UMBENHAUER WATER TREATMENT PLANT AND TO REAFFIRM THE EL PASO WATER UTILITIES – PUBLIC SERVICE BOARD'S COMMITMENT OF \$28,305 IN CASH AND \$4,838 OF IN-KIND SERVICES TO THE PROJECT.

The Board adopted a resolution authorizing the President/CEO to submit an application to the U.S. Bureau of Reclamation (USBR) for \$10,600 in 2016 WaterSmart, Title XVI Research Program grant funds, to study a water recycling system at the Robertson-Umbenhauer Water Treatment Plant and to reaffirm the El Paso Water Utilities – Public Service Board's commitment of \$28,305 in cash and \$4,838 of in-kind services to the project. (Resolution attached)

REGULAR AGENDA

PRESENTATION OF THE SAFEST SECTION OF THE QUARTER AWARDS (4TH QUARTER 2015).

Mr. Balliew and Mr. Roe presented the Safest Section of the Quarter Awards for the fourth quarter of 2015. The awards are for the sections with the lowest accident rate for the months of October, November, and December. The sections were "Accident Free" during the fourth quarter. All of the members of these sections performed their jobs safely as a group and as individuals. The following employees received the Safest Section of the Quarter Awards for the fourth quarter of 2015: Mr. Lino Gamon (Section 650 – Haskell Street Wastewater Treatment Plant); Mr. Joey Paz (Section 210 – Stormwater Operations); Ms. Aide Zamarron for Victor Guzman (Section 420 – Water Production); and Mr. Bernie Cardenas (Section 520 – Industrial Pretreatment).

PRESENTATION OF THE CERTIFICATES OF EXCELLENCE AWARDS TO RECOGNIZE THE FOLLOWING PERMITTED INDUSTRIAL USERS IN ACHIEVING 100% COMPLIANCE WITH RULES AND REGULATIONS OF THE INDUSTRIAL PRETREATMENT PROGRAM DURING THE 2014-2015 PRETREATMENT YEAR: CHAMPLAIN CABLE CORPORATION, 9560 PLAZA CIRCLE; COCA-COLA REFRESHMENTS USA; COLEMAN CABLE, INC.; DEL SOL MEDICAL CENTER; FEDERAL MOGUL SYSTEMS PROTECTION GROUP; FOUR STAR SUGAR COMPANY; FRONTIER FOODS MEAT MARKET; GH DAIRY EL PASO; GLOBAL ENTERPRISES; GREEN BAY PACKAGING, INC.; HARVEST MANOR FOODS, LLC, 11B LEIGH FISHER BOULEVARD; INTERNATIONAL PAPER COMPANY; LAS PALMAS DEL SOL REGIONAL HEALTHCARE SYSTEM, LAUNDRY SERVICES; LIQUID ENVIRONMENTAL SOLUTIONS; PRODUCTOS REAL; PROVIDENCE MEMORIAL HOSPITAL; STERIS ISOMEDIX SERVICES, 1435 ISOMEDIX PLACE; STERIS ISOMEDIX SERVICES, 1441 DON HASKINS DRIVE; THE BOEING COMPANY; UNIFIRST HOLDINGS, LPD; UNION PACIFIC RAILROAD COMPANY; AND WESTROCK, CP, LLC.

Ms. Nancy Nye, Pretreatment Manager, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Industrial users are monitored to ensure compliance with applicable discharge standards and other requirements under the Pretreatment Program. The Certificate of Excellence Award recognizes those

industrial companies that achieve and maintain compliance for the duration of the year. During the 2014-2015 Pretreatment Year, 22 of 57 permitted industrial users qualified to receive the award. Mr. Balliew presented representatives from each of the listed companies with their award.

PRESENTATION OF THE 2016 WATERMARK AWARDS, RECEIVED BY EPWU FROM THE TEXAS SECTION OF THE AMERICAN WATER WORKS ASSOCIATION AND THE WATER ENVIRONMENT ASSOCIATION OF TEXAS IN RECOGNITION FOR COMMUNICATIONS EXCELLENCE FOR TWO COMMUNICATIONS PROGRAMS.

Ms. Lisa Rosendorf, Chief Communications and Government Affairs Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Watermark Award for communications excellence recognizes Texas section AWWA and WEAT members who have produced top quality communications. Effective external and internal communication is essential to a member's ability to provide excellent service. Today's water resource professionals must communicate with a variety of audiences to achieve success.

EPWU received a Watermark award for the communications program: "Advanced Water Purification – A Sustainable Water Future for El Paso." EPWU has piloted the Advanced Purification Process and TCEQ is currently reviewing the results. EPWU implemented a multi-pronged, on-going communications program that focuses on the science behind the project and the high quality water it produces. It consists of a speakers bureau, aggressive media relations, pilot facility tours, video and social media. To date, dozens of regional and local media outlets have published positive news stories on the project. An initial phone survey showed that 84% of El Pasoans were in favor of the project, and 96% of those who toured the pilot facility are supportive of the project.

EPWU received an additional Watermark award for the "WISE! Actions Education Program," which focused on outdoor activities to promote and increase awareness of urban wetland ecosystems and EPWU water management strategies. WISE Actions took 200 7th graders from area schools to the Keystone and Rio Bosque Wetlands. Tech2O staff made initial visits to schools, then partnered with local environmental groups for sessions at the wetlands. The sessions included water quality analysis, soil and plant analysis and wildlife observation. Students conducted experiments and created presentations. Pre and post surveys reveal that students showed marked improvement with respect to water quality standards, importance of wetlands and appreciation of wildlife.

Mr. Balliew and Mr. Roe presented the Watermark Awards to Ms. Christina Montoya, Marketing and Communications Manager and Ms. Anai Padilla, Water Conservation/Tech2O Manager.

DISCUSSION AND ACTION ON WHETHER TO AMEND A LEASE AGREEMENT WITH BOWEN RANCH, L.L.C. DATED MAY 14, 2014, AND AMENDED ON JULY 28, 2014, TO ALLOW THE LESSEE TO CONDUCT ACTIVITIES NOT ALLOWED UNDER THE CURRENT LEASE AGREEMENT PROVIDED THAT LESSEE COMPLIES WITH CONDITIONS REQUIRED BY LESSOR, TO INCLUDE ALL CITY CODE REQUIREMENTS, AND DIRECT STAFF TO TAKE OTHER APPROPRIATE ACTION ALLOWED UNDER THE PROVISIONS OF THE LEASE AGREEMENT.

Ms. Cynthia Osborn, Real Estate Manager/Counsel, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Currently, Bowen Ranch, L.L.C. leases 7,936 acres of land in Northeast El Paso for \$6,691.24 per year, adjusted annually. The term of the contract is for five years commencing May 14, 2014 to May 13, 2019. The current lease allows for termination for convenience with a 180-day written notice to the Lessee. It also allows for termination for default after written notice and 30 days to cure. The terms regarding use of the land include: only grazing of cattle and horses; Lessee agrees not to overgraze or overstock; no cattle of third persons without written consent; no grazing of goats or sheep without written

consent; no hogs; no hunting or fishing rights; Lessee must protect the property from trespassers; the Lessor reserves mineral rights; and the Lessor reserves the right to sell or remove caliche, gravel, rock or other minerals.

Ms. Osborn discussed the events surrounding how the Utility became aware of the intended use of the property for the 2016 KISS FM Balloon Festival and the discussions between the Utility and the event coordinator, Town Square Media Event. She also discussed the correspondence between the Utility and the City Attorney's office. She said On May 3, 2016, the Utility received a letter from the City Attorney's office stating that the Balloon Festival was not a permitted use under the current zoning ordinance for a ranch-farm district. On May 4, 2016 the City followed-up with another letter stating there was a sufficient amount time to take the zoning issue before City Council at a special City Council meeting. The presentation also provided the Board with a list of terms and conditions to be met by Bowen Ranch, L.L.C. as well as the event coordinator for the Utility to consider amending the lease for this one time use. Ms. Osborn also discussed the terms and conditions to be met by the event coordinator and the Bowen Ranch, L.L.C. for the City is issue the necessary permits for the event. The Board was asked to make a determination regarding the following: decide if the current lease should be amended to allow for this one-time use of the property; determine if and how much additional consideration should be required from the Lessee for this additional use; authorize the President/CEO to sign a letter to the Texas Alcoholic Beverage Commission as required for the sale and use of alcohol at the event; and authorize the President/CEO to terminated the lease for convenience with a 180-day written notice to the Lessee. Ms. Veronica Hernandez from Town Square Media made comments and addressed questions from the Board regarding this item. Ms. Osborn and Ms. Lupe Cuellar, General Counsel, addressed additional questions from the Board.

EXECUTIVE SESSION

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried, the Board retired into Executive Session at 9:02 a.m., May 11, 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 the following:

Section 551.071 Consultation with Attorney

REGULAR AGENDA

On a motion made by Dr. Schoephoerster, seconded by Mr. Roe and unanimously carried, the Board reconvened in open session at 9:32 a.m., May 11, 2016.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried, the Board took the following actions:

Authorized the President/CEO to amend the current lease to allow this one-time event provided the terms and conditions presented to the Board by EPWU staff are complied with by both the event coordinator and the Lessee by May 23, 2016, and additional consideration is paid by the Lessee in the amount of \$500 for the amendment of the lease for this one-time use.

Authorized the President/CEO to coordinate with the City to sign any necessary documents required by the Texas Alcoholic Beverage Commission and any other documents necessary for permitting the event.

Authorized the President/CEO to terminate the lease with Bowen Ranch, L.L.C. for convenience in accordance with the lease provisions.

AWARDED A PROFESSIONAL SERVICES CONTRACT FOR THE JACKSON GROUND WATER STORAGE TANK REPLACEMENT, TO FREESE & NICHOLS, INCORPORATED, IN THE AMOUNT OF \$272,349, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Gilbert Trejo, Chief Technical Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The existing Jackson ground water storage tank was constructed in the early 1920's and provides water to west central El Paso. The tank has gone through several restoration and repair efforts aimed at extending its service life. The existing tank condition is beyond repair and a new tank must be designed and constructed. The Architectural/Engineering Selection Advisory Committee met on March 18, 2016 to review and recommend selection of the engineering firm for the project. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. Freese and Nichols was selected as the most qualified firm that best meets the needs of the Utility and demonstrated excellent abilities in all the evaluated categories.

Staff worked with Freese and Nichols to develop the scope of services for the design and bid phase services required for this project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant for the defined scope of work. The negotiated fees are in line with the level of effort required to complete the task and consistent with similar work completed recently. Mr. Trejo and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Mr. Antcliff and unanimously carried, the Board awarded a professional services contract for the Jackson Ground Water Storage Tank Replacement, to Freese & Nichols, Incorporated, in the amount of \$272,349, and authorized the use of commercial paper. **(Resolution attached)**

APPROVED A PROFESSIONAL SERVICES CONTRACT FOR ENGINEERING DESIGN PHASE SERVICES FOR THE BOONE INTERCEPTOR REPLACEMENT PHASE 2 PROJECT TO BROWN AND CALDWELL IN THE AMOUNT OF \$200,000.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Three existing sewer lines; 30-inch, 25-inch and 21-inch in diameter respectively; have been conveying a major portion of the flow from Fort Bliss and central El Paso to the Haskell R. Street Wastewater Treatment Plant. These lines are between 70 and 90 years old. In 2010, replacement sewer lines designed by Brown and Caldwell were constructed. The improvements made it possible for any one of these existing lines to be removed from service in case of failure. This project is for the design and construction of another sewer line that will make it possible to permanently retire the three original sewer lines. El Paso Water Utilities is in the process of receiving a United States Army Corps of Engineers Grant for construction of this project. Utilization of this grant will require the design to be completed by the fall of 2017.

Brown and Caldwell was approved by the Public Service Board (PSB) on October 11, 2006 for the design and construction phase services of the Boone Interceptor project. Their previous work on this project involved detailed pre-design modeling, phasing, and routing studies for the complete system necessary for this project. Their work continued with design and construction phase services of the Phase 1 improvements through 2011. Based on their technical knowledge and previous work experience with this project, Brown and Caldwell is the firm most qualified to do the design for this project.

The fee proposal associated with the scope of work is initially for preliminary engineering and the topographic survey; this work can be completed while the remainder of the scope of work is negotiated. Staff reviewed and negotiated the initial scope and fee with the Consultant. The negotiated design fees are in line with the level of effort and hours required to complete the preliminary design and consistent with similar work done recently. Mr. Trejo and Mr. Balliew 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 a professional services contract for Engineering Design Phase Services for the Boone Interceptor Replacement Phase 2 project to Brown and Caldwell in the amount of \$200,000.

AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE CEBADA PUMP STATION WET WELL IMPROVEMENTS TO AECOM CORPORATION FOR THE AMOUNT OF \$370,228.32.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on File in Central Files). EPWU staff have documented on-going operational problems with the wet well at the Cebada Pump Station. Issues include: wet well capacity limitations, pump start/stop limitations, and difficulty with access to completely clean the wet well. The problems keep the pump station from operating effectively, increasing the likelihood of flooding upstream neighborhoods. El Paso Water Utilities received two proposals on March 29, 2016. The Architectural/Engineering Selection Advisory Committee met on April 18, 2016 to review and recommend selection of the engineering firm for this service. Submittals were scored in the areas of minimum qualifications, team and project manager, and past project experience. AECOM was selected as the most qualified firm that best meets the needs of the Utility in this important project, and demonstrated excellent abilities in all the evaluated categories. The fee for the Cebada Pump Station Wet Well Improvements was negotiated based on similar projects and in line with the level of effort and hours required to complete the project. Mr. Trejo and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried, the Board awarded a professional engineering services contract for the Cebada Pump Station Wet Well improvements to AECOM Corporation for the amount of \$370,228.32.

AWARDED PROFESSIONAL ENGINEERING SERVICES CONTRACTS FOR ON-CALL SERVICES FOR VARIOUS STORMWATER PUMP STATION REHABILITATION-IMPROVEMENTS CITY-WIDE, EACH IN AN AMOUNT NOT TO EXCEED \$200,000 WITH A MAXIMUM TERM OF TWO YEARS, TO PARKHILL, SMITH & COOPER AND MOLZEN CORBIN.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Stormwater pump stations may be affected by rain events during monsoon season, high use and normal wear and tear. The Stormwater Utility will utilize the services of the contracted firms to improve the performance and reliability of existing stormwater pump stations by providing rehabilitation and design improvements. El Paso Water Utilities received four proposals for this project on March 29, 2016. Proposals were accepted from Molzen-Corbin; Roe Engineering; Bath Engineering; and Parkhill, Smith, and Cooper. The Architectural/Engineering Selection Advisory Committee met on April 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. Parkhill, Smith, and Cooper and Molzen Corbin were 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, Mr. Shubert and Mr. Antcliff addressed questions and comments from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster and unanimously carried, the Board awarded professional engineering services contracts for On-Call Services for Various Stormwater Pump Station Rehabilitation-Improvements City-Wide, each in an amount not to exceed \$200,000 with a maximum term of two years, to Parkhill, Smith & Cooper and Molzen Corbin.

AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL CLOMR/LOMR STUDIES AND 3RD PARTY REVIEWS IN AN AMOUNT NOT TO EXCEED \$100,000, EACH

WITH A MAXIMUM TERM OF TWO YEARS, TO LOCKWOOD, ANDREWS AND NEWNAM, INCORPORATED; AECOM CORPORATION; AND FREESE AND NICHOLS, INCORPORATED.

Mr. Alan Shubert, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). As stormwater improvement projects are completed, FEMA designated Special Flood Hazard Areas (SFHAs) are impacted and the Flood Insurance Rate Maps (FIRM) must be revised. Studies and map changes are required to revise existing FIRMs. The result of map revisions redefine the flood zone and may remove private property out of the flood zone. EPWU reviews and provides comments for land development plans as part of the City's plan review process. These reviews include but are not limited to land studies, plats, subdivision improvement plans, and privately funded CLOMRs/LOMRs. Staff requested professional engineering services from consultants specializing in hydrology and hydraulics modeling for the preparation of CLOMRs/LOMRs and 3rd party reviews of land development submittals.

El Paso Water Utilities received ten proposals for this project on March 22, 2016. The Shortlist Committee reviewed all ten proposals and selected the five most qualified proposals for referral to the Architectural/Engineering Selection Advisory Committee. The Architectural/Engineering Selection Advisory Committee met on April 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. Lockwood, Andrews and Newman, AECOM, and Freese and Nichols were all selected as the firms that best meet the needs of the Utility for this type of project and that demonstrated excellent abilities in all the evaluated categories. Mr. Balliew made comments regarding this item.

On a motion made by Mr. Antcliff, seconded by Dr. Mena and unanimously carried with Mr. Roe abstaining from discussion and vote, the Board awarded professional services contracts for On-Call CLOMR/LOMR Studies and 3rd Party Reviews in an amount not to exceed \$100,000, each with a maximum term of two years, to Lockwood, Andrews and Newnam, Incorporated; AECOM Corporation; and Freese and Nichols, Incorporated.

APPROVED AMENDMENT NUMBER 3 TO THE DESIGN – BUILD CONTRACT WITH JORDAN FOSTER CONSTRUCTION, LLC FOR FIELD OPERATIONS YARD RELOCATION IN THE AMOUNT OF \$3,534,136, FOR THE CONSTRUCTION OF THE WAREHOUSE AND METER SHOP, AND AUTHORIZED THE USE OF COMMERCIAL PAPER AS NEEDED.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Jordan Foster Construction (JFC) was awarded a design-build contract on February 11, 2015. The original award was for the design of the fleet maintenance facility. Amendment Number 1 to the contract was approved by the PSB on April 8, 2015 for the site work and Amendment Number 2 was approved by the PSB on June 11, 2015 for the guaranteed maximum price of constructing the entire fleet maintenance facility including a \$3,460,984 allowance for construction of the warehouse and meter shop. JFC has completed the construction of the fleet maintenance facility as well as the design of the warehouse facility. The warehouse and meter shop facilities now include additional components not considered when the \$3,460,984 estimated allowance was developed, including a modernized meter shop, additional office space, the property control department, outdoor canopies for material storage, and additional site fencing to secure the area. Amendment Number 3 is needed to increase the initial \$3,460,984 allowance by \$3,534,136 to construct the designed warehouse and meter shop facilities. JFC requested competitive bids for the different aspects of the construction to local subcontractors. JFC received competitive bids on June 3, 2015, and provided a proposal to staff on which bids to accept. Staff reviewed their proposal and accepted their recommendations. Mr. Shubert and Mr. Balliew addressed questions and comments from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Mr. Antcliff and unanimously carried, the Board approved Amendment Number 3 to the Design – Build Contract with Jordan Foster Construction, LLC for Field Operations Yard Relocation in the amount of \$3,534,136, for the construction of the Warehouse and

Meter Shop, and authorized the use of commercial paper as needed. (Resolution attached)

APPROVED A PURCHASE ORDER FOR THE REPAIR OF A DRAINAGE INLET STRUCTURE AND RELATED SUBSURFACE IMPROVEMENTS AT 4096 DONIPHAN TO URETEK IN AN ESTIMATED AMOUNT OF \$120,000 AND AUTHORIZED THE PRESIDENT/CEO TO INCREASE THE AMOUNT BY NO MORE THAN 25% OF THE ORIGINAL ESTIMATED AMOUNT.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central files). This is an urgent repair of a sinking drop inlet, sidewalk, and a westbound lane at the intersection of Doniphan and Frontera. The subgrade and base under the street has been gradually subsiding and affecting the storm inlet, storm pipe, and the area around it, creating a hazard at this location. A quote for the deep injection materials and services for this project was received from Uretek with buy board pricing through the Texas Multiple Award Schedule (TXMAS) contract number TXMAS-10-560110. The price offered through the TXMAS contract was reviewed and determined to be reasonable. Mr. Shubert and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Mr. Roe and unanimously carried the Board approved a Purchase Order for the repair of a drainage inlet structure and related subsurface improvements at 4096 Doniphan to URETEK in an estimated amount of \$120,000 and authorized the President/CEO to increase the amount by no more than 25% of the original estimated amount.

REJECTED ALL BIDS RECEIVED FOR BID NUMBER 32-16, FLUSH VALVE INSTALLATION LABOR – ¾ SERVICES AND AUTHORIZED STAFF TO REBID.

Mr. Art Duran, Chief Financial Officer, presented information to the Board regarding this item. This bid is for the labor required for installation of flush valve assemblies throughout the water distribution system. On April 15, 2016, Purchasing staff opened one bid at 11:00 A.M. that was officially scheduled to open at 2:00 P.M. Two additional bids were received before 2:00 P.M.; however, one bid was refused and another bid was accepted but not opened. Texas Local Government Code pursuant to Id § 252.043 (f) allows Municipalities the option to reject bids if necessary. Due to the errors stated above, staff recommended preserving the integrity of the process by rejecting all bids and rebidding the item. Since this incident, Purchasing has taken corrective action and designated a staff member to initiate all bid opening dates and times on one electronic calendar. Mr. Duran addressed questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Mr. Roe and unanimously carried, the Board rejected all bids received for Bid Number 32-16, Flush Valve Installation Labor – ¾ Services and authorized staff to rebid.

AWARDED RFP NUMBER 56-15, WATER AND WASTEWATER TREATMENT RESIDUALS SERVICES TO THE SOLE RESPONDENT, CEMEX CONSTRUCTION MATERIALS SOUTH, LLC IN THE INITIAL AMOUNT OF \$22.45 PER WET TON FOR AN ESTIMATED ANNUAL COST OF \$1,935,150. THE INITIAL CONTRACT PERIOD RUNS THROUGH JUNE 30, 2022, WITH THE OPTION FOR TWO FIVE-YEAR EXTENSION PERIODS.

Mr. Duran presented the Board with information regarding this item. This contract is for the disposal and/or beneficial reuse of water treatment residuals and wastewater treatment sludge for deposit at a facility owned and operated by CEMEX. The current contract is with CEMEX and expires on June 30, 2017. A request for qualification (RFQ) was first conducted on September 25, 2015. Five firms submitted packages for evaluation. The firms were evaluated and scored by a staff committee and four firms met the required qualifications and were allowed to proceed to the RFP phase. On April 8, 2016, one RFP submission was received from CEMEX. Staff reviewed the submission and recommended award to CEMEX. Mr. Duran and Mr. Balliew addressed questions and comments from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster and unanimously carried with Mr. Roe abstaining, the Board awarded RFP Number 56-15, Water and Wastewater Treatment Residuals Services to the sole respondent, CEMEX Construction Materials South, LLC in the initial amount of \$22.45 per wet ton for an estimated annual cost of \$1,935,150. The initial contract period runs through June 30, 2022, with the option for two five-year extension periods.

APPROVED A CONTRACT FOR THE ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT SCADA UPGRADE PHASE II WITH PRIME CONTROLS WITH BUY BOARD PRICING THROUGH GSA SCHEDULE CONTRACT NUMBER GS-35F-0455W IN THE AMOUNT OF \$1,865,120, AND AUTHORIZED THE USE OF COMMERCIAL PAPER.

Mr. Armando Renteria, Chief Information Officer, presented information to the Board regarding this item. The Roberto R. Bustamante Wastewater Treatment Plant, Phase I DCU-5 (Direct Control Unit) and SCADA HMI (Supervisory Control and Data Acquisition, Human Machine Interface) system upgrades were completed in March 2016. The Phase II scope of work consists of upgrading DCU-1, DCU-2 and DCU-6 which were not addressed in Phase I and replace 11 control system enclosures. Having successfully completed the Phase I system upgrades, a proposal for the Roberto R. Bustamante Wastewater Treatment Plant Phase II project was requested from Prime Controls. Quotation number EPWU020816-TGC was received with buy board pricing through the U.S. General Administration Services (GSA) Schedule Contract Number: GS-35F-0455W. The price offered through the GSA contract was reviewed and determined to be reasonable. Mr. Renteria addressed questions from the Board regarding this item.

On a motion made by Mr. Ancliff, seconded by Dr. Mena and unanimously carried, the Board approved a contract for the Roberto R. Bustamante Wastewater Treatment Plant SCADA Upgrade Phase II with Prime Controls with buy board pricing through GSA Schedule Contract Number GS-35F-0455W in the amount of \$1,865,120, and authorized the use of commercial paper. **(Resolution attached)**

APPROVED A ONE-YEAR PROFESSIONAL SERVICES CONTRACT WITH SBC AND ASSOCIATES, INCORPORATED, WITH THE OPTION TO EXTEND AN ADDITIONAL YEAR, IN THE ESTIMATED ANNUAL AMOUNT OF \$80,000.

Mr. Balliew presented the Board with information regarding this item. The Board approved a one-year contract with SBC and Associates on May 13, 2015. The contract allowed for personalized coaching and development of key management and supervisory positions to assist them in improving their skills in effectively managing their staff. The consultant will also facilitate meetings with senior management to increase their effectiveness in working together and addressing strategic issues. The existing organizational structure in various areas in Operations and Technical Services will continue to be analyzed to determine where efficiencies and improvements can be realized. Recommendations will also include improving performance based work in various sections of the organization. The consultant will continue to assist in the identification and selection process for key recruitments. Based on the outcome of the assessments and coaching, additional services may be assigned.

The Consultant, Michael Smith of SBC and Associates, Incorporated has worked with EPWU for over four years providing coaching and development to the President/CEO, Vice Presidents and other key management positions. Mr. Smith's executive management and consulting career spans over forty years in the areas of strategic planning, organizational assessment, executive coaching, and consolidations and mergers. He has diverse experience in management consulting in industries such as water and sanitation districts, law, real estate, architecture, aviation, governmental agencies, nonprofit organizations, and manufacturing. He also worked with the Board of Directors of Water for People and assisted in a total reorganization of this international water organization developing fresh water projects world-wide. Mr. Smith's expertise and diverse services best meets EPWU's needs for an effective organizational assessment of the Operations and Technical Services area and executive coaching of key managers to improve performance.

On a motion made by Dr. Schoephoerster, seconded by Mr. Roe, and unanimously carried, the Board approved a one-year professional services contract with SBC and Associates, Incorporated, with the option to extend an additional year, in the estimated annual amount of \$80,000.

MANAGEMENT REPORT

- **Update on EPWU actions regarding mosquito abatement.** – Mr. Balliew made introductory comments regarding this item and then introduced Mr. Shubert and Ms. Rosendorf to make a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The presentation highlighted some of the recent news coverage in the media regarding the Zika virus. The presentation also highlighted the collaborative efforts between the City of El Paso, El Paso Water Utilities, the University of Texas at El Paso, other entities which are focused on preparedness and response. Several public outreach initiatives were discussed along with an overview of the proactive measures taken by EPWU Stormwater Operations on mosquito control. 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 Mr. Antcliff, seconded by Mr. Roe, and unanimously carried, the Board retired into Executive Session at 10:48 a.m., May 11, 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

The Board reconvened in open session at 11:27 a.m., May 11, 2016.

- Section 551.072 Deliberation Regarding Real Property**
The Board will deliberate regarding a potential land purchase.
- Section 551.072 Deliberation Regarding Real Property**
The Board will deliberate regarding the possible purchase of 0.1188 acres located at 2636 Sparkman St., generally described as the north sixty feet of Lots 1, 2, and 3, Block 114, Grandview Addition, as filed in Book 11, Page 60 of the Plat Records of El Paso County, Texas.
- Section 551.072 Deliberation Regarding Real Property**
The Board will deliberate regarding the possible sale of approximately 1.1985 acres of land located adjacent to 11430 Cedar Oak, near the intersection of Bessemer and Cedar Oak, generally described as a portion of Lot 5, Block 290, Vista Del Sol Unit Eighty, an addition to the City of El Paso, El Paso County Texas.

DELIBERATED REGARDING A POTENTIAL LAND PURCHASE.

On a motion made by Mr. Ancliff, seconded by Dr. Schoephoerster, and unanimously carried, the Board authorized the President/CEO to proceed with the acquisition of land in the manner approved by the Board

and in accordance with the terms and conditions specified by the Board and to sign any and all documents necessary to complete the purchase and sign the application for transfer of ownership of the validation permits.

DELIBERATED REGARDING THE POSSIBLE PURCHASE OF 0.1188 ACRES LOCATED AT 2636 SPARKMAN ST., GENERALLY DESCRIBED AS THE NORTH SIXTY FEET OF LOTS 1, 2, AND 3, BLOCK 114, GRANDVIEW ADDITION, AS FILED IN BOOK 11, PAGE 60 OF THE PLAT RECORDS OF EL PASO COUNTY, TEXAS.

On a motion made by Mr. Ancliff, seconded by Dr. Schoephoerster, and unanimously carried, the Board authorized the President/CEO to sign any and all documents necessary to complete the purchase of approximately 0.1188 acres of land, generally described as the north sixty feet of Lots 1, 2 and 3, Block 114, Grandview Addition, City of El Paso, El Paso County, Texas for the purchase price of \$14,500.00.

DELIBERATED REGARDING THE POSSIBLE SALE OF APPROXIMATELY 1.1985 ACRES OF LAND LOCATED ADJACENT TO 11430 CEDAR OAK, NEAR THE INTERSECTION OF BESSEMER AND CEDAR OAK, GENERALLY DESCRIBED AS A PORTION OF LOT 5, BLOCK 290, VISTA DEL SOL UNIT EIGHTY, AN ADDITION TO THE CITY OF EL PASO, EL PASO COUNTY TEXAS.

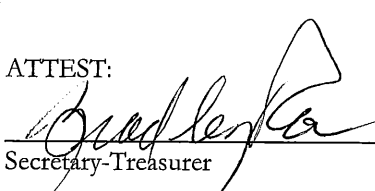
On a motion made by Mr. Ancliff, seconded by Dr. Schoephoerster, and unanimously carried, the Board declared the land inexpedient to the water system and authorized the President/CEO to obtain one appraisal for the property and forward to the City of El Paso the recommendation to sell the land for the greater of the appraised value or \$287,000, to the abutting property owner, based on the State law exception to the notice and bidding requirement that property with lack of access to public roads may be sold to an abutting property owner, and sign any and all documents necessary to complete the sale of the land.

In the alternative, in the event that the City Attorney's Office does not agree that the sale of the property is exempt from notice and bidding pursuant to Local Government Code Section 272.001(b)(1), the Board authorized the President/CEO to recommend to City Council that the land be sold through the sealed bidding process, and that the President/CEO obtain one appraisal and set the minimum bid price at the appraised value.

ADJOURNMENT

The meeting adjourned at 11:30 a.m., May 11, 2016.

ATTEST:


Secretary-Treasurer


Chair

RESOLUTION

A RESOLUTION APPROVING AMENDMENT NUMBER 3, FIELD OPERATIONS YARD RELOCATION DESIGN-BUILD CONTRACT FOR THE CONSTRUCTION OF THE WAREHOUSE AND METER SHOP TO JORDAN FOSTER CONSTRUCTION, LLC; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

WHEREAS, the new warehouse, meter shop and property control building is being constructed at Win Road and Pan American Drive. El Paso Water Utilities-Public Service Board (EPWU) awarded Jordan Foster Construction, LLC ("JFC") was awarded a design-build contract of the fleet maintenance facility on February 15, 2015. Amendment Number 1 was approved April 8, 2015, for the site work. Amendment Number 2 was approved June 11, 2015, for the guaranteed maximum price of constructing the entire fleet maintenance facility, including a \$3,460,984 allowance for construction of the warehouse and meter shop; and

WHEREAS, the design for the warehouse and meter shop facilities now includes additional components not considered when the estimated allowance was approved. The additional components include a modernized meter shop, additional office space, property control department, outdoor canopies for material storage, and additional site fencing to secure the area; and

WHEREAS, JFC requested competitive bids for the different aspects of the construction from local contractors. JFC received a total of twenty four bids, were received, with some trades having up to three bids. JFC provided the proposals to staff and accepted their recommendations; and,

WHEREAS, in order to take advantage of favorable interest rates and reduce financing costs, the Public Service Board and City Council have authorized a Commercial Paper Program to finance Public Service Board 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. 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 approve Amendment 3 to the Design-Build Contract with Jordan Foster Construction, LLC in the amount of \$3,534,136.00 for additional components to the new warehouse, meter shop, and property control building being constructed at Win Road and Pan American Drive.

Section 3. That the Public Service Board authorizes funding of the Project through the Public Service Board tax-exempt Commercial Paper Program from Commercial Paper Funds CIP#S7003, Account #1214-062, FY 2016-17 in the amount not to exceed \$1,625,651.00, with the remainder being funded through the Improvement Fund.

Amendment Number 3, Field Operations Yard Relocation Design-Build Contract
For the Warehouse and Meter Shop
Page 2

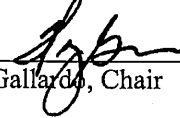
PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 11th day of May, 2016, at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001, et. seq.

ATTEST:



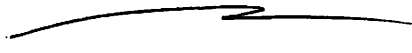
Chris Amadio, Vice Chair

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD



Henry Gallardo, Chair

APPROVED AS TO FORM:



Lupe Cuellar, General Counsel

RESOLUTION

A RESOLUTION APPROVING THE ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT SCADA UPGRADE PHASE II AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

WHEREAS, the Roberto R. Bustamante Wastewater Treatment Plant, Phase I, DCU-5 (Direct Control Unit) and SCADA HMI (Supervisory Control and Data Acquisition, Human Machine Interface) system upgrades were completed in March 2016. Phase II scope of work will be to upgrade DCU-1, DCU-2, and DCU-6 that were not addressed in Phase I and replace eleven control system enclosures. The equipment being monitored by the CDUs include influential raw pumps, bar screens, return well pumps, grit pumps, and grit classifiers; and,

WHEREAS, a request for a proposal for Phase II project was requested from Prime Controls. El Paso Water Utilities received quote EPWU020816-TGC with buy board pricing through the U.S. General Administration Services (GSA) Schedule Contract Number GS35F-0455W. EPWU staff reviewed the price offered through the GSA contract and determined it to be reasonable; 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. That the findings and recitations set out in the preamble to this Resolution are true and correct and are hereby adopted by the Public Service Board by this reference for all purposes.

Section 2. That the Public Service Board approves the award of a contract to Prime Controls in the amount of \$1,865,120.00 for the Roberto R. Bustamante Wastewater Treatment Plant SCADA Upgrade Phase II (the Project).

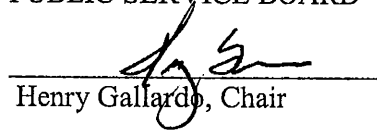
Section 3. That the Public Service Board authorizes funding of the Project through the Public Service Board tax-exempt Commercial Paper Program from Commercial Paper Funds CIP#S7003, Account #1916-018, FY 2016-17 in the amount not to exceed \$995,000.00, with the remainder being funded through the Improvement Fund.

PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 11th day of May, 2016 at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001, et. seq.

ATTEST:


Chris Amcliff, Vice Chair

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD


Henry Gallardo, Chair

APPROVED AS TO FORM:


Lupe Cuellar, General Counsel

RESOLUTION

A RESOLUTION AWARDING A PROFESSIONAL SERVICES CONTRACT FOR THE JACKSON GROUND WATER STORAGE TANK REPLACEMENT TO FREESE AND NICHOLS, INCORPORATED AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

WHEREAS, the existing Jackson ground water storage tank was constructed in the early 1920s and provides water to west central El Paso. The tank has gone through several restoration and repair efforts. The existing tank condition is beyond repair and a new tank must be designed and constructed; and,

WHEREAS, the Architectural/Engineering Selection Advisory Committee met on March 18, 2016, to review and recommend selection of the engineering firm for the storage tank replacement project. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control; and

WHEREAS, Freese and Nichols, Incorporated was selected as the firm that best meets the needs for this project and demonstrated excellent abilities in all the evaluated categories; and

WHEREAS, El Paso Water Utilities staff worked with Freese and Nichols, Incorporated to develop the scope of services for the design and bid phase services required for this project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant for the defined scope of work and are in line with the level of effort required to complete the task and consistent with similar work completed; and

WHEREAS, in order to take advantage of favorable interest rates and reduce financing costs, the Public Service Board and City Council have authorized a Commercial Paper Program to finance Public Service Board 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 engineering selection of Freese and Nichols, Incorporated – the firm that best meets the needs of the El Paso Water Utilities – for the Jackson Ground Water Storage Tank Replacement in an amount not to exceed \$272,349.00.

Section 3. That the Public Service Board hereby authorizes funding of this project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in the CIP#W2043, FY2016-2017, Account Number #1215-019 in an amount not to exceed \$142,000.00, with the remainder being funded through the Improvement Fund.

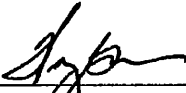
PASSED AND APPROVED at the regular meeting of the Public Service Board of the City of El Paso Texas, this 11th day of May, 2016, at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001 et. seq.

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD

ATTEST:




Chris Antcliff, Vice Chair



Henry Gallardo, President

APPROVED AS TO FORM:



Lupe Cuellar, General Counsel

RESOLUTION

A RESOLUTION REQUESTING FINANCIAL ASSISTANCE FROM THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING THE FILING OF AN APPLICATION FOR ASSISTANCE UNDER ITS STATE WATER IMPLEMENTATION FUND FOR TEXAS (SWIFT) LOAN PROGRAM WITH BOARD PARTICIPATION OR LOW-INTEREST WITH SUBSIDIZED INTEREST PROGRAM FOR A TWO-YEAR COMMITMENT, AND AUTHORIZING THE PRESIDENT/CEO TO SUBMIT AN APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD (TWDB) IN AN AMOUNT NOT TO EXCEED A TOTAL OF \$150,000,000.

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

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

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

WHEREAS, the City Council adopted a resolution on September 30, 2014 delegating authority to apply for funding from the State Water Implementation Fund of Texas on behalf of the City of El Paso to the El Paso Water Utilities Public Service Board of Trustees, President/CEO; and,

WHEREAS, the President/CEO is hereby designated the authorized representative for purposes of furnishing information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the Texas Water Development Board; and,

WHEREAS, the following firms and individuals are hereby authorized and directed to aid and assist in the preparation and submission of such application and appear on behalf of and represent the El Paso Water Utilities before any hearing held by the Texas Water Development Board on such application, to wit:

Financial Advisor: Maria Fernanda Urbina, Senior Vice President, First Southwest
Bond Counsel: Paul A. Braden, Partner, Fulbright & Jaworski LLP


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

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

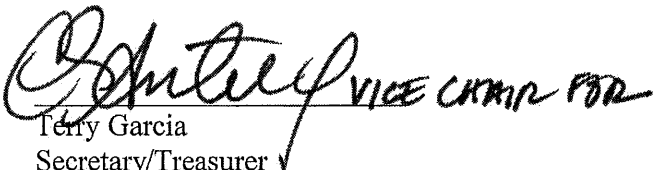
Section 2. That the El Paso Water Utilities Public Service Board authorizes the President/CEO to sign any and all documents necessary to submit the applications to request funding from the Texas Water Development Board SWIFT Board Participation Program or Low-interest with Subsidized Interest Program, in a two-year commitment in an amount not to exceed \$150,000,000.00. The funding from the Texas Water Development Board will fund projects identified in the water management strategy included in the 2016 Far West Texas Regional Water Plan, Region E.

PASSED AND APPROVED at the regular meeting of the Public Service Board, this 11th day of May, 2016, at which meeting a quorum was present and which was held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. seq.

EL PASO WATER UTILITIES




Henry Gallardo
Chairperson



Terry Garcia
Secretary/Treasurer

APPROVED AS TO FORM:



Lupe Cuellar
General Counsel

RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT/CEO'S SUBMISSION OF AN APPLICATION TO THE U. S. BUREAU OF RECLAMATION (USBR) FOR \$10,600.00 IN GRANT FUNDS FROM THE YEAR 2016 "WATERSMART: WATER RECLAMATION AND REUSE, TITLE XVI RESEARCH PROGRAM", TO RESEARCH THE FEASIBILITY OF WATER RECOVERY FROM FILTER BACKWASHING AND RE-WASHING OPERATIONS" (FILTER TO WASTE) WATERS, FOR RE-TREATMENT AND DISTRIBUTION TO THE PUBLIC FOR WATER AND ENERGY CONSERVATION, AND TO PROVIDE AN ADDITIONAL 700 ACRE FEET PER YEAR OF POTABLE WATER FOR PUBLIC USE. EL PASO WATER UTILITIES-PUBLIC SERVICE BOARD (EPWU-PSB) HEREBY AFFIRMS THE COMMITMENT OF \$28,305.00 IN CASH, PLUS \$4,838.00 OF "IN-KIND" SERVICES BY EPWU-PSB FOR STAFF MANPOWER AND SUPPLIES REQUIRED.

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

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

WHEREAS, EPWU has historically applied for and received U.S. Bureau of Reclamation grant funds for numerous water resource, conservation, infrastructure construction, reverse osmosis, water treatment research, supply, monitoring, and reclaimed water projects; and,

WHEREAS, EPWU operates the W.E. Robertson and Elwood Umbenhauer Water Treatment Plants, (also collectively called the Canal Water Treatment Plant) at the capacity of approximately 40 million gallons per day during the irrigation season, which can range from five to seven months per year during a normal year; and,

WHEREAS, the Canal Water Treatment Plant now discharges up to five percent of its annual diversions from the Rio Grande back into the Franklin Canal during normal operations in the form of routine filter backwash and filter-to-waste (rewash) water returns, as a part of the normal filter cleaning process, which equates to approximately 700 acre-feet per year (AFY) of unused water; and,

WHEREAS, the Engineering and Operations Staff Members have expressed concern that giardia and cryptosporidium may be building up in the filter media, which could impact the treatment of these reuse waters as a source of potable supply; and,

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

WHEREAS, EPWU has worked for several years with Dr. Anthony Tarquin of the Civil Engineering Department at the University of Texas at El Paso on research projects to sample and monitor for contaminants present in potable water suppliers and to produce potable water using water recycling and re-treatment techniques to reduce the overall volumes of water discharged and lost from EPWU's water supply, and this research has shown that this proposed recycling can provide up to 700 AFY of additional potable water for sale to the customer; and,

WHEREAS, EPWU has approved the current fiscal year (FY 2016-2017) budget including funds for water sampling and testing for contaminants, potentially leading to capital investment in improving water treatment at EPWU's facilities; and,

WHEREAS, USBR has released Funding Opportunity Announcement No. R16-FOA-DO-011, soliciting proposals for project funding under their "WATERSMART: WATER RECLAMATION AND REUSE RESEARCH UNDER THE TITLE XVI RECLAMATION AND REUSE PROGRAM FOR FY2016, and USBR requires a resolution of this type for submittal of a formal application for grant funds; and,

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

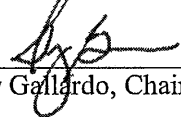
Section 1. That the findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the Public Service Board (PSB) and made a part of this Resolution for all purposes.

Section 2. That the PSB hereby authorizes the President/CEO to sign any and all documents required for application for U.S. Bureau of Reclamation (USBR) funds in the amount of \$10,600.00, and affirms the total commitment of \$28,305.00 in local cash and approximately \$4,838.00 in equivalent "in-kind" services towards the research of the necessary water sampling, testing, and recycling infrastructure. This action will be in accordance with the USBR WaterSMART Research Program Grant requirements, applied for as stated hereinabove.


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

PASSED AND APPROVED at the regular meeting of the Public Service Board, this 11th day of May 2016 at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001, et. seq.

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD


Henry Gallardo, Chair

ATTEST:


Terri Garcia, Secretary-Treasurer

Application Filing and Authorized Representative Resolution (WRD-201a)

A RESOLUTION by the El Paso Water Utilities Public Service Board of the City of El Paso requesting financial assistance from the Texas Water Development Board; authorizing the filing of an application for assistance; and making certain findings in connection therewith.

BE IT RESOLVED BY THE El Paso Water Utilities Public Service Board OF THE City of El Paso:

SECTION 1: That an application is hereby approved and authorized to be filed with the Texas Water Development Board seeking financial assistance in an amount not to exceed \$ 150,000,000.00 to provide for the costs of land and water rights acquisition under the Texas Water Development Board SWIFT program.

SECTION 2: That John E. Balliew, President and CEO, El Paso Water Utilities PSB, be and is hereby designated the authorized representative of the El Paso Water Utilities Public Service Board for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the Texas Water Development Board.

SECTION 3: That the following firms and individuals are hereby authorized and directed to aid and assist in the preparation and submission of such application and appear on behalf of and represent the El Paso Water Utilities Public Service Board before any hearing held by the Texas Water Development Board on such application, to wit:

Financial Advisor: María Fernanda Urbina, Senior Vice President, First Southwest Company

Engineer: _____

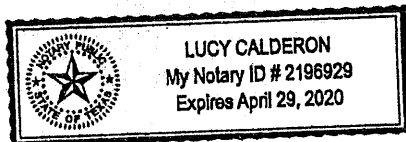
Bond Counsel: Paul A. Braden, Partner, Norton Rose Fulbright US LLP

PASSED AND APPROVED, this the 11th day of May, 2016.

ATTEST: Lucy Calderon

By: [Signature]
Henry Gallardo, Public Service Board Chair

(Seal)



Application Affidavit (WRD-201)

THE STATE OF TEXAS §
COUNTY OF El Paso §
APPLICANT El Paso Water Utilities Public Service Board §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared John Balliew, President and CEO as the Authorized Representative of the El Paso Water Utilities Public Service Board, who being by me duly sworn, upon oath says that:

1. the decision by the El Paso Water Utilities Public Service Board (authority, city, county, corporation, district) to request financial assistance from the Texas Water Development Board ("Board") was made in a public meeting held in accordance with the Open Meetings Act (Government Code, §551.001, et seq.) and after providing all such notice as required by such Act as is applicable to the El Paso Water Utilities Public Service Board (authority, city, county, corporation, district) ;


2. the information submitted in the application is true and correct according to my best knowledge and belief;

3. the El Paso Water Utilities Public Service Board (authority, city, county, corporation, district) has no pending, threatened, or outstanding judgments, orders, fines, penalties, taxes, assessment or other enforcement or compliance issue of any kind or nature by the Environmental Protection Agency, Texas Commission on Environmental Quality, Texas Comptroller, Texas Secretary of State, or any other federal, state or local government, except for the following (if no such outstanding compliance issues, write in "none"):

None

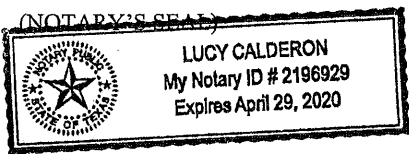
4. the El Paso Water Utilities Public Service Board (authority, city, county, corporation, district) warrants compliance with the representations made in the application in the event that the Board provides the financial assistance; and


5. the El Paso Water Utilities Public Service Board (authority, city, county, corporation, district) will comply with all applicable federal laws, rules, and regulations as well as the laws of this state and the rules and regulations of the Board.



Official Representative
Title: President and CEO

SWORN TO AND SUBSCRIBED BEFORE ME, by John Balliew,
this 11th day of May, 2016.





Notary Public, State of Texas

**SPECIAL MEETING MINUTES OF THE
PUBLIC SERVICE BOARD
AND THE
PUBLIC SERVICE BOARD SELECTION COMMITTEE
CITY OF EL PASO**

May 25, 2016

A special meeting of the Public Service Board and the Public Service Board Selection Committee was held Wednesday, May 25, 2016, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

PSB SELECTION COMMITTEE MEMBERS PRESENT

Henry Gallardo, PSB Chair
Christopher Antcliff, PSB Vice-Chair
Terri Garcia, PSB Secretary-Treasurer
Dr. Richard T. Schoephoerster, PSB Member
Bradley Roe, PSB Member
Dr. Kristina Mena, PSB Member
Dr. Richard Teschner, Representing District 1
Joe Cardenas, Representing District 2
Richard Martinez, Representing District 7
Charlie Wakeem, Representing District 8

PSB SELECTION COMMITTEE MEMBERS ABSENT

Mayor Oscar Leeser, Committee Chair
Richard Castro, Representing District 3
Vacant, Representing District 4
Sam Shallenburger, Representing District 5
Donna AlHakeem, Representing District 6

PSB EMPLOYEES PRESENT

John E. Balliew, P.E., President & Chief Executive Officer
Lupe Cuellar, General Counsel

EPWU EMPLOYEES PRESENT

Daniel Ortiz, Assistant General Counsel
Matthew Behrens, Assistant General Counsel
Marcela Navarrete, Vice President
Alan Shubert, Vice President
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Gretchen Byram, Computer Media Specialist
Georgette Webber, Executive Secretary

MEDIA

None

GUESTS

None

The special meeting was called to order by Mr. Gallardo at 5:43 p.m. A quorum of the Public Service Board and the Public Service Board Selection Committee, (here therefore known as the "Committee") was present.

CONSIDERED AND TOOK ACTION REGARDING PUBLIC SERVICE BOARD APPLICATIONS RECEIVED AFTER THE POSTED DEADLINE.

Mr. Daniel Ortiz, Assistant General Counsel, said an email was received from Mr. Georges Halloul expressing interest in applying for the Environmental or Health position. Although Mr. Halloul expressed interest in applying for the position, Mr. Halloul never submitted an official application. Mr. Ortiz informed the Committee that no action was necessary regarding that matter.

TOOK ACTION, TO INCLUDE SELECTION OF THE TOP THREE CANDIDATES, RANKING OF THE TOP CANDIDATES AND RECOMMENDATION TO CITY COUNCIL, AND OTHER RELATED MATTERS, IN REGARDS TO THE APPLICATIONS THAT MEET THE SELECTION CRITERIA OF HAVING EXPERTISE IN THE AREA OF ENVIRONMENTAL OR HEALTH.

Ms. Georgette Webber, Executive Secretary explained the process for voting to arrive at a slate of three eligible candidate for the position. Mr. Gallardo asked each Committee member to select and identify their top three candidates from the group of qualified applicants. Each of the identified candidates received 1 point each time they were selected by a Committee member. Once each committee member identified their top 3 candidates, the points were tallied for all candidates with the following results:

Richard Bonart	2 points
Tom Davis	5 points
Jorge Gardea-Torresdey	9 points
Aileen Ramirez	2 points
Ivonne Santiago	9 points
Vivek Tandon	0 points

Jorge Gardea-Torresdey, Ivonne Santiago and Tom Davis moved on to the second round of voting. Mr. Gallardo asked each Committee member to rank the top three candidates with the highest scores in order of personal preference using the following method:

1st preference = 3 points 2nd preference = 2 points 3rd preference = 1 point

Once each Committee member ranked the top three candidates by personal preference, the points were tallied for each of the three candidates with the following results:

Tom Davis	9 points
Jorge Gardea-Torresdey	24 points
Ivonne Santiago	21 points

The candidates were ordered and ranked 1st, 2nd and 3rd based on the total preference points received.

1 st	Jorge Gardea-Torresdey	27 points
2 nd	Ivonne Santiago	18 points
3 rd	Tom Davis	15 points

Mr. Gallardo opened the floor for comments and discussion from the Committee. Additional comments were made by the Committee. Once deliberation ended, Mr. Gallardo requested a motion to approve and submit the candidates to City Council for consideration and selection.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Committee approved the following candidates to be submitted to City Council for review and consideration, in the ranking preference noted below, for the Environmental or Health position on the Public Service Board:

- 1st Jorge Gardea-Torresdey
- 2nd Ivonne Santiago
- 3rd Tom Davis

CONSIDERED AND APPROVED THE COMMITTEE TIMELINE FOR PUBLIC SERVICE BOARD APPOINTMENT.

The proposed timeline was distributed to the Committee. The list of candidates for the vacant position would be provided to the City on May 26, 2016. Mr. Gallardo directed Mr. Ortiz to send the information to the City Manager and City Clerk. On June 14, 2016, City Council will consider and make a decision whether to select a candidate for the position or reject all candidates and request the Committee to begin the selection process again. If a candidate is selected for the position, the new member will be sworn in at the PSB Meeting on July 13, 2016.

On a motion made by Dr. Teschner, seconded by Mr. Martinez and unanimously carried, the Committee approved the timeline for Public Service Board appointment.


PUBLIC COMMENT: THE PUBLIC SERVICE BOARD SELECTION COMMITTEE CHAIR 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.

ADJOURNMENT

The meeting adjourned at 5:55 p.m., May 25, 2016.

ATTEST:



Secretary-Treasurer



Chair