

**MINUTES  
PUBLIC SERVICE BOARD  
CITY OF EL PASO  
September 9, 2015**

The regular meeting of the Public Service Board was held Wednesday, September 9, 2015, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

**PSB MEMBERS PRESENT**

Dr. Richard T. Schoephoerster, Chair  
Ruth Katherine Brennand, Vice Chair  
Terri Garcia, Secretary-Treasurer  
Mayor Oscar Leeser, Ex-Officio Member  
Henry Gallardo, Member  
Christopher Antcliff, Member

**PSB MEMBERS ABSENT**

Bradley Roe, 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  
Marcela Navarrete, Vice President  
Alan Shubert, Vice President  
Lisa Rosendorf, Chief Communications & Government Affairs Officer  
Art Duran, Chief Financial Officer  
Gilbert Trejo, Chief Technical Officer  
Armando Renteria, Chief Information Officer  
Angel Bustamante, Water Systems Division Manager  
Martin Noriega, Stormwater Operations Manager  
Vick Pedregon, Wastewater Plant Superintendent  
Mike Parker, Water Plant Superintendent  
Genaro Mota, Water Plant Superintendent  
Enrique Fuentes, Instrumentation Control Superintendent  
Ron Varnell, Wastewater Lift Stations Superintendent  
Richard Wilcox, Laboratory Quality Control Chemist  
Ana Pucella, Budget Specialist  
Adriana Castillo, Utility Engineer  
Warren Marquette, Utility Engineer  
Gretchen Byram, Computer Media Specialist  
Javier Camacho, Public Information Specialist  
Christina Montoya, Marketing & Communications Manager  
Cynthia Osborn, Real Estate Manager/Counsel  
Zulema Jamis, Secretary  
Georgette Webber, Executive Secretary

**GUESTS**

Taylor Moreno, City of El Paso  
Richard de la Torre, Clowe & Cowan  
Baltazar Lucero, Clowe & Cowan  
Michael Ancell, CH2M  
Steve Ainsa, CDM Smith  
Judy Ackerman, Citizen  
Brad Cross, LBG Guyton  
Doug Jenkins, CH2M  
Arnell Friedt, CH2M  
Skim Bambrook, Robert Navarro & Associates  
Sarah Gomez, CDM Smith  
Linda Holguin, The Arc El Paso  
Josie Rodriguez, The Arc El Paso  
Cecilia Navarro Tanner, The Arc El Paso  
Daniel Wood, The Arc El Paso

**MEDIA**

El Paso Times  
KFOX/KDBC  
KTSM

The Public Service Board meeting was called to order by Dr. Schoephoerster at 8:11 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Ms. Marcela Navarrete, Vice President, in reciting the Pledge of Allegiance.

**CONSENT AGENDA**

On a motion made by Ms. Brennand, seconded by Mr. Antcliff and unanimously, the Board moved items 4 and 5 to the Regular Agenda.

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

**APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON AUGUST 12, 2015.**

The Board approved the minutes of the regularly scheduled meeting held on August 12, 2015.

**APPROVED THE MINUTES OF THE SPECIAL MEETING HELD ON AUGUST 28, 2015.**

The Board approved the minutes of the special meeting held on August 28, 2015.

**APPROVED A 36-MONTH FAIR MARKET VALUE LEASE FOR (40) MODEL CF-19 AND (15) MODEL CF-31 PANASONIC TOUGHBOOK LAPTOPS AND A \$125.00 DOCUMENTATION FEE TO MARLIN BUSINESS SERVICES CORPORATION FOR A TOTAL PAYMENT AMOUNT OF \$193,796.31 WITH PCS MOBILE THROUGH BUY BOARD PRICING OFFERED WITH NIPA (NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE) THROUGH CONTRACT NUMBER: NIPA CNR-04540-V37T-120471.**

The Board approved a 36-month Fair Market Value lease for (40) Model CF-19 and (15) Model CF-31 Panasonic Toughbook laptops and a \$125.00 documentation fee to Marlin Business Services Corporation for a total payment amount of \$193,796.31 with PCS Mobile through buy board pricing offered with NIPA

(National Intergovernmental Purchasing Alliance) through Contract Number: NIPA CNR-04540-V37T-120471.

## REGULAR AGENDA

### **APPROVED AN AMENDMENT TO A BRINE WATER TREATMENT SERVICES AND SALES AGREEMENT BETWEEN ENVIRO WATER MINERALS COMPANY, INCORPORATED (EWM), AND THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD (EPWU) TO INCREASE THE AMOUNT OF RAW BRACKISH WELL WATER EPWU PROVIDES TO EWM, IN EXCHANGE FOR EPWU RECEIVING ADDITIONAL TREATED WATER FROM EWM.**

Mr. John Balliew, President/CEO, presented information to the Board regarding this item. El Paso Water Utilities (EPWU) worked with Enviro Water Minerals Company (EWM) towards a long-term agreement where EPWU would provide desalination brine from its Kay Bailey Hutchison Desalination Plant to EWM. EWM would then process the brine to extract certain minerals and chemical elements. The resulting treated water will be sold back to EPWU at a very reasonable rate. The contract was approved by the Public Service Board for signature in May 2015 and EPWU worked with EWM on a first amendment to the contract. The amendment increases the raw brackish well water flow rate to EWM from 650 gallons per minute (gpm) to 1345 gpm. Based on studies and a pilot project, the conveyance of desalination brine to EWM for its processing and the return of the resulting treated water would provide a "new" supply of drinkable water to EPWU. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Mr. Gallardo and unanimously carried, the Board approved an amendment to a Brine Water Treatment Services and Sales Agreement between Enviro Water Minerals Company, Incorporated (EWM), and the El Paso Water Utilities Public Service Board (EPWU) to increase the amount of raw brackish well water EPWU provides to EWM, in exchange for EPWU receiving additional treated water from EWM.

### **AUTHORIZED THE PRESIDENT/CEO TO SIGN A TECHNICAL ASSISTANCE AGREEMENT WITH BORDER ENVIRONMENT COOPERATION COMMISSION FOR A COUNTY REGIONAL WATER AND WASTEWATER SERVICE PLAN UPDATE.**

Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The current County Regional Water and Wastewater Service Plan was prepared in 2003 as a joint effort between the Border Environment Cooperation Commission (BECC), County of El Paso, El Paso Water Utilities (EPWU), and other outside-city Utility Districts as an effort to identify and quantify existing conditions of water and/or wastewater services within the El Paso County. Since 2003, significant changes in development patterns along with the implementation of projects recommended in the 2003 service plan have led to the need for an update to the 2003 County Regional Water and Wastewater Service Plan.

EPWU submitted a Technical Assistance Request to BECC to develop an update to the Plan. EPWU is the sponsor under this Agreement. The Technical Assistance Agreement requires BECC to provide assistance in funding for updating the plan in an amount not to exceed \$86,831. The funding will be used by BECC to contract with a consultant to update certain parts of the plan. Under the Agreement, EPWU will work with BECC staff and/or the consultant to provide information which will assist BECC and the consultant update the plan. EPWU will also provide an evaluation of the consultant's performance. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Ms. Brennan and unanimously carried, the Board authorized the President/CEO to sign a technical assistance agreement with Border Environment Cooperation Commission for a County Regional Water and Wastewater Service Plan Update.

### **PRESENTATION ON FUNDRAISING ACTIVITIES AND A CHECK TO THE ARC OF EL**

**PASO FROM MONIES RAISED BY EL PASO WATER UTILITIES' EMPLOYEES.**

Ms. Adriana Castillo, Utility Engineer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Strategic Partnerships and Alliances with Non-Profit Organizations policy allows El Paso Water Utilities to support non-profits that give back to the community. This year, the PSB selected The Arc El Paso. The Arc El Paso is committed to serving individuals with intellectual and developmental disabilities (IDD), their families, and caregivers living in the El Paso Borderland region. El Paso Water Utilities had two initiatives to raise funds for The Arc El Paso: a series of employee-organized fundraising events held during non-working hours and a golf tournament at Painted Dunes, sponsored by The Touchtone Golf Foundation. Employee fundraising totaled \$15,850. The golf tournament raised \$14,150. The grand total amount raised by El Paso Water Utilities was \$30,000. Mr. Martin Noriega, Stormwater Operations Manager, Mr. Balliew, Dr. Schoephoerster, Mayor Leeser and Ms. Castillo presented the check to Ms. Cecilia Navarro Tanner, President; Ms. Josie Rodriguez, Secretary; and Ms. Linda Holguin, Director of The Arc El Paso. Ms. Navarro made comments of gratitude to the Board for their help with fundraising efforts.

**PRESENTATION OF THE SAFEST SECTION OF THE QUARTER AWARDS (SECOND QUARTER 2015).**

Ms. Christina Montoya, Marketing and Communications Manager, presented the Board with information regarding this item. In accordance with the Board's Award Policy, the winners of the Safest Section of the Quarter Awards for the second quarter of 2015 are as follows:

Plant Facilities:	Fred Hervey Water Reclamation Plant
Field/Construction:	Wastewater Lift Stations
Support Services:	Instrumentation Control
Compliance/Materials:	Laboratory Services

The awards are for the sections with the lowest accident rate for the months of April, May, and June. These sections were "Accident Free" during the second quarter. All of the members of these sections have performed their jobs safely as a group and as individuals, and deserve special recognition. Mr. Balliew presented each of the following supervisors with the Safest Section of the Quarter Award for their respective sections: Mr. Vick Pedregon, Wastewater Plant Superintendent; Mr. Ron Varnell, Wastewater Lift Stations Superintendent; Mr. Enrique Fuentes, Instrumentation Control Superintendent; and Mr. Richard Wilcox, Laboratory Quality Control Chemist.

**PRESENTATION OF THE PARTNERSHIP FOR SAFE WATER'S TEN-YEAR DIRECTORS AWARD TO THE JONATHAN W. ROGERS AND ROBERTSON/UMBENHAUER WATER TREATMENT PLANTS.**

Ms. Montoya presented the Board with information regarding this item. El Paso Water Utilities is a member of the National Association of Clean Water Agencies (NACWA). El Paso Water Utilities' surface water treatment plants have been participants in the Partnership for Safe Water for many years. During that time, both plants have consistently improved performance year by year. EPWU has received a national award for maintaining the Directors Award of recognition from the Partnership for Safe Water. The Directors Award is presented to water systems that have completed a successful review in the Partnership's Self-Assessment and Peer Review phase, a phase in which utilities examine the capabilities of their treatment plant operation and administration and then create a plan for implementing improvements.

The Partnership for Safe Water is a coalition consisting of the American Water Works Association, the Association of Metropolitan Water Agencies, the Association of State Drinking Water Administrators, the United States Environmental Protection Agency, the National Association of Water Companies and the Water Research Foundation. The Partnership was formed to encourage and assist United States water suppliers to voluntarily enhance their water systems performance, for greater control of Cryptosporidium, Giardia and other microbial contaminants. Mr. Balliew and Mayor Leeser presented the awards to Mr. Genaro Mota, Water Plant

Superintendent and Mr. Mike Parker, Water Plant Superintendent.

**PRESENTATION OF THE DISTINGUISHED BUDGET PRESENTATION AWARD FROM THE GOVERNMENT FINANCE OFFICERS ASSOCIATION FOR THE FY 2015-16 BUDGET TO ART DURAN, CHIEF FINANCIAL OFFICER.**

Ms. Montoya presented the Board with information regarding this item. The Government Finance Officers Association's Certificate of Achievement is the highest award in governmental budgeting and its attainment represents a significant accomplishment by a government and its management. The Utility first received this award for its FY 1999-2000 Budget. The Utility has now received this award for 17 consecutive years. In order to receive this award, a governmental entity must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. Mr. Balliew presented the award to Ms. Ana Pucella, Budget Specialist on behalf of Mr. Art Duran, Chief Financial Officer.

**AWARDED A PROFESSIONAL SERVICES CONTRACT FOR THE EL PASO WATER UTILITIES HAWKINS OFFICE BUILDING OCCUPANCY STUDY TO MNK ARCHITECTS, INCORPORATED.**

Mr. Gilbert Trejo, Chief Technical Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water Utilities has identified a need to conduct a study of the existing EPWU Main Office Building. The study consists of evaluating long-term building optimization solutions, taking into account current and future needs of the Utility. This study will also include an estimation of time anticipated for growth to exceed the building capacity. The Architectural/Engineering Selection Advisory Committee met on August 18, 2015 to review and recommend selection of the architectural firms for the services. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. MNK Architects 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. Staff worked with MNK Architects to develop the scope of 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. Mr. Balliew addressed questions from the Board pertaining to this item.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board awarded a professional services contract for the El Paso Water Utilities Hawkins Office Building Occupancy Study to MNK Architects, Incorporated.

**APPROVED A CONTRACT WITH PARKHILL, SMITH AND COOPER, INCORPORATED FOR CONSTRUCTION PHASE SERVICES FOR THE HASKELL R. STREET WASTEWATER TREATMENT PLANT PRIMARY CLARIFIER NO. 3 REHABILITATION PROJECT; AND AUTHORIZED THE USE OF COMMERCIAL PAPER.**

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Haskell R. Street Wastewater Treatment Plant (WWTP) utilizes four tanks known as primary clarifiers to remove solids from wastewater. The existing clarifiers were installed in 1986. These tanks and associated equipment are in a highly corrosive environment that has corroded mechanical and structural components inside the clarifiers. Parkhill, Smith and Cooper (PSC) completed an engineering study and recommended replacement of the clarifier mechanisms and rehabilitation of all corroded concrete and to improve the odor collection system. This project is for the rehabilitation of the first clarifier – Primary Clarifier Number 3. PSC was awarded Task Order Number 2 - Design and Bid Phase Services for Haskell R. Street WWTP Primary Clarifiers Rehabilitation Project through the Wastewater Treatment Plants Support Services On-Call Engineering Services contract on December 11, 2013. PSC was selected to perform the construction phase

services and were determined to be the most qualified and competent to perform the services due to their completion of the study and design phases of this project.

EPWU staff worked with PSC to develop a scope of construction phase services for the rehabilitation work of Primary Clarifier Number 3. This contract includes both office engineering and resident project representative services. The fee proposal associated with this scope of services was submitted, reviewed, and negotiated with the Consultant to reach an agreement on the costs to complete the work. Mr. Trejo and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Ms. Garcia and unanimously carried, the Board approved a contract with Parkhill, Smith and Cooper, Incorporated for Construction Phase Services for the Haskell R. Street Wastewater Treatment Plant Primary Clarifier No. 3 Rehabilitation Project; and authorized the use of commercial paper. **(Resolution attached)**

**PROVIDED DIRECTION TO EPWU STAFF ON HOW TO PROCEED WITH PROPOSED ADDITIONAL WORK TO THE GATEWAY STORMWATER PONDS PROJECT.**

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Gateway Stormwater Ponds project is located in central El Paso. The project consists of excavating the existing Gateway West Pond to 50-feet deep with reinforced slopes as well as excavate a new pond along Gateway East (Gateway East Pond) to a depth of 28-feet. Due to the acquisition of additional property along Gateway East well in advance of the completion of this construction project, additional work is proposed to increase the volume of the Gateway East Pond. The work consists of the further excavation of the Gateway East Pond to 50-feet. The additional expansion of Gateway East Pond will add 59 acre-feet of storage to the pond. As a result, Gateway West and East Ponds will provide a total storage of 155 acre-feet. The improved pond will capture stormwater runoff flowing from the Cebada and Magnolia watersheds to reduce flooding that occurs at Interstate Highway (IH)-10 and residential areas.

Mr. Trejo said the additional work could be executed as a change order in the current construction contract or bid out separately. If the additional work is approved as a change order to this contract the entire project is estimated to be completed by April 2016. If the additional work is bid as a stand along project, the project is estimated to be completed by July 2016. Mr. Trejo and Ms. Lupe Cuellar, General Counsel, addressed several questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia and unanimously carried, the Board directed EPWU staff to execute and increase the scope of work for the Gateway Stormwater Ponds project as a change order.

**AWARDED BID NUMBER 47-15, CANAL WATER TREATMENT PLANT LONG TERM STRUCTURAL REPAIRS PHASE 1, TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER, SMITHCO TEXAS CONSTRUCTION, INCORPORATED, IN THE AMOUNT OF \$341,335.**

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The project is located at the Canal Water Treatment Plant. A structural assessment prepared in March 2014 by CDM Smith and Robert Navarro and Associates entitled "Canal Water Treatment Plant Sedimentation Basin Leakage Investigation" identified structural deficiencies at the plant. Improvements include miscellaneous structural modifications, compaction of subgrades for concrete decks, leveling of slabs, and joint filling and crack repairs to be performed throughout the plant during the seasonal plant outage of October 2015 through April 2016.

El Paso Water Utilities (EPWU) received two bids for this project ranging from \$341,335.00 to \$34,058,761.00. The Engineer's estimate was \$337,208.08. A calculation error on Bid Item Number 18 in Cubic Water's Bid Form caused an erroneous high bid total but did not affect the order of bids. The project consulting engineers,

CDM Smith and Robert Navarro Associates, evaluated the qualifications of the apparent low bidder and determined Smithco Texas Construction met the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. EPWU staff evaluated the Engineer's evaluation matrix and recommended award of Bid Number 47-15, Canal Water Treatment Plant Long Term Structural Repairs Phase 1, to Smithco Texas Construction as the lowest, responsive, responsible bidder in the amount of \$341,335.00. Mr. Trejo and Mr. Alan Shubert, Vice President made comments and addressed questions from the Board regarding this item.

On a motion by Ms. Garcia, seconded by Ms. Brennand and unanimously carried, the Board award Bid Number 47-15, Canal Water Treatment Plant Long Term Structural Repairs Phase 1, to the lowest, responsive, responsible bidder, Smithco Texas Construction, Incorporated, in the amount of \$341,335.

**AWARDED BID NUMBER SW43-15, MAGNOLIA STORMWATER GRAVITY LINE, TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER, S.J. LOUIS CONSTRUCTION OF TEXAS, LTD., IN THE AMOUNT OF \$3,400,679.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This is a multi-phase project aimed at reducing flooding on Interstate Highway 10. The project is located in the central area of El Paso. The project consists of the construction of 1,214 linear feet of 84-inch and 52 linear feet of 60-inch diameter stormwater pipeline, including installation of 464 linear feet of 96-inch and 72-inch diameter steel-encased tunneled crossings at Interstate Highway 10, Gateway East and Gateway West Boulevards. This project is the last phase to complete the remainder of the gravity line into the pump station currently under construction.

El Paso Water Utilities (EPWU) received four bids for the project ranging from \$3,400,679.00 to \$6,657,045.00. The Engineer's estimate was \$3,853,272.17. The project consulting engineer, CH2M Hill Engineers, evaluated the qualifications of the apparent low bidder and determined S.J. Louis Construction of Texas met the minimum general requirements as well as the minimum project specific criteria as specified in the bid documents. EPWU staff reviewed the Engineer's evaluation matrix and recommended award of Bid Number SW43-15, Magnolia Stormwater Gravity Line, to S.J. Louis Construction of Texas as the lowest, responsive, responsible bidder in the amount of \$3,400,679.00.

On a motion made by Ms. Brennand, seconded by Mr. Gallardo, and unanimously carried, the Board awarded Bid Number SW43-15, Magnolia Stormwater Gravity Line, to the lowest, responsive, responsible bidder, S.J. Louis Construction of Texas, Ltd., in the amount of \$3,400,679.

**APPROVED CHANGE ORDER NUMBER 6 FOR MAGNOLIA STORMWATER PUMP STATION - REBID TO R.M. WRIGHT CONSTRUCTION COMPANY IN AN AMOUNT NOT TO EXCEED \$500,000.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The project area is located in central El Paso. This is a multi-phased project to reduce flooding on Interstate Highway 10. This phase consists of the construction of a 113 million gallons 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 Contractor was not able to complete the last 85 feet of tunnel under Union Pacific's spur track by the method specified. Change Order Number 6 is to complete the crossing via an alternate method. 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 Mr. Gallardo, seconded by Ms. Garcia, and unanimously carried, the Board approved Change Order Number 6 for Magnolia Stormwater Pump Station - Rebid to R.M. Wright Construction Company in an amount not to exceed \$500,000.

**AWARDED A CONTRACT, IN A FORM TO BE APPROVED BY GENERAL COUNSEL, TO STRATA TECHNOLOGIES, INCORPORATED FOR PROFESSIONAL CONSULTING AND CONTRACTING SERVICES TO PROVIDE INSPECTION SERVICES, OVERSIGHT SERVICES, AND CONTRACTING SERVICES FOR THE REPAIR OF A CASING LEAK IN ONE OF THE KAY BAILEY HUTCHISON INJECTION WELLS IN THE AMOUNT NOT TO EXCEED \$1,600,000 SUCH CONTRACT.**

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). EPWU uses deep well injection for the disposal of concentrate generated from the Kay Bailey Hutchison Desalination Plant. EPWU has an Underground Injection Control (UIC) permit from the Texas Commission on Environmental Quality to operate three wells for the disposal of concentrate. The UIC permit requires that each of the injection wells pass Mechanical Integrity Testing (MIT) once every five years. The purpose of the tests is to ensure that the injection wells and injection equipment (tubing, packers) are operating correctly and that injected fluids (concentrate) are only injected into zones allowed in the UIC permit.

In March 2015 diagnostic tests indicated a present leak in the casing of injection well JDF-3 which prevents the well from maintaining pressure and thus failing the MIT requirements of the UIC permit. Given the useful life of such casings, the leak in the casing was unexpected. Repair of the casing is necessary for the successful completion of the MIT, which is required prior to EPWU using this well. The Kay Bailey Hutchison Desalination Plant cannot operate at full capacity without this injection well.

In 2014, STRATA was hired by the EPWU-PSB to complete similar injection well repairs on another Kay Bailey Hutchison injection well (JDF-2); therefore, staff determined that STRATA has the demonstrated knowledge and experience necessary to perform the repairs expeditiously. Staff has determined that the services provided by STRATA fall within the professional services exemption of 252.022(a) (4) of the Texas Local Government Code. The procurement also falls within the exemption found in 252.022(a) (3) of the Texas Local Government Code, which allows for a procurement necessary because of unforeseen damage to public machinery, equipment, or other property. Staff has also determined that STRATA has extensive experience in the TCEQ injection well compliance requirements and demonstrated knowledge and experience necessary to perform the repairs expeditiously. Mr. Shubert and Mr. Balliew addressed questions from the Board.

On a motion made by Ms. Garcia, seconded by Ms. Brennand, and unanimously carried, the Board awarded a contract, in a form to be approved by General Counsel, to STRATA Technologies, Incorporated for professional consulting and contracting services to provide inspection services, oversight services, and contracting services for the repair of a casing leak in one of the Kay Bailey Hutchison injection wells in the amount not to exceed \$1,600,000 such contract.

**AWARDED BID NUMBER 37-15, FIRE HYDRANTS, TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER, CLOWE AND COWAN OF EL PASO, INCORPORATED, IN THE ESTIMATED AMOUNT OF \$311,283.98, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS.**

Ms. Cuellar notified the Board that Ms. Garcia would abstain from deliberation and voting on this item. An affidavit was also filed by Ms. Garcia and submitted to the City Clerk. Mr. Art Duran, Chief Financial Officer, presented information to the Board regarding this item. Fire hydrants are required for new installations and to replace damaged fire hydrants. On August 17, 2015, the Utility received three bids ranging from \$311,283.98 to \$374,198.60. EPWU staff evaluated the bids and recommended award to the lowest responsible, responsive bidder, Clowe & Cowan of El Paso, in the estimated annual amount of \$311,283.98.

On a motion made by Mr. Gallardo, seconded by Ms. Brennand, and unanimously carried with Ms. Garcia abstaining from the vote, the Board awarded Bid Number 37-15, Fire Hydrants, to the lowest, responsive,



responsible bidder, Clowe and Cowan of El Paso, Incorporated, in the estimated amount of \$311,283.98, with the option for two one-year extensions.

**RATIFIED THE EXPENDITURE OF FUNDS FOR SERVICES PROVIDED BY THREE-O-MACHINE SHOP, INCORPORATED IN THE AMOUNT OF \$68,371.90 FOR THE MANUFACTURING OF PIPE REQUIRED FOR THE BUTTERFLY VALVE REPLACEMENT NECESSARY FOR THE OPERATION OF THE GAC FILTERS OF THE UPPER VALLEY WATER TREATMENT PLANT.**

Mr. Duran presented information to the Board regarding this item. EPWU staff commenced work on the replacement of 24-inch butterfly valves in the Upper Valley Water Treatment Plant's filtration system. After work began, it was discovered that the pipe was corroded and had to be replaced. Staff determined that the most efficient way to remove the corroded pipe was to cut the pipe into smaller pieces. The procurement of replacement pipe was necessary before staff could complete the butterfly valve replacement. Staff had to find someone who could quickly manufacture and supply 30 pieces of both 6-inch and 12-inch spools of flanged pipe to replace the corroded pipe. The completion of the work required the contractor to work overtime hours and had to be done quickly so that the plant could continue to run at full capacity and so that the work could be completed before the shutdown of the Paisano Valley 48-inch Water Transmission Main, scheduled for September 11, 2015. Three-O-Machine Shop was selected because they had the staff and resources available to do the work quickly and because they had prior experience on these types of projects. Three-O-Machine Shop began manufacturing the pipe on August 20, 2015 and delivered the last pipe on August 31, 2015. The procurement of these services falls within exemption 252.022(a) (3) a procurement necessary because of unforeseen damage to public machinery, equipment, or other property and the Board may ratify the expenditure of these funds. Funds are available.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia, and unanimously carried, the Board ratified the expenditure of funds for services provided by Three-O-Machine Shop, Incorporated in the amount of \$68,371.90 for the manufacturing of pipe required for the butterfly valve replacement necessary for the operation of the GAC filters of the Upper Valley Water Treatment Plant.

**APPROVED A RESOLUTION AND SUBMITTAL OF AN APPLICATION TO INCREASE THE INVESTMENT AMOUNT LIMIT OF IDP PRODUCT TO \$50 MILLION AND AUTHORIZED TEXPOOL PRIME INVESTMENTS POOL FOR THE UTILITY.**

Mr. Duran presented information to the Board regarding this item. The Utility utilizes only approved investments under the Public Funds Investment Act (PFIA) and the Utility's Investment Policy. Currently the Utility invests in Federal Agencies, Municipal Bonds, and Certificates of Deposits under \$250,000 per bank, Fully Collateralized Certificates of Deposits over \$250,000 and TexPool and TexStar governmental pools with same day liquidity. The IDP product formally FILA (Federally Insured Liquidity Account) is a current investment program that invests assets in over 500 highly rated community banks with investments of less than \$250,000 per bank. Since the bank deposits are less than \$250,000, the total investments are fully FDIC insured. The IDP's current average monthly rate of return is 0.21% and provides for next day liquidity. The prior authorized limit approved by the Board for this product was \$25 million. The program can now take deposits up to \$50 million.

The Utility currently invests in TexPool with a current interest rate of 0.07%; and the current TexPool Prime interest rate is 0.14%. Texpool Prime offers a higher rate of return because it invests in highly rated Commercial Paper. The Utility's Investment Committee met on August 20, 2015 and had a subsequent conference call with board members Terri Garcia and Henry Gallardo to review the new investment options that are authorized investment under PFIA and the Utility's Investment Policy and recommended increasing the investment amount limit from \$25 million to \$50 million on the IDP program and adding TexPool Prime pool to the Utility's investment portfolio. Mr. Duran addressed questions from the Board regarding this item.

On a motion made by Ms. Brennand, seconded by Ms. Garcia, and unanimously carried, the Board approved a resolution and submittal of an application to increase the investment amount limit of IDP product to \$50 million and authorize TexPool Prime investments pool for the Utility. **(Resolution attached)**

**APPROVED A ONE-YEAR PROFESSIONAL SERVICES CONTRACT WITH THE BALANCED SCORECARD INSTITUTE FOR TRAINING AND CONSULTING SERVICES IN AN ESTIMATED AMOUNT OF \$125,050.**

Mr. Armando Renteria, Chief Information Officer, presented information to the Board regarding this item. EPWU is committed to continuing its strategic planning efforts and desires to develop a robust strategic planning and management strategy by using the Balanced Scorecard system. In order to accomplish this, EPWU recognizes the need to engage EPWU staff in the Balanced Scorecard Institute (BSI) methodology to sustain a healthy planning process. EPWU has established a good Balanced Scorecard foundation through training, completing a strategic planning health assessment and compiling departmental strategic objectives. The recommendation to use the BSI methodology for developing a strategic plan was made by the Public Service Board. The BSI methodology is utilized by many Fortune 500 companies. The President/CEO examined and evaluated the BSI methodology and structured the first BSI based strategic plan using publicly available guidelines. Mr. Balliew said this program allows employees to be engaged with the strategic planning process. A group of 17 employees have been chosen to undergo the Balanced Scorecard training. The system will assist employees with strategy execution, developing strategic elements, refining strategic objectives and developing meaningful performance measures.

On a motion made by Ms. Garcia, seconded by Ms. Brennand, and unanimously, the Board approved a one-year professional services contract with the Balanced Scorecard Institute for training and consulting services in an estimated amount of \$125,050.

**AUTHORIZED THE PRESIDENT/CEO TO SIGN AMENDMENTS TO THE AGREEMENTS WITH THE UNITED STATES ARMY CORPS OF ENGINEERS FOR THE DESIGN AND CONSTRUCTION ASSISTANCE FOR THE EL PASO WATER LINE REPLACEMENT PHASES 8, 9 AND 10; AND AUTHORIZED THE USE OF COMMERCIAL PAPER, AS REQUIRED.**

Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). On June 28, 2010, agreements were signed by the former President and CEO of El Paso Water Utilities (EPWU) and the U.S. Army Corps of Engineers to provide design and construction assistance for the El Paso Water Line Replacement Phases 8, 9 and 10. In the current agreements, the project was allocated \$3.33 million provided by Congress for the Section 219 Assistance Project. The agreements provide for a 75% (Federal) and 25% (EPWU) cost share of the total cost of the project. The U.S. Army Corps of Engineers approved \$3.33 million for the Upper Valley Strahan Water Line Phase 1 Project (which consists of all three phases). The total cost of Phase 1 is estimated to be \$5,332,770.00 (Federal - \$3,999,577.50 and EPWU - \$1,333,192.50). After work-in-kind is taken into account per the agreement, EPWU is responsible for \$1,161,387.00 of the total cost.

Due to the increase in total project cost and corresponding EPWU cost share from the original agreement in the amount of \$91,387.00, there was a need to amend the contract to reflect the amounts. Additionally, there is an interest in securing an additional \$2 million from the U.S. Army Corps of Engineers to assist in the design and construction of the Upper Valley Strahan Water Line Phase 2 Project. Phase 2 is estimated to cost approximately \$4 million. As a result, there is a need to further amend the existing agreement to reflect this increase in scope of work and associated costs. Ms. Cuellar said the Board would be approving \$1,161,387.00 for Phase 1.

On a motion made by Ms. Garcia, seconded by Mr. Gallardo, and unanimously carried, the Board authorized the President/CEO to sign amendments to the agreements with the United States Army Corps of Engineers for the design and construction assistance for the El Paso Water Line Replacement Phases 8, 9 and 10; and authorize the use of commercial paper, as required.

**APPROVED THE PROPOSED PSB MEMBER SELECTION TIMELINE.**

Ms. Cuellar made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Board member Katherine Brennan's term expires on December 31, 2015. In 2009, the 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's 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. Ms. Cuellar presented the Board with the proposed schedule of events for the selection of a new member. The Board requested that the selection committee meeting be held after 5:00 p.m.

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

**APPROVED THE PROPOSED PSB BUDGET MEETING SCHEDULE.**

Mr. Balliew made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Mr. Balliew presented a proposed schedule of dates and times for the PSB budget hearings. The schedule of meetings is as follows:

**Monday, November 9, 2015 - 6:00 p.m.** - Stormwater Operating and Capital Budget; Proposed Rules and Regulation Changes; and Fee Adjustments

**Monday, November 16, 2015 - 6:00 p.m.** - Water, Wastewater and Reclaimed Water Operating and Capital Budget; Proposed Rules and Regulation Changes; and Fee Adjustments

**Monday, November 30, 2015 - 6:00 p.m.** - Outstanding Items (if necessary)

**Wednesday, December 9, 2015 (Regular Meeting)** - Adoption of Budget, Rates and Rules and Regulations for Water, Wastewater and Reclaimed Water Utilities

**Wednesday, January 13, 2016 (Regular Meeting)** - Adoption of Budget, Rates and Rules and Regulations for the Stormwater Utility

On a motion made by Mr. Antcliff, seconded by Mr. Gallardo, and unanimously carried, the Board approved the proposed PSB Budget Meeting schedule.

**MANAGEMENT REPORT**

- *Highlights from the Advanced Water Purification Facility Pilot Plant Tours:* Mr. Balliew presented the Board with a video highlighting the events of the Advanced Water Purification Facility Pilot Plant inaugural tour held on August 28, 2015.

**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.**

The Board heard comments from Ms. Judy Ackerman, El Paso citizen, regarding land acquisition around the Franklin Mountains for stormwater function purposes.

**EXECUTIVE SESSION**

On a motion made by Mr. Antcliff, seconded by Ms. Garcia, and unanimously carried, the Board retired into Executive Session at 9:46 a.m., September 9, 2015, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 through 551.076 to discuss any of the following:

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

a. Section 551.072 Deliberation regarding Real Property

The Board will deliberate regarding the sale of approximately 0.1952 acres of land located within the Loop 375 Border West Expressway project area, located in northwest El Paso, west of Interstate 10, south of Executive Center Boulevard, east of Paisano Drive, at the dead end of San Marcos Drive, City of El Paso, El Paso County Texas.

On a motion made by Mr. Antcliff seconded by Ms. Brennand, and unanimously carried with the Mayor absent from the vote, the Board reconvened in open session at 10:02 p.m., September 9, 2015.


**DELIBERATED REGARDING THE SALE OF APPROXIMATELY 0.1952 ACRES OF LAND LOCATED WITHIN THE LOOP 375 BORDER WEST EXPRESSWAY PROJECT AREA, LOCATED IN NORTHWEST EL PASO, WEST OF INTERSTATE 10, SOUTH OF EXECUTIVE CENTER BOULEVARD, EAST OF PAISANO DRIVE, AT THE DEAD END OF SAN MARCOS DRIVE, CITY OF EL PASO, EL PASO COUNTY TEXAS.**


On a motion made by Ms. Garcia, seconded by Ms. Brennand and unanimously carried, the Board declared the land as inexpedient to the system and authorized the President/CEO to accept the State of Texas appraisal and recommend, to the City of El Paso, that the land be conveyed to the State of Texas at the appraised value and sign any and all documents necessary to complete the conveyance of the land to the State of Texas.

**ADJOURNMENT**

The meeting was adjourned at 10:02 a.m., September 9, 2015.

ATTEST:

  
\_\_\_\_\_  
Secretary-Treasurer

  
\_\_\_\_\_  
Chair

RESOLUTION

A RESOLUTION APPROVING AMENDMENTS TO AGREEMENTS FOR DESIGN AND CONSTRUCTION ASSISTANCE FOR THE EL PASO WATER LINE REPLACEMENT PHASES 8, 9 AND 10 WITH THE UNITED STATES ARMY CORPS OF ENGINEERS; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

\*\*\*\*\*

**WHEREAS**, on June 28, 2010, agreements were signed by the former President/CEO of El Paso Water Utilities and the U. S. Army Corps of Engineers to provide design and construction assistance for the El Paso Water Line Replacement Phases 8, 9 and 10. In the current agreements, the project was allocated \$3.33 million provided by Congress for the Section 219 Assistance4 Project. These agreements provide for a 75% Federal and 25% El Paso Water Utilities cost share of the total cost of the project; and

**WHEREAS**, the U.S. Army Corps of Engineers approved \$3.33 million for the Upper Valley Strahan Water Line Phase 1 Project consisting of all three phases. Total cost of Phase 1 is estimated to be \$5,332,770.00 of which Federal is \$3,999,577.50 and EPWU \$1,333,192.50. After Work-In-Kind is taken into account per the agreement, EPWU is responsible for \$1,161,387.00 of the total cost. Due to the increase in total project cost and corresponding EPWU cost share from the original agreement in the amount of \$91,387.00, there is a need to amend the contract to reflect these amounts. Additional, there is an interest in securing an additional \$2,000,000 from the U.S. Army Corps of Engineers to assist in the design and construction of the Upper Valley Strahan Water Line Phase 2 Project. Phase 2 is estimated to cost approximately \$4,000,000. As a result, there is a need to further amend the existing agreement to reflect this increase in scope of work and associated costs; and

**WHEREAS**, in order to take advantage of favorable interest rates and reduce financing costs, the Public Service Board (PSB) and the City Council authorized a Commercial Paper Program to finance PSB construction projects and engineering services and this Project is eligible for such Program.

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

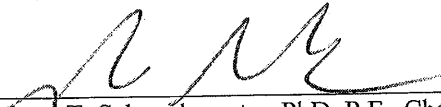
**Section 1.** The findings and recitations set out in the preamble to this Resolution are true and correct and are hereby adopted by the Public Service Board by this reference for all purposes.

**Section 2.** That the Public Service Board approves amendments to agreements for design and construction assistance for the El Paso Water Line Replacement Phases 8, 9 and 10 of the Upper Valley Strahan Water Line Phases 8, 9 and 10 with the United States Corps of Engineers and the Public Service Board hereby authorizes the President/CEO to execute an amendments to agreements for these projects not to exceed \$859,000.00.

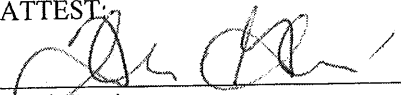
**Section 3.** That the Public Service Board hereby authorizes funding of the Project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in CIP#W4049, Account Numbers 1215-064, Budget FY2015-2016, in the amount not to exceed \$859,000.00.

**PASSED AND APPROVED** at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 9th day of September, 2015, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. seq.

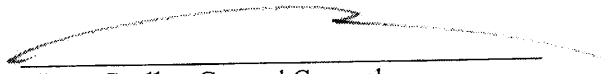
EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD

  
Richard T. Schoephoerster, PhD, P.E., Chair

ATTEST:

  
Terri Garcia  
Secretary/Treasurer

APPROVED AS TO FORM:

  
Lupe Cuellar, General Counsel

RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO APPROVE CONSTRUCTION ADMINISTRATION SERVICES CONTRACT FOR HASKELL R. STREET WASTEWATER TREATMENT PLANT PRIMARY CLARIFIER NUMBER 3 REHABILITATION PROJECT TO PARKHILL, SMITH AND COOPER, INCORPORATED; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

\*\*\*\*\*

**WHEREAS**, the Haskell R. Street Wastewater Treatment Plant (WWTP) utilizes four tanks known as primary clarifiers, installed in 1986, to remove solids from wastewater. The tanks and equipment are in a highly corrosive environment that has corroded mechanical and structural components inside the clarifiers and are in need of replacement. Parkhill, Smith and Cooper, Incorporated completed an engineering study and recommended replacement of the clarifier mechanisms and rehabilitation of all corroded concrete. This project will enhance settling of the solids and odor control collection system; and,

**WHEREAS**, Parkhill, Smith and Cooper, Incorporated was awarded Task Order Number 2, Design and Bid Phase Services for Haskell R. Street Wastewater Treatment Plant Clarifiers Rehabilitation Project through the Wastewater Treatment Plant's support services on-call engineering services contract on December 11, 2013, and due to their involvement is the design they are the most qualified and competent firm to provide the construction administrative services for this project; 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

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


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

**Section 2.** That the Public Service Board hereby authorizes the President/CEO to sign a Construction Administration Services Contract for Haskell R. Street Wastewater Treatment Plant Primary Clarifier Number 3 Rehabilitation project, to Parkhill, Smith and Cooper, Incorporated in the amount of \$191,838.00.

**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# S4226, FY 2014-15 Account Number 1913-026, in the amount of \$191,838.00.

**PASSED AND APPROVED** at the regular meeting of the Public Service Board of the City of El Paso Texas, this 9<sup>th</sup> day of September, 2015, 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:

  
\_\_\_\_\_  
Ferri Garcia  
Secretary-Treasurer

EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD

  
\_\_\_\_\_  
Dr. Richard T. Schoephoerster, Chair

APPROVED AS TO FORM:

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





# Resolution Authorizing Participation in the TexPool Investment Pools and Designating Authorized Representatives

**WHEREAS, EL PASO WATER UTILITIES - PUBLIC SERVICE BOARD**

("Participant") is a local government or state agency of the State of Texas and is empowered to delegate to the public funds investment pools the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

**WHEREAS,** it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

**WHEREAS,** the Texas Local Government Investment Pools ("**TexPool/TexPool Prime**"), public funds investment pools, were created on behalf of entities whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

**NOW THEREFORE,** be it resolved as follows:

- A. That Participant shall enter into a Participation Agreement to establish an account in it's name in **TexPool/TexPool Prime**, for the purpose of transmitting local funds for investment in **TexPool/TexPool Prime**.
- B. That the individuals, whose signatures appear in this Resolution, are authorized representatives of the Participant and are each hereby authorized to transmit funds for investment in **TexPool/TexPool Prime** and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

**Authorized Representatives of the Participant**

These individuals will be issued P.I.N. numbers to transact business via telephone with a Participant Service Representative.

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	Printed Name		Fax Number										
	VICE PRESIDENT		mnavarrete@epwu.org										
	Title		Email										
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	CHIEF FINANCIAL OFFICER		aduran@epwu.org										
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	LIDIA CARRANCO		<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td>9</td><td>1</td><td>5</td><td>5</td><td>9</td><td>4</td><td>5</td><td>6</td><td>0</td><td>4</td> </tr> </table>	9	1	5	5	9	4	5	6	0	4
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	Printed Name		Fax Number										
	UTILITY TREASURY & PROP CNTRL MANAGER		lcarranco@epwu.org										
	Title		Email										
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	JEFFREY TEPSICK		<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td>9</td><td>1</td><td>5</td><td>5</td><td>9</td><td>4</td><td>5</td><td>6</td><td>0</td><td>4</td> </tr> </table>	9	1	5	5	9	4	5	6	0	4
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	Printed Name		Fax Number										
	FISCAL OPERATIONS MANAGER		jtepsick@epwu.org										
	Title		Email										

**Authorized Representatives of the Participant (continued)**

5. \_\_\_\_\_  
Signature Telephone Number  
\_\_\_\_\_ Telephone Number  
Printed Name Fax Number  
\_\_\_\_\_ Email  
Title

List the name of the Authorized Representative provided above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

LIDIA CARRANCO  
Printed Name

In addition and at the option of the Participant, one additional authorized representative can be designated to perform inquiry only of selected information. This limited representative cannot make deposits or withdrawals. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

1. VICKY CHAVEZ \_\_\_\_\_  
Printed Name Telephone Number  
OFFICE MANAGER \_\_\_\_\_  
Title Fax Number


C. That this resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until **TexPool/TexPool Prime** receives a copy of any such amendment or revocation.

This resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 9<sup>th</sup> Day of September, 2015.


**Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.**

EL PASO WATER UTILITIES  
Name of Participant

SIGNED:

  
Signature  
DR. RICHARD T. SCHOEPHOERSTER  
Printed Name  
CHAIR OF PBS  
Title

ATTEST:

  
Signature  
TERRI GARCIA  
Printed Name  
SECRETARY-TREASURER  
Title



# TexPool Investment Pools Participation Agreement Preamble

This participation agreement (the "Agreement") is made and entered into by and between the Comptroller of Public Accounts (the "Comptroller"), acting through the Texas Treasury Safekeeping Trust Company (the "Trust Company"), Trustee of the Texas Local Government Investment Pool (TexPool) and TexPool Prime, (collectively the "TexPool Investment Pools"), and EL PASO WATER UTILITIES-PUBLIC SERVICE BOARD (the "Participant").

**WHEREAS**, the Interlocal Cooperation Act, TEX GOV'T CODE ANN, ch. 791 and the Public Funds Investment Act, TEX. GOV'T CODE ANN, ch. 2256 (the "Acts") provide for the creation of a public funds investment pool to which any local government or state agency may delegate, by contract, the authority to hold legal title as custodian and to make investments purchased with local funds;

**WHEREAS**, the Trust Company is a special purpose trust company authorized pursuant to TEX. GOV'T CODE ANN, § 404.103 to receive, transfer and disburse money and securities belonging to state agencies and local political subdivisions of the state and for which the Comptroller is the sole officer, director and shareholder;

**WHEREAS**, TexPool and TexPool Prime are public funds investment pools, which funds are invested in certain eligible investments as more fully described hereafter;

**WHEREAS**, the Participant has determined that it is authorized to invest in a public funds investment pool created under the Acts and to enter into this Agreement;

**WHEREAS**, the Participant acknowledges that the Trust Company is not responsible for independently verifying the Participant's authority to invest under the Acts or to enter this Agreement;

**WHEREAS**, the Participant acknowledges that the performance of TexPool Investment Pools is not guaranteed by the State of Texas, the Comptroller, or the Trust Company and that there is no secondary source of payment for the TexPool Investment Pools; and

**WHEREAS**, in an effort to ensure the continued availability of an investment pool as a vehicle for investment of local government funds and simultaneously provide for enhancement in services and potential decreases in management and administrative fees, Participant and Trust Company desire to provide in this Agreement that the Trust Company may obtain private professional investment management and related services.

**NOW THEREFORE**, for and in consideration of the mutual promises, covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree with each other as follows:

## Article I: Definitions

**"Account"** shall mean any account or accounts, established by the Participant in TexPool Investment Pools in accordance with this Agreement and the Operating Procedures (as defined herein), which Account represents an undivided beneficial ownership in TexPool Investment Pools.

**"Authorized Investments"** shall mean those investments which are authorized by the Investment Act (as herein defined) for investment of public funds.

**"Authorized Representative(s) of the Participant"** shall mean any individual who is authorized to execute documents and take such other necessary actions under this Agreement as evidenced by the duly enacted Resolution of the Participant.

**"Authorized Representative(s) of the Trust Company"** shall mean any employee of the Comptroller or Trust Company who is designated in writing by the Comptroller or the Trust Company's Chief Executive Officer to act as the authorized Trust Company representative for purposes of this Agreement and shall include employees of any private entity performing the obligations of the Comptroller under this Agreement.

**"Board"** shall mean the advisory board provided for in the Investment Act (as defined below).

**"Investment Act"** shall mean the Public Funds Investment Act, TEX. GOV'T CODE ANN, ch. 2256, as amended from time to time.

**"Investment Policy"** shall mean the written TexPool Investment Pools Investment Policies, as amended from time to time, relating to the investment and management of funds in TexPool Investment Pools as established by the Trust Company consistent with the Investment Act.

**"Letter of Instruction"** shall mean a written authorization and direction to the Trust Company signed by an Authorized Representative of the Participant.

**"Operating Procedures"** shall mean the written procedures established by the Trust Company describing the management and operation of TexPool Investment Pools, and providing for the establishment of, deposits to and withdrawals from the Accounts, as amended from time to time.

**"Participant"** shall mean any entity authorized by the Acts to participate in a public funds investment pool that has executed this Agreement pursuant to a Resolution.

**"Resolution"** shall mean the resolution adopted by the governing body of a local governmental entity authorizing the entity's participation in TexPool Investment Pools and designating persons to serve as Authorized Representatives of the Participant.

## Article II: General Administration

### Section 2.01. TexPool Investment Pools Defined.

- (a) TexPool Investment Pools are public funds investment pools created pursuant to the Acts.
- (b) Subject to Section 6.10, the Trust Company agrees to manage the Participant's Account(s) in accordance with the Investment Act and the Investment Policy.

### Section 2.02. Board.

- (a) The Board is composed of members appointed pursuant to the requirements of the Investment Act.
- (b) The Board shall advise the Trust Company on the Investment Policy and on various other matters affecting TexPool Investment Pools, and shall approve fee increases.

### Section 2.03. General Administration.

- (a) The Trust Company shall establish and maintain the Investment Policy specifically identifying the Authorized Investments consistent with the Investment Act and the general policy and investment goals for TexPool Investment Pools.
- (b) The Trust Company shall establish and maintain the Operating Procedures, describing the management and operation of TexPool Investment Pools and providing for procedures to be followed for the establishment of, deposits to, and withdrawals from the Accounts and such other matters as are necessary to carry out the intent of this Agreement.
- (c) The Trust Company shall have the power to take any action necessary to carry out the purposes of this Agreement, subject to applicable law and the terms of this Agreement.

**Section 2.04. Ownership Interest.** Each Participant shall own an undivided beneficial interest in the assets of TexPool Investment Pools in an amount proportional to the total amount of such Participant's Accounts relative to the total amount of all Participants' Accounts in TexPool Investment Pools, computed on a daily basis.

**Section 2.05. Independent Audit.** TexPool Investment Pools are subject to annual review by an independent auditor consistent with Ch. 2256, TEX GOV'T CODE ANN. In addition, reviews of TexPool Investment Pools may be conducted by the State Auditor's Office and the Comptroller's office. The Trust Company may obtain such legal, accounting, financial or other professional services as it deems necessary or appropriate to assist TexPool Investment Pools in meeting its goals and objectives.

**Section 2.06. Liability.** Any liability of the Comptroller, the Comptroller's office, the Trust Company, representatives or agents of the Trust Company, any Comptroller employee, Trust Company or any member of the Board for any loss, damage or claim, including losses from investments and transfers, to the Participant shall be limited to the full extent allowed by applicable laws. The Trust Company's responsibilities hereunder are limited to the management and investment of TexPool Investment Pools and the providing of reports and information herein required.

## Article III: Participant Requirement

**Section 3.01. The Participation Agreement.** The Participant must execute this Agreement and provide a Resolution authorizing participation in TexPool Investment Pools and designating persons to serve as Authorized Representatives of the Participant and any other documents as are required under, and substantially in the form prescribed by, the Operating Procedures before depositing any funds into TexPool Investment Pools. The Participant must provide an updated Resolution designating Authorized Representatives within 5 business days of the departure of any Authorized Representative of the Participant.

### Section 3.02. Operating Procedures

- (a) The Participant acknowledges receipt of a copy of the Operating Procedures. The Operating Procedures describe in detail the procedures required for the establishment of accounts, deposits to and withdrawals from TexPool Investment Pools, and related information.
- (b) The Operating Procedures may be modified by the Trust Company as appropriate to remain consistent with established banking practices and capabilities and when such modification is deemed necessary to improve the operation of TexPool Investment Pools.
- (c) The Participant hereby concurs with and agrees to abide by the Operating Procedures.

## Article IV: Investments

**Section 4.01. Investments.** All monies held in TexPool Investment Pools shall be invested and reinvested by the Trust Company or Authorized Representatives of the Trust Company only in Authorized Investments in accordance with the Agreement, the Investment Policy and the Investment Act. Participant hereby concurs with any such investment so made by the Trust Company. Available funds of TexPool Investment Pools that are uninvested may be held at the Trust Company's account at the Federal Reserve Bank of Dallas, or any designated custodian account, or with a custodian selected by the Trust Company. All investment assets and collateral will be in the possession of the Trust Company and held in its book-entry safekeeping account at the Federal Reserve Bank, any designated custodian account, or with a custodian selected by the Trust Company.

**Section 4.02. Failed Investment Transaction.** In the extraordinary event that a purchase of securities results in a failed settlement, any resulting uninvested funds shall remain in the Trust Company's Federal Bank of Dallas account, any designated custodian account or with a custodian selected by the Trust Company. If an alternative investment can be secured after the failure of the trade to settle, TexPool Investment Pools will receive all the income earnings, including but not limited to, any compensation from the purchaser failing in the trade and the interest income from the alternative investment.

**Section 4.03. Investment Earnings and Losses Allocation.** All interest earnings in TexPool Investment Pools will be valued daily and credited to the Participant's Accounts monthly, on a pro rata allocation basis. All losses, if any, resulting from the investment of monies in TexPool shall also be allocated on a pro rata allocation basis. All earnings and losses will be allocated to the Participant's Accounts in accordance with generally accepted accounting procedures.

**Section 4.04. Commingling of Accounts.** Participant agrees that monies deposited in TexPool and TexPool Prime, may be commingled with all other monies held in TexPool and TexPool Prime, respectively for purposes of common investment and operational efficiency. However, each Participant will have separate Accounts on the books and records of TexPool Investment Pools, as further provided for in the Operating Procedures.

**Article V: Fees, Expenses and Reports**

**Section 5.01. Fees and Expenses.** The Participant agrees to pay the amount set forth in the fee schedule. Participant agrees that all fees shall be directly and automatically assessed and charged against the Participant's Accounts. The basic service fee shall be calculated as a reduction in the daily income earned, thus only the net income shall be credited to the Participant's Account. Fees for special services shall be charged to each Participant's account as they are incurred or performed. A schedule of fees shall be provided to the Participant annually. Each Participant will be notified thirty (30) days prior to the effective date of any change in the fee schedule.

**Section 5.02. Reports.** A monthly statement will be mailed to the Participant within the first five (5) business days of the succeeding month. The monthly statement shall include a detailed listing of the balance in the Participant's Accounts as of the date of the statement; all account activity, including deposits and withdrawals; the daily and monthly yield information; and any special fees and expenses charged. Additionally, copies of the Participant's reports in physical or computer form will be maintained for a minimum of three prior fiscal years. All records shall be available for inspection at all reasonable hours of the business day and under reasonable conditions.

**Section 5.03. Confidentiality.** The Trust Company and any private entity acting on behalf of the Trust Company for purposes of this Agreement will maintain the confidentiality of the Participant's Accounts, subject to the Public Information Act, TEX GOV'T CODE ANN. ch. 552, as amended.

**Article VI: Miscellaneous**

**Section 6.01. Notices.** Any notices, Letters of Instructions or other information required or permitted to be given hereunder shall be submitted in writing and shall be deemed duly given when deposited in the U.S. mail postage prepaid or successfully transmitted via facsimile addressed to the parties as follows:

To the *Participant*:

EL PASO WATER UTILITIES - PUBLIC SERVICE BOARD

Participant

1154 HAWKINS BLVD.

Address

EL PASO, TEXAS 79925

City, State, Zip

9 | 1 | 5 | 5 | 9 | 4 | 5 | 5 | 3 | 1 |    9 | 1 | 5 | 5 | 9 | 4 | 5 | 6 | 0 | 4 |

Telephone

Fax

To *Trust Company* with respect to contractual matters or disputes under this Agreement:

Texas Treasury Safekeeping Trust Company  
Attn: TexPool Investment Pools  
Rusk State Office Building  
208 East 10th Street  
Austin, TX 78701  
Telephone: (512) 463-3716  
FAX No.: (512) 463-0823

To *TexPool Investment Pools* with respect to operational matters, including enrollment documents; changes to Authorized Representatives; Bank Information Sheets; initiation of deposits or withdrawals of funds; changes to addresses; audit confirmation requests; and account inquiry:

TexPool Participant Services  
C/O Federated Investors Inc.  
1001 Texas Ave., Suite 1400  
Houston, TX 77002  
Telephone: 1-866-839-7665 (1-866-TEX-POOL)  
FAX No.: 1-866-839-3291 (1-866-TEX-FAX1)

The Participant and the Trust Company agree to notify the other of any change affecting this information and agree that unless and until so notified, the other party shall be entitled to rely on the last information provided.

**Section 6.02. Taxpayer Identification Number.** The Participant's taxpayer identification number assigned by the Internal Revenue Service is: 74-6003579. The Participant hereby agrees to notify the Trust Company of any change affecting this Taxpayer Identification number and agrees that unless and until so notifies, the Trust Company shall be entitled to rely on same in providing any and all reports or other information necessary or required by the Federal tax laws as amended from time to time.

**Section 6.03. Severability.** If any provision of this Agreement shall be held or deemed to be in fact illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

**Section 6.04. Execution of Counterparts.** This Agreement may be simultaneously executed in several separate counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 6.05. Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any dispute under this Agreement shall be in Travis County, Texas.

**Article VI: Miscellaneous (continued)**

**Section 6.06. Captions.** The captions or headings in this Agreement are for convenience only and in no way defined, limit or describe the scope or intent of any provisions, articles or sections of this Agreement.

**Section 6.07. Amendments.**

- (a) The Trust Company shall advise the Participant in writing of any amendments to this Agreement no less than 45 days prior to the effective date of such amendment. The Participant may ratify the proposed amendment of this Agreement by letter to the Trust Company. If the Participant elects not to ratify the amendment, the Participant may terminate this Agreement in accordance with Section 6.08. In the event the Participant fails to respond in writing to a notice of amendment prior to the effective date of such amendment, this Agreement shall be deemed amended.
- (b) The Trust Company may periodically revise the Operating Procedures from time to time as it deems necessary for the efficient operation of TexPool Investment Pools. The Participant will be bound by any amendment to the Operating Procedures with respect to any transaction occurring subsequent to the time such amendment takes effect, provided, however, that no such amendment shall affect the Participant's right to cease to be a Participant.


**Section 6.08. Termination.** This Agreement may be terminated by either party hereto, with or without cause, by tendering 30 days prior written notice in the manner set forth in Section 6.01 hereof.

**Section 6.09. Term.** Unless terminated in accordance with Section 6.08, this Agreement shall be automatically renewed on each anniversary date hereof.

**Section 6.10. Assignment.** The Trust Company may enter into an agreement with a third party investment manager to perform its obligations and service under this Agreement, provided that such third party investment manager shall manage TexPool Investment Pools according to the Investment Act, Investment Policy and in a manner consistent with that directed by the Trust Company. The Trust Company also shall have the right to assign its rights and obligations under the Agreement to a third party investment manager if the Trust Company determines that such assignment is in the best interest of the State and Participants. In the event a successor pool to TexPool or TexPool Prime is deemed by the Trust Company to be in the best interest of the State and the Participant, the Trust Company may take any action it deems necessary to assign its rights and benefits under any third party agreements and transfer the assets from TexPool Investment Pools to any successor pool.

In **Witness Whereof**, the parties hereto have caused this Agreement to be executed as of the dates set forth below, and the Agreement shall be effective as of the latest such date.

**PARTICIPANT:**

	0 9   0 9   2 0   1 5
Signature	Date
DR. RICHARD T. SCHOEPHOERSTER	
Printed Name	
CHAIR OF PSB	
Title	

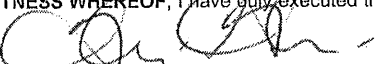
**TEXAS TREASURY SAFEKEEPING TRUST COMPANY  
COMPTROLLER OF PUBLIC ACCOUNTS**

Signature	Date
Printed Name	
Title	

**CERTIFICATE OF INCUMBENCY:**

The preceding signatory is a duly appointed, acting, and qualified officer of the Participant, who, in the capacity set forth above is authorized to execute this Agreement.

IN WITNESS WHEREOF, I have duly executed this certificate as of the 9<sup>th</sup> day of September, 2015.


Signature
TERRI GARCIA
Printed Name
SECRETARY-TREASURER
Title