

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
January 21, 2015

The regular meeting of the Public Service Board was held Wednesday, January 21, 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
Henry Gallardo, Member
Christopher Antcliff, Member
Bradley Roe, Member

PSB MEMBERS ABSENT

Mayor Oscar Leeser, Ex-Officio Member

PSB EMPLOYEES PRESENT

John E. Balliew, P.E., President and Chief Executive Officer
Robert Andron, General Counsel

EPWU EMPLOYEES PRESENT

Marcela Navarrete, Vice President
Alan Shubert, Vice President
Christina Montoya, Marketing & Communications Manager
Gretchen Byram, Computer Media Specialist
Art Duran, Chief Financial Officer
Javier Camacho, Public Information Specialist
Gilbert Trejo, Chief Technical Officer
Armando Renteria, Chief Information Officer
Ana Pucella, Budget Specialist
Michelle LePage, Purchasing Agent
Martin Noriega, Stormwater Operations Manager
Leticia Missirian, Security & Emergency Response Coordinator
Aide Zamarron, Utility Engineer
Manuel Perez, Energy Management Coordinator
Jeff Tepsick, Fiscal Operations Manager
Lidia Carranco, Treasury & Property Control Manager
Lupe Cuellar, Real estate Manager/Counsel
Georgette Webber, Executive Secretary

GUESTS

Steve Ainsa, CDM

Alex Acosta, Bickerstaff Heath Delgado Acosta, LLP
Sid Falk, Bickerstaff Heath Delgado Acosta, LLP
Richard Schechter, Citizen
Marilyn Guida, Citizen
Phil Rothstein, Bath Engineering
Jerry Thiedt, Citizen
Joe Cardenas, Moreno Cardenas
Sanaan Villalobos, ARCARDIS US
John Glendon, City of El Paso

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The Public Service Board meeting was called to order by Dr. Schoephoerster at 8:10 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.

REGULAR AGENDA

ADMINISTERED OATH TO NEW PSB MEMBER.

Mr. John Glendon, Deputy City Clerk, administered the oath of office to Mr. Bradley Roe. Mr. Roe was appointed to the Engineering position on the Public Service Board by City Council on December 9, 2014. This is his first, 4-year term as a Board member.

APPOINTED PSB SECRETARY-TREASURER.

Dr. Schoephoerster opened the floor for nominations for the position of PSB Secretary-Treasurer. Mr. Gallardo nominated Ms. Garcia for the position. Ms. Brennand seconded the nomination. Ms. Garcia accepted the nomination. No other nominations were made.

On a motion made by Mr. Gallardo, seconded by Ms. Brennand and unanimously carried, the Board appointed Ms. Garcia to the position of PSB Secretary-Treasurer.

CONSENT AGENDA

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

APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON DECEMBER 10, 2014.

The Board approved the minutes of the regularly scheduled meeting held on December 10, 2014.

APPROVED THE PURCHASE OF THE AGILENT GC/MS SYSTEM THROUGH THE TEXAS MULTIPLE AWARD SCHEDULE COOPERATIVE PURCHASING PROGRAM TXMAS NO.11-66020 (AGILENT 7890B/5977A) FROM ALL BUSINESS MACHINES INCORPORATED IN THE AMOUNT OF \$113,562.69.

The Board approved the purchase of the Agilent GC/MS System through the Texas Multiple Award Schedule Cooperative Purchasing Program TXMAS No.11-66020 (Agilent 7890B/5977A) from All Business Machines Incorporated in the amount of \$113,562.69.

AWARDED A CONTRACT FOR THE REPLACEMENT AND UPGRADE OF THE CCTV SYSTEM AT THE UPPER VALLEY WATER TREATMENT PLANT TO CFI SECURITY INCORPORATED UTILIZING THE REGION 19 BUY BOARD, CONTRACT NUMBER REGION 19 RFP NO. 09-6356 IN THE AMOUNT OF \$121,554.89.

The Board awarded a contract for the replacement and upgrade of the CCTV System at the Upper Valley Water Treatment Plant to CFI Security Incorporated utilizing the Region 19 Buy Board, Contract Number Region 19 RFP No. 09-6356 in the amount of \$121,554.89.

APPROVED THE RENEWAL OF IBM HARDWARE AND SOFTWARE SUPPORT SERVICES QUOTED BY MAINLINE INFORMATION SYSTEMS WITH BUY BOARD PRICING THROUGH TEXAS DIR CONTRACT NO. DIR-SDD-2240 IN THE AMOUNT OF \$99,472.63.

The Board approved the renewal of IBM hardware and software support services quoted by Mainline Information Systems with buy board pricing through Texas DIR Contract No. DIR-SDD-2240 in the amount of \$99,472.63.

AWARDED BID NUMBER 01-15, PATCHING AND MAINTENANCE OF CONCRETE SIDEWALK, CURB AND GUTTER DRIVEWAYS AND TWO ONE-YEAR EXTENSIONS TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, BLACK STALLION CONTRACTORS, IN THE ESTIMATED ANNUAL AMOUNT OF \$62,000.

The Board awarded Bid Number 01-15, Patching and Maintenance of Concrete Sidewalk, Curb and Gutter Driveways and two one-year extensions to the lowest responsive, responsible bidder, Black Stallion Contractors, in the estimated annual amount of \$62,000.

REGULAR AGENDA

PUBLIC HEARING ON CHANGE TO STORMWATER CHARGES BY THE MUNICIPAL DRAINAGE UTILITY SYSTEM GOVERNING BOARD. THE BOARD WILL CONDUCT A PUBLIC HEARING TO RECEIVE PUBLIC COMMENT ON THE PROPOSED LEVY OF FEE CHANGES TO THE STORMWATER SYSTEM PRIOR TO THEIR ADOPTION.

Mr. John Balliew made a PowerPoint presentation to the Board regarding the annual stormwater budget in the amount of \$60.519 million for fiscal year 2015-16. The stormwater maintenance expense budget has been increased by \$717,000 and the capital budget is \$46 million. There has never been an increase in fees since the inception of the stormwater utility. The proposed budget will allow the Utility to implement capital improvement projects, achieve more flood protection citywide and maintain adequate cash reserves and debt service coverage. Of the \$60.5 million budget, 28% will be funding by stormwater fees and 41% by a new bond issuance. Mr. Balliew reviewed a table of operating budget expenditures. He also reviewed the allocations for

the capital improvement projects and new funding requests. A table was presented while Mr. Balliew discussed and reviewed the current and proposed fee increases for fiscal year 2015-16. At the conclusion of the presentation, Mr. Balliew presented a table which compared El Paso's current and proposed stormwater fees to those of other cities in the State of Texas. Overall, he said staff's recommendation was to implement an 8% monthly fee increase.

PUBLIC HEARING: After the presentation, Dr. Schoephoerster opened the floor for public comment on the proposed changes to the stormwater charges. The Board heard comments from Mr. Jerry Thiedt, citizen, and Mr. Richard Schecter, citizen. Mr. Balliew addressed the comments and questions from each speaker. Dr. Schoephoerster opened the floor for any additional comments from the public. No additional comments were made and the public hearing was closed by Dr. Schoephoerster at 8:41 a.m.

Mr. Balliew addressed additional comments and questions from the Board.

ADOPTED THE ANNUAL STORMWATER BUDGET IN THE AMOUNT OF \$60.519 MILLION FOR FISCAL YEAR 2015-2016.

This item was heard in conjunction with item 8.

On a motion made by Mr. Roe, seconded by Mr. Gallardo and unanimously carried, the Board adopted the Annual Stormwater Budget in the amount of \$60.519 million for Fiscal Year 2015-2016.

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

This item was heard in conjunction with item 8.

On a motion made by Ms. Garcia, seconded by Mr. Antcliff and unanimously carried, the Board adopted a resolution amending Public Service Board Rules and Regulations No. 3, Establishing Adjusted Rates for the Furnishing of Stormwater Service. **(Resolution attached)**

AWARD BID NUMBER 89-14, GROUSE FORCE MAIN PHASE V - VALVE RECONFIGURATION AND INTERCONNECT, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, DUCROSS CONSTRUCTION, LLC, IN THE AMOUNT OF \$234,914.40; AND AUTHORIZE FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

Mr. Gilbert Trejo, Chief Technical Officer, made a PowerPoint presentation the Board regarding this item (copy on file in Central Files). Phase 5 is the last phase of the Grouse Force Main project. It consists of the installation of 100 linear feet of 20-inch and 24 inch sanitary sewer force main, 20-inch and 24-inch gate valves, trench safety system, fittings, tie-in activities and appurtenances necessary for an operational force main system.

El Paso Water Utilities (EPWU) received five bids for this project ranging from \$234,914.40 to \$345,897.20. The Engineer's estimate was \$175,307.50. The consulting engineer, Huitt-Zollars, evaluated the qualifications of the apparent low bidder and determined DuCross 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 the contract for Bid Number 89-14, Grouse Force

Main Phase V – Valve Reconfiguration and Interconnect, to DuCross Construction as the lowest, responsive, responsible bidder in the amount of \$234,914.40. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Ms. Brennand, seconded by Mr. Antcliff and unanimously carried, the Board awarded Bid Number 89-14, Grouse Force Main Phase V – Valve Reconfiguration and Interconnect, to the lowest responsive, responsible bidder, DuCross Construction, LLC, in the amount of \$234,914.40; and authorized funding through the Commercial Paper Program.. **(Resolution attached)**

REJECTED ALL BIDS FOR BID NUMBER 85-14, EMERGENCY BACKUP POWER – PACKAGE 2 INSTALLATION.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Package 2 was configured to allow the pumping of water under emergency conditions from wells to booster stations at various elevations in the same area of the city. On November 12, 2014, the Public Service Board approved the pre-purchase of generators and automatic transfer switches to provide emergency power capacity at a total of 14 well sites located mostly in the northeast side of El Paso, plus three support facilities – otherwise known as Package 2. This bid was to recommend the selection of a contractor to install the pre-purchased equipment and required site improvements. El Paso Water Utilities received five bids for the above referenced project on December 12, 2014. EPWU's Purchasing Department disqualified three bids for being non-responsive. The bids were disqualified for using the wrong version of the bid form or incorrectly filling out the bid form. Since the majority of the bids received were deemed non-responsive, staff recommended rejecting all bids for this project. Mr. Alan Shubert, Vice President addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Mr. Antcliff, and unanimously carried, the Board rejected all bids for Bid Number 85-14, Emergency Backup Power – Package 2 Installation.

AWARDED BID NUMBER SW77-14, EL PASO WATER UTILITIES MAINTENANCE FOR DRAINAGE CHANNELS AND AGRICULTURAL DRAINS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER WITH AN OPTION TO EXTEND FOR TWO ONE-YEAR EXTENSIONS, TO G.R.A.C.E. CONSTRUCTION, IN THE ESTIMATED ANNUAL AMOUNT OF \$254,205.

Mr. Art Duran, Chief Financial Officer, presented the Board with information regarding this item. He explained this is a service contract required for cleaning, weed cutting, mowing, trash / debris / tire removal, and restoring, back-filling, reshaping and compacting eroded slopes for EPWU Stormwater drainage channels and agricultural drains. Eleven potential bidders were provided bids. Six bids were received December 15, 2014 from Water Conservation Service Company, H Repair Solutions, AG2M, Black Stallion Contractors, Double H Contracting and G.R.A.C.E Construction. EPWU staff reviewed the bids and recommended award to the lowest responsive, responsible bidder, G.R.A.C.E Construction for the EPWU Maintenance for Drainage Channels and Agricultural Drains in the estimated annual amount of \$254,205. Mr. Duran and Mr. Balliew addressed several questions from the Board regarding this item.

On a motion made by Mr. Antcliff, seconded by Mr. Roe, and unanimously carried, the Board awarded Bid Number SW77-14, El Paso Water Utilities Maintenance for Drainage Channels and Agricultural Drains, to the

lowest responsive, responsible bidder with an option to extend for two one-year extensions, to G.R.A.C.E. Construction, in the estimated annual amount of \$254,205.

AWARDED BID NUMBER 05-15, REPAIR OF CITY STREETS AND TEXAS DEPARTMENT OF TRANSPORTATION HIGHWAYS WITH AN OPTION TO EXTEND FOR TWO ONE-YEAR EXTENSIONS, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, DOUBLE H CONSTRUCTION, INCORPORATED, IN THE ESTIMATED ANNUAL AMOUNT OF \$1,340,000.

Mr. Duran presented information to the Board regarding this item. He explained this service is to provide for pavement repairs on highways, streets and alleys resulting from paving cuts made by El Paso Water Utilities' crews during the construction, repair and maintenance of water and sewer mains, water services, and stormwater culverts. Eight potential bidders were provided bids. Three bids were received from Double H Construction, ZTEX Construction and J.A.R. Construction. EPWU staff evaluated this bid and recommended award to the lowest responsive, responsible bidder, Double H Construction in the estimated annual amount of \$1,340,000. Mr. Duran addressed comments and questions from the Board regarding this item.

On a motion made by Ms. Brennand, seconded by Mr. Gallardo, and unanimously carried, the Board awarded Bid Number 05-15, Repair of City Streets and Texas Department of Transportation Highways with an option to extend for two one-year extensions, to the lowest responsive, responsible bidder, Double H Construction, Incorporated, in the estimated annual amount of \$1,340,000.

EXECUTIVE SESSION

On a motion made by Mr. Antcliff, seconded by Mr. Roe, and unanimously carried, the Board retired in Executive Session at 9:09 a.m., January 21, 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 El Paso Water Utilities will deliberate regarding land held in its land inventory which may be considered for sale in 2015.
- b. Section 551.072 Deliberation Regarding Real Property
The Board will reconsider the declared inexpediency of property generally located at 130 Cotton Street, City of El Paso, El Paso County, Texas.
- c. Section 551.072 Deliberation Regarding Real Property
The Board will deliberate regarding the purchase of property located in east El Paso generally described as a tract of land inside Ysleta Grant Survey –beginning at approximately Delta & Alameda streets to approximately Carl Longuemare & Winn streets in a southeasterly direction 9.82 miles long, City of El Paso, El Paso County Texas, approximately 148.91 acres of land also known as the Playa Drain.

- d. Section 551.071 Consultation with Attorney
The Board will consult with its attorneys regarding an appeal from Mr. John Rayas.
- e. Section 551.071 Consultation with Attorney
The Board will deliberate regarding the claim of St. Paul's Lutheran Church.

On a motion made by Mr. Gallardo, seconded by Mr. Ancliff, and carried, the Board reconvened in open session at 10:43 a.m., January 21, 2015.

DELIBERATED REGARDING LAND HELD IN ITS LAND INVENTORY WHICH MAY BE CONSIDERED FOR SALE IN 2015.

On a motion made by Ms. Brennand, seconded by Mr. Roe and unanimously carried, the Board approved the annual land inventory report and directed the President/CEO to forward the report to the El Paso City Council.

RECONSIDERED THE DECLARED INEXPEDIENCY OF PROPERTY GENERALLY LOCATED AT 130 COTTON STREET, CITY OF EL PASO, EL PASO COUNTY, TEXAS.

On a motion made by Ms. Brennand, seconded by Mr. Antcliff and unanimously carried, upon voting to approve the reconsideration of the item, the Board determined that the property generally located at 130 Cotton Street, City of El Paso, El Paso County, Texas is inexpedient to the Water and Wastewater system and authorized the President/CEO to take whatever action is required to transfer the land to the City of El Paso pursuant to land transfer agreements between the City and the PSB provided that the PSB shall not be required to relocate until October 21, 2015.

DELIBERATED REGARDING THE PURCHASE OF PROPERTY LOCATED IN EAST EL PASO GENERALLY DESCRIBED AS A TRACT OF LAND INSIDE YSLETA GRANT SURVEY –BEGINNING AT APPROXIMATELY DELTA & ALAMEDA STREETS TO APPROXIMATELY CARL LONGUEMARE & WINN STREETS IN A SOUTHEASTERLY DIRECTION 9.82 MILES LONG, CITY OF EL PASO, EL PASO COUNTY TEXAS, APPROXIMATELY 148.91 ACRES OF LAND ALSO KNOWN AS THE PLAYA DRAIN.

On a motion made by Ms. Brennand, seconded by Mr. Roe and unanimously carried, the Board authorized the President/CEO to purchase and sign any and all documents necessary to complete the purchase of property located in east El Paso generally described as a tract of land inside Ysleta Grant Survey – beginning at approximately Delta & Alameda streets to approximately Carl Longuemare & Winn streets in a southeasterly direction 9.82 miles long, City of El Paso, El Paso County Texas, approximately 148.91 acres of land also known as the Playa Drain, for the purchase price of \$2,730,000.00.

CONSULTED WITH ITS ATTORNEYS REGARDING AN APPEAL FROM MR. JOHN RAYAS.

No action taken on this item.

DELIBERATED REGARDING THE CLAIM OF ST. PAUL'S LUTHERAN CHURCH.

No action taken on this item.

AWARD BID NUMBER 04-15, TRENCH SAFETY EQUIPMENT RE-BID, TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER, EL PASO TRENCH SAFETY, INCORPORATED, IN THE AMOUNT OF \$167,881.65.

Mr. Duran presented information to the Board regarding this item. The service provided under this bid is utilized for renting trench safety equipment for use on all water, sewer and stormwater pipeline excavations as required to meet OSHA safety regulations. Two potential bidders were provided bids. EPWU received two bids from El Paso Trench Safety in the estimated amount of \$167,881.65 and Trench Shore Rentals in the estimated amount of \$276,060.55. EPWU staff evaluated this bid and recommended award to the lowest responsive, responsible bidder, El Paso Trench Safety in the estimated annual amount of \$167,881.65. Mr. Duran and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Mr. Roe, and unanimously carried, the Board awarded Bid Number 04-15, Trench Safety Equipment Re-Bid, to the lowest responsive, responsible bidder, El Paso Trench Safety, Incorporated, in the amount of \$167,881.65.

RATIFIED AN EMERGENCY PURCHASE ORDER FOR THE ELECTRIC SUBSTATION AT THE HASKELL R. STREET WASTEWATER TREATMENT PLANT TO EATON CORPORATION THROUGH EATON'S TXMAS-703FAC020-1 IN THE AMOUNT OF \$233,777; AND AUTHORIZED FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). On May 18, 2014, a fire occurred at the primary odor scrubbers in the Haskell R. Street Wastewater Treatment Plant. As a result, all the scrubbers were destroyed. The footprint and height of the new bio-scrubbers requires relocating the existing substation and overhead electric lines that cross over the existing equipment. The purchase of the new electric substation was required due to the electric line relocation, new electric loads, and upgrades required to meet current codes. EPWU classified this as an emergency purchase due to the long lead time of 20 to 24 weeks for purchase of the electric substation. EPWU's selection of Eaton Corporation as the manufacturer of the electric substation was based on previous experience with the manufacturer. Eaton has local representation, expert technical support and has been very competitive when it comes to pricing. In addition, the substation was available from the Eaton Corporation through TXMAS-703FAC020-1.

On a motion made by Ms. Garcia, seconded by Mr. Roe, and unanimously carried, the Board ratified an Emergency Purchase Order for the Electric Substation at the Haskell R. Street Wastewater Treatment Plant to Eaton Corporation through Eaton's TXMAS-703FAC020-1 in the amount of \$233,777; and authorized funding through the Commercial Paper Program. **(Resolution attached)**

RATIFIED A SOLE-SOURCE PURCHASE ORDER FOR THE EMERGENCY REPLACEMENT OF FOUR PUMPS AND PIPING FOR THE ALBUM LIFT STATION TO C.L. NORTH IN THE AMOUNT OF \$82,550.

Mr. Trejo presented information to the Board regarding this item. During the monsoon season, the Album Lift Station was severely flooded causing the pumping system to be submerged and ruined. The submersible pumps were installed to help protect against future flooding. C.L. North is the authorized supplier of the Homa pumps for the El Paso area. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Gallardo, seconded by Ms. Brennand, and unanimously carried, the Board ratified a Sole-Source Purchase Order for the emergency replacement of four pumps and piping for the Album Lift Station to C.L. North in the amount of \$82,550.

RATIFIED A PURCHASE ORDER FOR THE INSTALLATION AND RELOCATION OF A 15-INCH SEWER MAIN AND 30-INCH CASING TO DANNY SANDER CONSTRUCTION IN THE AMOUNT OF \$74,890.

Mr. Trejo presented the Board with information regarding this item. This is an emergency relocation of a 15-inch sanitary sewer line and a 30-inch casing that crosses the Union Pacific Railroad right of way. The relocation of the mains is necessitated by railroad construction for Union Pacific. Three quotes were received for this project. NCT in the amount of \$78,550, Cubic Water in the amount of \$82,700, and Danny Sander Construction in the amount of \$74,890. EPWU staff evaluated the quotes and recommended award to Danny Sander Construction, in the amount of \$74,890.

On a motion made by Mr. Antcliff, seconded by Mr. Roe, and unanimously carried, the Board ratified a purchase order for the installation and relocation of a 15-inch sewer main and 30-inch casing to Danny Sander Construction in the amount of \$74,890.

AWARDED A SOLE SOURCE PURCHASE ORDER TO HATFIELD AND COMPANY, INCORPORATED FOR 746KF 3M PURIFICATION 700 SERIES PERP-740-KF FILTER CARTRIDGES IN THE ESTIMATED ANNUAL AMOUNT OF \$128,133.60.

Mr. Trejo presented information to the Board regarding this item. 3M high flow cartridge filters, series PERP-746-KF are cartridge filters used at the Kay Bailey Hutchinson (KBH) Desalination Plant. The filter is designed to fit the NOWATA cartridge filter housing. The KBH Desalination Plant utilizes high flow cartridge filters to prevent and minimize intrusion of suspended foreign matter in the reverse osmosis units. Engineering firm, CDM Smith, evaluated and selected the 3M series 746KF cartridge filter among other competitors during a comprehensive pilot testing. Hatfield and Company is the sole source distributor of the cartridge filters which are a proprietary product manufactured and supplied by 3M Filtration Products. EPWU staff reviewed the Engineer's evaluation and recommended award of a one-year master contract for procurement of these filters. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Ms. Brennand, seconded by Mr. Antcliff, and unanimously approved, the Board awarded a sole source purchase order to Hatfield and Company, Incorporated for 746KF 3M Purification 700 series PERP-740-KF filter cartridges in the estimated annual amount of \$128,133.60.

APPROVED THE PEOPLESOFT FINANCIALS UPGRADE SERVICES QUOTED BY MO'MIX SOLUTIONS, INCORPORATED WITH BUY BOARD PRICING THROUGH BUYBOARD COOPERATIVE PURCHASING PROGRAM NO. 409-12 IN THE AMOUNT OF \$677,120.

Mr. Armando Renteria, Chief Information Officer, presented the Board with information regarding this item. The current PeopleSoft Financials system has been in operation since 2005 and is the primary software application used to support day-to-day business operations and manage the Utility's financial data. An upgrade from version 8.8 to version 9.2. is required to ensure continued vendor support, compatibility with existing services and to address future functional requirements. Mo'mix Solutions, Incorporated, a State of Texas HUB and PeopleSoft solutions provider was contacted to provide a Financials 9.2 upgrade services quotation. A

quotation was received priced with a 22% hourly rates discount available through BuyBoard Cooperative Purchasing Program No. 409-12. Mr. Renteria addressed questions from the Board regarding this item.

Mr. Roe made a motion to make the award a “not to exceed” amount however, this motion was withdrawn.

On a motion made by Ms. Garica, seconded by Ms. Brennan, and unanimously carried, the Board approved the PeopleSoft Financials upgrade services quoted by Mo’mix Solutions, Incorporated with buy board pricing through BuyBoard Cooperative Purchasing Program No. 409-12 in the amount of \$677,120.

AWARDED BID NUMBER 06-15, SALE OF REAL ESTATE, TO THE HIGHEST RESPONSIVE, RESPONSIBLE SOLE BIDDER, ARTURO AMBRIZ RODRIGUEZ, IN THE AMOUNT OF \$58,450.

Ms. Lupe Cuellar, Real Estate Manager/Counsel made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). On September 10, 2014 the Board determined the land to be inexpedient to the system. The bid for this property was advertised on November 26 and December 3, 2014. The bid opening was held on December 19, 2014. Based on an appraisal, the PSB set the minimum acceptable bid for this real estate at \$58,400. Approximately ninety-five potential bidders were notified and one bid was received from Arturo Ambriz Rodriguez for more than the minimum bid amount. The bid was evaluated and met the specifications. Staff recommended award to Arturo Ambriz Rodriguez in the amount of \$58,450.

On a motion made by Ms. Garcia, seconded by Ms. Brennan, and unanimously carried with Mr. Gallardo absent from the vote, the Board awarded Bid Number 06-15, Sale of Real Estate, to the highest responsive, responsible sole bidder, Arturo Ambriz Rodriguez, in the amount of \$58,450. **(Resolution attached)**

AWARDED A PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE FIELD OPERATIONS YARD RELOCATION STUDY TO RED OAK CONSULTING.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The City of El Paso is requiring El Paso Water Utilities (EPWU) to vacate its Fleet Maintenance facility. The City determined the current location of the facility would be good alternative location for the Rescue Mission. The nature and scope of work along with the short time period did not allow EPWU staff to go through the process of a Request for Submittals. Red Oak Consulting, an ARCADIS Group, was selected on an emergency basis due to the short time frame EPWU had to respond to the schedule imposed by the Rescue Mission’s need to take possession of the Utility’s fleet maintenance facility. Red Oak is a qualified firm to complete this study based on their expertise with municipal utility asset management, including fleet management studies. They recently completed a similar study with the City of Raleigh, North Carolina, where they were selected on a qualifications-based selection process.

The fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant. The negotiated fees are in line with the level of effort and hours required to complete the study and consistent with similar work done recently. The objective of the study will be to select the best location for the new facility based on the projected growth of the service area, accessibility, and area available for expansion. Mr. Shubert and Mr. Balliew addressed questions and comments from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Roe, and unanimously, the Board awarded a professional engineering services contract for the Field Operations Yard Relocation Study to Red Oak Consulting.

APPROVED THE EL PASO WATER UTILITIES/PUBLIC SERVICE BOARD'S 3RD QUARTER FINANCIAL AND PERFORMANCE MEASURES REPORT FOR PERIOD ENDING NOVEMBER 30, 2014.

Mr. Duran made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Public Service Board requires regular financial reporting from the President/CEO and staff on the financial position of the El Paso Water Utilities. In regards to the water and wastewater utility, operating revenues thru the third quarter were \$464,000 more than the same quarter of last fiscal year mainly due to \$970,000 collected from non-residential customers to pay for the new City of El Paso Franchise Fee passed by City Council. The Franchise Fee became effective September 1, 2014. Additionally, fees collected from the Water Supply Replacement Charge increase by \$259,000. Operating costs were \$4.0 million more than last year mainly due to expenditure increases for surface water, chemicals and maintenance. As for the stormwater utility, the total operating revenues thru the third quarter were \$121,000 more than the same period last year. Operating expenditures were \$24,000 more than last year mainly due to increased maintenance costs. Overall, the Utility is on target to meet all its operating, capital and debt service requirements this year. Mr. Duran addressed questions from the Board regarding this item.

On a motion made by Ms. Garcia, seconded by Mr. Gallardo, and unanimously, the Board approved the El Paso Water Utilities/Public Service Board's 3rd Quarter Financial and Performance Measures Report for period ending November 30, 2014.

APPROVED THE INVESTMENT COMMITTEE'S 3RD QUARTER INVESTMENT REPORT FOR PERIOD ENDING NOVEMBER 30, 2014.

Mr. Duran made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). He provided the Board with a brief overview of the 3rd Quarter Investment Report for period ending November 30, 2014. At the end of the 3rd quarter, the portfolio balance was approximately \$194 million. The weighted average maturity was approximately 186 days. The water and sewer fund balance decreased by approximately \$3.2 million. The improvement fund balance decreased by approximately \$1.7 million. Mr. Duran presented the Board with graphs highlighting the different fund types within the portfolio, and discussed the benchmark analysis for the quarter. During the 3rd quarter, 46 investments, totaling \$41.73 million were bid out.

On a motion made by Ms. Brennand, seconded by Mr. Antcliff, and unanimously, the Board approved the Investment Committee's 3rd Quarter Investment Report for period ending November 30, 2014.

TOOK ACTION ON THE PUBLIC SERVICE BOARD'S SEMIANNUAL REPORT TO THE EL PASO CITY COUNCIL ON THE ACTIVITIES OF THE LAND MANAGEMENT PROGRAM FROM JULY 2014 TO DECEMBER 2014, AS REQUIRED IN THE CITY/EPWU JOINT RESOLUTION OF SEPTEMBER 2012.

Ms. Cuellar presented the Board with information regarding this item. The joint resolution between the El Paso City Council and the El Paso Water Utilities/Public Service Board adopted on March 31, 2010, and later revised on September 26, 2012, sets forth the policies, procedures and reimbursements related to transfers of land and land use policies. In addition to an annual land inventory report on sales and land declared as inexpedient, the joint resolution requires the Public Service Board to submit a semi-annual report with focus on land activities that are the subject of the joint resolution. The report provided a summary of the land sales, transfers, exchanges

and planning applications associated with land transactions that have been completed, disapproved or are currently being processed from July 2014 to December 2014.

On a motion made by Mr. Antcliff, seconded by Ms. Garcia, and unanimously, the Board approved the Public Service Board's Semiannual Report to the El Paso City Council on the activities of the Land Management Program from July 2014 to December 2014, as required in the City/EPWU Joint Resolution of September 2012.

MANAGEMENT REPORT

- ***Purified Water Progress*** – Mr. Balliew said the Texas Commission on Environmental Quality (TCEQ) approved EPWU's permit for an Advance Purified Water Treatment pilot plant. Once built, the plant is expected to operate for six months to gather data.
- ***Drought Outlook*** – Mr. Balliew said it is still early in the season to know how much water will be available from the snowpack. Generally, a vast majority of the snowpack is expected to melt in March. As of now, 2015 is expected to experience the same drought effects of 2014. Mr. Balliew said he will keep the Board updated.
- ***List of Staff Presentations*** – Mr. Balliew said the Utility is working with the Corps of Engineers for federal funding. The goal is to get back on the Corps' program of work. Regarding the state legislative agenda, there have been bills filed by delegation pertaining to underground water conservation districts. The Utility plans to monitor the bills closely and update the Board on their progress. He also said the federal lobbyist are expected to provide the Board with an update at the February meeting. EPWU is also working with State Representative Mary Gonzalez and attending her planning meetings regarding County stormwater issues. The major issues have been identified in East El Paso County.

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. Marilyn Guida, citizen regarding Corps of Engineers involvement with a Sun Valley Dam project. Mr. Balliew addressed her comments and questions.

ADJOURNMENT

The meeting was adjourned at 11:43 a.m., January 21, 2015.

ATTEST:

Secretary-Treasurer

Chair

RESOLUTION

A RESOLUTION APPROVING THE AWARD OF BID 89-14, GROUSE FORCE MAIN PHASE V-VALVE RECONFIGURATION AND INTERCONNECT TO DUCROSS CONSTRUCTION, LLC; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

WHEREAS, Phase I through IV have been completed. Phase V consist of 100 linear feet of 20-inch and 24-inch sanitary sewer force main, 20-inch and 24-inch gate valves, trench safety system, fittings, tie-in activities and appurtenances necessary for an operational force main system; and

WHEREAS, El Paso Water Utilities received five (5) bids for this project on December 9, 2014. The bidders ranged from \$234,914.40 to \$345,897.20 or 34% to 97% above the Engineer's estimate of \$175,307.50. The project consulting engineer, Huitt-Zollars, evaluated the qualifications of the apparent low bidder and has determined that DuCross Construction meets the minimum general requirements as well as the minimum project specific criteria as specified on the bid documents. El Paso Water Utilities' Project Administration has also evaluated the Engineer's evaluation matrix and concurs with Huitt-Zollars to recommend award of the contract to DuCross Construction.

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:

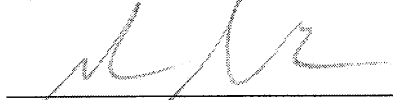
Section 1. The findings and recitations set out in the preamble to this Resolution are true and correct and are hereby adopted by the Public Service Board by this reference for all purposes.

Section 2. That the Public Service Board approves award of Bid Number 89-14, for grouse force main Phase V-Valve reconfiguration and interconnect in the northeast to DuCross Construction, the lowest, responsible, responsive bidder, meeting the bid specifications in the amount not to exceed \$234,914.40. That the Public Service Board hereby authorizes the President/CEO to execute an agreement with DuCross Construction for the grouse force main Phase V-Valve reconfiguration and interconnect project.


Section 3. That the Public Service Board hereby authorizes funding of the Project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in CIP#S4309, Account Number 100030, Job #1017-115 Budget FY 2011-12, in the amount not to exceed \$234,914.40.

PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 21th day of January, 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:


Secretary/Treasurer

APPROVED AS TO FORM:


Robert D. Andron, J.D., General Counsel

RULES AND REGULATIONS NO. 3

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

BY THE AUTHORITY GRANTED TO THE PUBLIC SERVICE BOARD BY VIRTUE OF CHAPTER 402, SUBCHAPTER C OF THE TEXAS LOCAL GOVERNMENT CODE, AS AMENDED (THE ACT), AUTHORIZING THE CITY TO ESTABLISH A MUNICIPAL DRAINAGE UTILITY SYSTEM, AND ORDINANCE 16668, PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS ON JUNE 19, 2007, DECLARING THE DRAINAGE SYSTEM OF THE CITY TO BE A PUBLIC UTILITY AND AUTHORIZING THE PUBLIC SERVICE BOARD TO HAVE COMPLETE AUTHORITY AND CONTROL OF THE MANAGEMENT AND OPERATION OF THE SYSTEM ON BEHALF OF THE SYSTEM AND DIRECTING THE BOARD TO ESTABLISH A SCHEDULE OF CHARGES; THEREFORE BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE CITY OF EL PASO, THAT THE FOLLOWING RULES FOR ESTABLISHING RATES FOR THE FURNISHING OF STORMWATER SERVICE WITHIN THE CITY OF EL PASO ARE HEREBY ESTABLISHED AND KNOWN AS RULES AND REGULATIONS NO. 3.

SECTION I GENERAL

A. TABLE OF CONTENTS

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

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B.	DEFINITIONS	

Benefited Property:

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

Best Management Practices (BMP):

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

Delinquent Accounts:

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

Drainage Ordinance:

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

Equivalent Residential Unit ("ERU"):

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

Impervious Area:

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

Municipal Separate Storm Sewer System ("MS4"):

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

Non-residential Property:

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

Residential Property:

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

Undeveloped Land:

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

SECTION II ADJUSTED STORMWATER CHARGES

A monthly stormwater fee shall be imposed on each improved parcel within the City for services and

facilities provided by the Utility, except as provided for by law or by these Rules and Regulations. The stormwater fee shall be based on the developed use of the benefited property and its estimated amount of impervious area. The adjusted Stormwater rates are effective with the June 2008 Utility billing cycle. The following charges shall apply for stormwater service provided to property within the City of El Paso:

A. STORMWATER CHARGE FOR RESIDENTIAL

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

Residential Category	Impervious Area (Square Feet)	Stormwater Monthly Charge
Small	0 – 1,200	\$1.61
Typical	1,201 – 3,000	\$3.21
Large	> 3,000	\$6.42

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

B. STORMWATER CHARGE FOR NON-RESIDENTIAL

Non-residential properties shall include apartments, commercial, and industrial customers, and any other customer class not designated as residential but excluding those subject to mandatory exemption. Non-residential properties shall be charged for their estimated impervious square footage on a per Equivalent Residential Unit ("ERU") basis. The ERUs shall be determined by dividing the property's estimated impervious square footage by 2,000 square feet. The monthly charge per non-residential ERU is \$3.27.

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

Non-residential impervious square footage	20,000 sq. ft.
Equivalent residential unit value	<u>2,000 sq. ft.</u>
Equals calculated ERUs	10 ERUs
Monthly charge (10 ERUs x \$3.27/ERU/Mo.)	\$32.70

All social service and non-profit agencies, and churches will pay a fee equal to 25% of the new rate for 2008 and 10% effective March 1, 2009. All such entities are required to make an annual application for the opportunity to pay the reduced fee.

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

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

C. IMPERVIOUS AREA DETERMINATION

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

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

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

D. STORMWATER-ONLY ACCOUNTS

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

E. NO DEPOSIT REQUIRED FOR SERVICE

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

SECTION III BILLING FOR STORMWATER

A. MONTHLY BILLING

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

B. RESPONSIBLE PARTY

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

C. MULTIPLE METERS

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

D. EXEMPTIONS

The following entities or persons shall be exempt from charges:

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

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

- a. Property with proper construction and maintenance of a wholly sufficient and privately owned drainage system including each of the following elements:
 - (i) Land and dedicated engineered stormwater structures owned and operated for the purpose of retaining 100 percent of the volume, with no discharge, of the Probable Maximum Flood, which includes proper allowances for emergency storage, and siltation.
 - (ii) There shall be no discharge of the system into a creek, river, slough, culvert or other channel that is part of the municipal drainage system.
 - (iii) The facility must have a written maintenance plan effectively documenting policies and procedures designed to ensure that the stormwater system will continue to safely contain the Probable Maximum Flood.
 - (iv) The owner must provide documentation of (i) through (iii) in the form of engineering reports, surveys, maps, and supporting documentation signed and sealed by a Registered Professional Engineer along with an Application for Determination of Wholly Sufficient.
 - (v) The Stormwater Utility engineering staff will review the documentation submitted. If there is insufficient information, the Application will be returned to the owner along with list of required information. The owner will then be responsible to resubmit the Application with the required documentation.
 - (vi) A decision by the Stormwater Utility engineering staff will be rendered. That decision could include defining all or a portion of the parcel as Wholly Sufficient.
 - (vii) The exemption shall be for such time as the stormwater structures are operated and maintained as indicated in (i) through (iii) or for a period of 3 years whichever comes first.
 - (viii) The Stormwater Utility staff retains the right to enter the property to inspect the facilities at any time during normal business hours. If entry is denied, the Wholly Sufficient exemption shall be withdrawn.
 - b. Property held and maintained in its natural state, until such time that the property is developed and all of the public infrastructure constructed has been accepted by the municipality in which the property is located for maintenance; and
 - c. A subdivided lot, until a structure has been built on the lot and a certificate of occupancy has been issued by the municipality in which the property is located.
2. Any property to which a mandatory exemption under Chapter 430.003 of the Texas Local Government Code applies or which is exempt under applicable federal law, including without limitation:
 - a. A federal or state agency; and
 - b. A public institution of higher education.

E. CREDITS

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

SECTION IV DISCONTINUANCE OF SERVICE

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

SECTION V DELINQUENT ACCOUNTS

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

SECTION VI APPEALS

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

SECTION VII SEVERABILITY

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

SECTION VIII SAVINGS

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

SECTION IX EFFECTIVE DATE

These rules and regulations shall be and become effective from and after their adoption hereby and shall remain in effect until amended or changed by the Public Service Board.

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

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

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

No action necessary by Public Service Board


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

PUBLIC SERVICE BOARD:



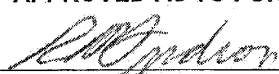
Chair

ATTEST:



Secretary-Treasurer

APPROVED AS TO FORM:



Robert D. Andron, General Counsel

RESOLUTION

A RESOLUTION OF THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD (EPWU/PSB) TO RECOMMEND THE SALE OF APPROXIMATELY 0.350 ACRES OF LAND, LEGALLY DESCRIBED AS LOT 14, BLOCK 3, COUNTRY PLACE UNIT TWO, CITY OF EL PASO, EL PASO COUNTY, TEXAS, TO ARTURO AMBRIZ RODRIGUEZ, THE HIGHEST RESPONSIVE RESPONSIBLE BIDDER, AND AUTHORIZING THE PRESIDENT/CEO TO FORWARD THE RECOMMENDATION TO THE CITY AND SIGN ANY AND ALL DOCUMENTS NECESSARY TO COMPLETE THE SALE

WHEREAS, the El Paso Water Utilities Public Service Board (EPWU/PSB) holds certain real properties in its land inventory that are owned by the City, but are under the management and control of the (EPWU/PSB); and,

WHEREAS, the EPWU/PSB determined approximately 0.350 acres of land located at 500 Country Oaks Drive in West El Paso to be inexpedient to the water system and should be sold in accordance with state law;

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

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


Section 2. That the El Paso Water Utilities Public Service Board (EPWU/PSB) recommends that the land described below be sold to Arturo Ambriz Rodriguez the highest, responsive responsible bidder for a total bid amount for \$58,450.

Approximately 0.350 acres of land, legally described as Lot 14, Block 3, Country Place Unit Two, City of El Paso, El Paso County, Texas.


Section 3. That the EPWU/PSB authorize the President/CEO to forward the recommendation to the City and sign any and all documents necessary to complete the sale of the property to Arturo Ambriz Rodriguez.

PASSED, ADOPTED and APPROVED at a Regular Meeting of the El Paso Water Utilities Public Service Board of the City of El Paso, Texas, this 21st day of January 2015, at which meeting a quorum was present and which meeting was held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. seq.

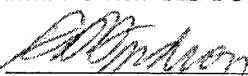
EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD


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

ATTEST:


Secretary/Treasurer

APPROVED AS TO FORM:


Robert D. Andron
General Counsel

RESOLUTION

A RESOLUTION RATIFYING AN EMERGENCY PURCHASE ORDER FOR THE ELECTRIC SUBSTATION AT HASKELL R. STREET WASTEWATER TREATMENT PLANT TO EATON CORPORATION; AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

WHEREAS, on May 18, 2014 a fire occurred at the primary odor scrubbers in the Haskell R. Street Wastewater Treatment Plant and as a result all the scrubbers were destroyed. The footprint and height of the new bio-scrubbers require the relocation of the existing substation and overhead electrical lines that cross over the existing equipment. The purchase of the new electric substation was required due to the electrical lines relocation, new electric loads, and upgrades required to meet current codes; and,

WHEREAS, El Paso Water Utilities classified this as an emergency purchase due to the long lead time of the electric substation. EPWU asked the consulting firm CDM Smith, to fast-track the design and construction of the needed electrical upgrades. In order to respond to EPWU's request and considering the long delivery time for an electric substation of 20 to 40 weeks, CDM Smith had to request detailed design information from a manufacturer. The long lead delivery time made it mandatory to order the long delivery equipment while the detailed design is still ongoing.

WHEREAS, El Paso Water Utilities selection of Eaton Corporation as the manufacturer of the electric substation was based on previous experience with the manufacturer. Eaton has good local representation, expert technical support over the phone and has competitive pricing. In addition, the substation was available from the Eaton Corporation through TXMAS-9-56050, GSA Contract Number GS-07F-9460G.

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 for all purposes.

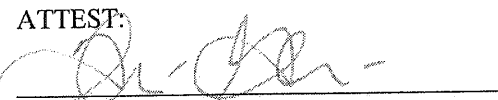
Section 2. That the Public Service Board hereby ratifies the emergency purchase order for the electric substation at Haskell R. Street Wastewater Treatment Plant, to Eaton Corporation through Eaton's TXMAS-9-56050, GSA Contract Number GS-07F-9460G the amount of \$233,777.00.


Section 3. That the Public Service Board hereby authorizes funding of the required project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in CIP#S3021, Account Number 1913-042, Budget FY 2011-12 , in the amount not to exceed \$233,777.00.

PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 21th day of January, 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


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

ATTEST:

Secretary-Treasurer

APPROVED AS TO FORM:

Robert D. Andron, General Counsel