

RULES AND REGULATIONS NO. 10

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

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

THAT PUBLIC SERVICE BOARD REVIEWED THE INVESTMENT POLICY ESTABLISHED IN RULES & REGULATIONS NO. 10 ARE HEREBY AFFIRMS AND ADOPTS RULES & REGULATIONS NO. 10, WHICH SHALL READ AS FOLLOWS:

SECTION I TABLE OF CONTENTS

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

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**SECTION II POLICY**

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

In accordance with Chapter 552, Subchapter C of the Texas Local Government Code, the City of El Paso established the El Paso Municipal Drainage Utility System under the auspices of the El Paso Water Utilities Public Service Board with the complete authority and control of the management and operation of the System vested in the Board. The Board will establish a drainage utility fund. All drainage utility fees shall be deposited as collected and received into this fund and shall be used exclusively for the drainage services set forth under the Act, including but not limited to those services referenced in Local Government Code Section 552.044(2). The revenues collected from drainage utility fees must be segregated and completely identifiable from other City or Board accounts. Any investments made of such funds shall be in accordance with the Texas Public Funds Investment Act and the Investment Policy of the El Paso Water Utilities Public Service Board as may be amended from time to time.

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

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

- Preservation of capital;

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

### SECTION III PURPOSE

#### A. FORMAL ADOPTION

This Investment Policy is authorized by the Public Service Board.

#### B. SCOPE

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

#### C. INVESTMENT STRATEGY

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

- Investment suitability;
- Preservation and safety of principal;
- Liquidity;
- Diversification;
- Yield; and,
- Public Trust
- Marketability of the investment if the need arises to liquidate the investment before maturity.

### SECTION IV INVESTMENT OBJECTIVES

#### A. SAFETY OF PRINCIPAL

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

- Credit Risk - The PSB will minimize credit risk, the risk of loss due to failure of the security issuer backer, by:
  - Limiting investments to the safest types of securities
  - Pre-qualifying the financial institutions and broker/dealers with which the PSB will do

- business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- Interest Rate Risk - The PSB will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:
  - Structuring or laddering the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
  - Investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools.

B. MAINTENANCE OF ADEQUATE LIQUIDITY

The investment portfolio will remain sufficiently liquid to meet the cash flow requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements; investing in securities with active secondary markets; and maintaining appropriate portfolio diversification.

C. YIELD

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

D. PUBLIC TRUST

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

SECTION V INVESTMENT PROCEDURES

A. AUTHORIZED INVESTMENTS

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

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks and excluding mortgage backed securities, collateralized mortgage obligations and real estate mortgage investment conduits.
2. Direct obligations of the State of Texas, or its agencies and instrumentalities.
3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas, or the United States, or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States. Excluding mortgage

backed securities, collateralized mortgage obligations and real estate investment conduits.

4. Other obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than “A” or its equivalent.
5. Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution that has its main office or a branch office in Texas, and secured by obligations described by #1 above, which are eligible investments under the Public Funds Investment Act, pledged with a third party selected or approved by the PSB, and having a market value of not less than the principal amount of the funds disbursed. The term includes direct security repurchase agreements and reverse repurchase agreements structured in compliance with the Texas Government Code and purchased only through approved Investment Pools or Money Market Mutual Funds. All PSB repurchase agreement transactions shall be governed by a signed Master Repurchase Agreement.
6. Certificates of deposit issued by state and national banks and/or depository institutions that has its main office or a branch office in Texas and is:
  - a. Guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or insured by the National Credit Union Share Insurance Fund or its successor and is secured by obligations that are obligations under the law and described by #1-4 above, which are intended to include all direct Federal agency or instrumentality issued mortgage backed securities, but excluding those mortgage backed securities of the nature described in Section 2256.009(b) of the Texas Government Code, that have a market value of not less than the principal amount of the certificates, or secured in accordance with Chapter 2257 of the Texas Government Code or in any other manner and amount provided by law for deposits of the PSB;
  - b. Governed by a Depository Contract, that complies with Federal and State regulation to properly secure a pledged security interest;
  - c. Solicited for bid in writing, electronically, or any combination of these methods; and,
  - d. In addition to the authority to invest funds in certificates of deposit under Section V (6)(a) of this Investment Policy, an investment in certificates of deposit made in accordance with the following conditions if an authorized investment under this subchapter:
    - 1) The funds are invested by an investing entity through:
      - A) A broker that has a main office or a branch office in this state and is selected from a list adopted by the investing entity as required by Section 2256.025 of the Texas Government Code; or
      - B) A depository institution that has its main office or a branch office in this state and that is selected by the investing entity.
    - 2) The broker or the depository institution selected by the investing entity under Subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity;
    - 3) The full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States;

- 4) The investing entity appoints the depository institution selected by the investing entity under Subdivision (1), an entity described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.
7. Interest-bearing banking deposits that are guaranteed or insured by:
  - a. the Federal Deposit Insurance Corporation or its successor; or
  - b. the National Credit Union Share Insurance Fund or its successor; and
8. Interest-bearing banking deposits other than those described by Section V, (A) (7) of this Investment Policy if:
  - a. the funds invested in the banking deposits are invested through:
    - 1) a broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025 of the Texas Government Code; or
    - 2) a depository institution with a main office or branch office in this state that the investing entity selects;
  - b. the broker or depository institution selected as described by Section V (8)(a) of this Investment Policy arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account;
  - c. the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and
  - d. the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account:
    - 1) the depository institution selected as described by Section V (8)(a) of this Investment Policy;
    - 2) an entity described by Section 2257.041(d) of the Texas Government Code; or
    - 3) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3).
9. Eligible money market funds must provide PSB with a fund prospectus.
  - (a) A no-load money market mutual fund is an authorized investment under this subchapter if the mutual fund:
    - (1) is registered with and regulated by the Securities and Exchange Commission;
    - (2) provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and
    - (3) complies with federal Securities and Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company act of 1940 (15 U.S.C. Section 80a-1 et seq.)

(b) In addition to a no-load money market mutual fund permitted as an authorized investment in Subsection (a), a no-load mutual fund is an authorized investment under this subchapter if the mutual fund:

- (1) is registered with the Securities and Exchange Commission;
- (2) has an average weighted maturity of less than two years; and
- (3) either:
  - (A) has a duration of one year or more and is invested exclusively in obligations approved by this subchapter; or
  - (B) has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities.

(c) PSB is not authorized by this section to:

- (1) Invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in mutual funds described in Subsection (9)(b);
- (2) Invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described in Subsection (9)(b) of this Investment Policy; or
- (3) Invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described in Subsection 9(a) or (b) of this Investment Policy in an amount that exceeds 10 percent of the total assets of the mutual fund.

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

(a) An entity may invest its funds and funds under its control through an eligible investment pool if the governing body of the entity by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by Chapter 2256, Subchapter A of the Texas Government Code. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with this subchapter and the investment policies and objectives adopted by the investment pool.

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

- (1) the types of investments in which money is allowed to be invested;
- (2) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
- (3) the maximum stated maturity date any investment security within the portfolio has;
- (4) the objectives of the pool;
- (5) the size of the pool;
- (6) the names of the members of the advisory board of the pool and the dates their terms

expire;

- (7) the custodian bank that will safe keep the pool's assets;
- (8) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
- (9) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
- (10) the name and address of the independent auditor of the pool;
- (11) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool;
- (12) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios; and
- (13) the pool's policy regarding holding deposits in cash.

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

- (1) investment transaction confirmations; and
- (2) a monthly report that contains, at a minimum, the following information:
  - (A) the types and percentage breakdown of securities in which the pool is invested;
  - (B) the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
  - (C) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
  - (D) the book value versus the market value of the pool's portfolio, using amortized cost valuation;
  - (E) the size of the pool;
  - (F) the number of participants in the pool;
  - (G) the custodian bank that is safekeeping the assets of the pool;
  - (H) a listing of daily transaction activity of the entity participating in the pool;
  - (I) the yield and expense ratio of the pool, including a statement regarding how yield is calculated;

- (J) the portfolio managers of the pool; and
  - (K) any changes or addenda to the offering circular.
- (d) An entity by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.
  - (e) In this section, for purposes of an investment pool for which a \$1.00 net asset value is maintained, "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the federal Securities and Exchange Commission.
  - (f) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter:
    - (1) a public funds investment pool that uses amortized cost or fair value accounting must mark its portfolio to market daily; and
    - (2) if the investment pool uses amortized cost:
      - (a) the investment pool must, to the extent reasonably possible, stabilize at a \$1.00 net asset value, when rounded and expressed to two decimal places;
      - (b) the governing body of the investment pool must, if the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, take action as the body determines necessary to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing participants, including a sale of portfolio holdings to attempt to maintain the ratio between 0.995 and 1.005; and
      - (c) the investment pool must, in addition to the requirements of its investment policy and any other forms of reporting, report yield to its investors in accordance with regulations of the federal Securities and Exchange Commission applicable to reporting by money market funds.
  - (g) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool must have an advisory board composed:
    - (1) equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 of the Texas Government Code and managed by a state agency; or
    - (2) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.
  - (h) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must be continuously rated no lower than AAA, AAA-m, or at an equivalent rating by at least one nationally recognized rating service.
  - (i) If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Section 2256.016 of the Texas Government Code, Subsection (b), (c) (2), and (f) must be posted on the website.

- (j) To maintain eligibility to receive funds from and invest funds on behalf of an entity under Chapter 2256 of the Texas Government Code, an investment pool must make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested.
  - (k) If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.
11. Local Government Investment of Bond Proceeds and Pledged Revenue as defined in Section 2256.0208 of the Texas Government Code, provided that:
- (a) In this section, “pledged revenue” means money pledged to the payment of or as a security for:
    - (1) Bonds or other indebtedness issued by a local government;
    - (2) Obligations under a lease, installment sale, or other agreement of a local government; or
    - (3) Certificates of participation in a debt or obligation described by Section V (11) (a) (1) or (2) of this Investment Policy.
  - (b) The investment officer of a local government may invest bond proceeds or pledged revenue only to the extent permitted by this chapter, in accordance with:
    - (1) Statutory provisions governing the debt issuance or the agreement, as applicable; and
    - (2) The local Government’s investment policy regarding the debt issuance or the agreement, as applicable.

B. NOT AUTHORIZED

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

C. PROTECTION OF PRINCIPAL

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

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

1. Diversification by Investment Type

Diversification by investment type shall be maintained by ensuring an active and efficient secondary market in portfolio investments and by controlling the market and opportunity risks associated with specific investment types.

Risk is controlled through portfolio diversification which shall be achieved by the following general guidelines:

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

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

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

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

2. Diversification by Investment Maturity

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

Maturity guidelines by fund are as follows:

a. Operating Funds

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

b. Improvement & Construction Funds

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

c. Debt Service Reserve Funds

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

d. Debt Service Funds

Debt Service Funds shall be invested to ensure adequate funding for each consecutive debt service payment. The Investment Officers shall invest in such a manner as not to exceed an

“unfunded” debt service date with the maturity of any investment an unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy said payment.

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

3. Ensuring Liquidity

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

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

4. Collateralization

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

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

Consistent with the requirements of the Public Funds Collateral Act of Chapter 2257 of the Texas Government Code, it is the policy of the PSB to require full collateralization of all PSB investments and funds on deposit with a depository bank, other than investments which are obligations of the U.S. government and its agencies and instrumentalities. At its discretion, the PSB may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with whom the PSB has a current custodial agreement. The Chief Financial Officer is responsible for entering into collateralization agreements with third party custodians in compliance with this Investment Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution for release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the PSB and retained. Collateral shall be reviewed at least monthly to assure the market value of the pledged securities is adequate.

a. Allowable Collateral

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

- FDIC and NCUA insurance coverage.

- A bond, certificate of indebtedness, or Treasury Notes of the United States, or other evidence of indebtedness of the United States that is guaranteed as a principal and interest by the United States.
    - Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas.
    - A bond of the State of Texas or of a county, city or other political subdivision of the State of Texas having been rated as investment grade (investment rating no less than “A” or its equivalent) by a nationally recognized rating agency with a remaining maturity of ten (10) years or less.
    - Surety Bonds.
  - b. Collateral Levels  
In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC and NCUA.
  - c. Monitoring Collateral Adequacy  
The PSB shall require monthly reports with market values of pledged securities from all financial institutions with which the PSB has collateralized deposits. The Investment Officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.
  - d. Additional Collateral and Securities  
If the collateral pledged for a certificate of deposit falls below the par value of the deposit, plus accrued interest less FDIC insurance, the institution issuing the Collateralized Deposit will be notified by the Investment Officers and will be required to pledge additional securities no later than the end of the next business day.
  - e. Collateral Substitution  
Collateralized certificates of deposit often require substitution of collateral. Any financial institution requesting substitution must contact the Investment Officers for approval and settlement. The substituted security’s value will be calculated, and substitution approved if its value is equal to or greater than the required security level. The Investment Officers, or their designee, must provide written notification of the decision to the bank or the safekeeping agent holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The Investment Officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.
  - f. Subject to Audit  
All collateral shall be subject to inspection and audit by the Chief Financial Officer or designee or the PSB’s independent auditors.
- 5. Safekeeping
  - a. Safekeeping Agreement  
The PSB shall contract with a bank or other depository institutions for the safekeeping of securities either owned by the PSB as a part of its investment portfolio or as part of its depository.
  - b. Safekeeping of Collateralized Deposits Collateral

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

6. Effect of Loss of Required Rating

Pursuant to Section 2256.021 of the Government Code, the Investment Policy requires certain minimum ratings of certain investments. At least quarterly, the Treasury Manager will review the ratings of each of the investments in the portfolio that require a minimum rating and will notify the PSB Audit, Finance, and Investment Committee of any negative changes. Should an investment not meet the minimum rating during the period that the investment is being held by PSB, that investment will no longer qualify as an authorized investment. PSB shall take all prudent measures that are consistent with this Investment Policy to liquidate an investment that does not meet the minimum required rating.

D. INVESTMENT ADVISORS AND INVESTMENT PROVIDERS

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

Investment Providers/Advisors shall adhere to the spirit, philosophy and specific term of these Rules and Regulations and shall invest within the same "Standard of Care".

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

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

Business organizations deemed eligible to transact investment business with the PSB shall be presented a written copy of this Investment Policy. For purpose of this subsection, "business organizations" means an investment pool or investment management firm under contract with the PSB to invest or manage the PSB investment portfolio. Additionally, the registered principal of the business organization seeking to transact investment business shall execute a written instrument substantially to the effect that the registered principal has: (1) received and reviewed this Investment Policy; and (2) acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude non-authorized investment activities with the PSB.

Brokers must comply with FINRA Rule 2111 which requires brokers to have a reasonable basis to believe that a recommendation is suitable for the PSB based on the PSB's investment profile.

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

E. SELECTION OF BANKS AND DEALERS

1. Authorized Brokers/Dealers

Selection of Investment Providers/Advisors will be performed by the PSB. The PSB shall select dealers reporting to the Market Reports Division of the Federal Reserve Bank of New York, also known as “Primary Government Security Dealers”, or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule.)

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

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

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

Pursuant to Sec. 2256.025 of the Texas Government Code, the PSB shall, at least annually, review, revise, and adopt any additions to a list of qualified brokers that are authorized to engage in investment transactions with the PSB.

The PSB authorizes the following Broker/Dealer firms through this Rules and Regulations No. 10:

- Wells Fargo Securities, LLC.
- Hilltop Securities Inc.
- Mischler Financial Group, Inc.
- Alex Brown
- Piper Sandler & Co.

2. Competitive Bids

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

3. Delivery vs. Payment

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

4. Depository

At least every five years a Depository the Designated Officer shall request, receive and review applications for the performance of depository services in accordance with Chapter 105 of the Texas Local Government Code. The Designated Officer shall be the Chief Financial Officer or Designee. The selection and designation of the Depository by the PSB will be in accordance with Chapter 105 of the Texas Local Government Code.

F. RESPONSIBILITY AND CONTROLS

1. Authority to Invest

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

In accordance with Section 2256.008 of the Texas Government Code, the Chief Financial Officer and designated Investment Officers must attend at least one training session from an independent source approved by the PSB and containing at least ten (10) hours of training relating to the Chief Financial Officer and designated Investment Officer’s responsibilities within twelve (12) months of taking office or assuming duties. The Chief Financial Officer and designated Investment Officers must attend an investment training session and receive not less than eight (8) hours of instruction relating to investment responsibilities not less than once in a two-year period that begins on the first day of the PSB fiscal year and consists of the two consecutive fiscal years after that date. For purposes of this Investment Policy, an “independent source” from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a business organization with whom the PSB may engage in an investment transaction. Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio and compliance with this chapter. Upon completion of training, investment officers receive a certificate of attendance with the date and the number of training hours received. Certificates are then filed electronically for record keeping.

The PSB approves the following independent training sources:

- Government Treasurers Organization of Texas (GTOT)
- Texas Municipal League (TML)
- Government Finance Officers Association (GFOA)
- Government Finance Officer Association of Texas (GFOAT)
- Hilltop Securities
- University of North Texas Center for Public Management

2. Prudent Investment Management

The designated Investment Officers shall perform their duties in accordance with the adopted Investment Policy and internal procedures. In determining whether an adopted Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds, or funds under the PSB’s control, over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment and whether the investment decision was consistent with the

Investment Policy, shall be considered. Investment Officers, acting in good faith and in accordance with these policies and procedures, shall be relieved of personal liability.

3. Standard of Care

The standard of care used by the PSB shall be the “prudent investor rule” and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. Sec. 2256.006 of the Texas Government Code, The Public Funds Investment Act states:

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

4. Standard of Ethics

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

- the investment official owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- funds received by the investment official from the business organization exceed 10 percent of the investment official’s gross income for the previous year; or
- the investment official has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment official.

5. Establishment of Internal Controls

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

6. Reporting

Investment performance will be monitored and evaluated by the Investment Officers. The Investment Officers will jointly provide a quarterly comprehensive report signed, either via electronic or physical signature, by each Investment Officer to the Board. This investment report must:

- Contain a summary statement of each pooled fund group that states the:
  - a) Beginning market value for the reporting period;
  - b) Ending market value for the period; and
  - c) Fully accrued interest for the reporting period.
- Describe in detail the investment position of the PSB on the date of the report;
- State the reporting period market value of each pooled fund group;
- State the reporting period book value, market value and accrued interest for each investment security at the end of the reporting period by asset type and fund type;
- State the maturity date of each investment security;

- State the fund for which each investment security was purchased; and,
- State the compliance of the investment portfolio with the PSB's Investment Policy and Investment Strategy Statement, and the Public Funds Investment Act.

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

7. Portfolio Pricing

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

G. PERFORMANCE

1. Performance Standards

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

2. Performance Benchmarks

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

**ATTACHMENT A INVESTMENT STRATEGY STATEMENT**

A. PREFACE

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

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

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

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

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

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

B. INVESTMENT STRATEGY

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

1. Operating Funds

a. Suitability

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

b. Safety of Principal

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

c. Marketability

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

d. Liquidity

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

- e. Diversification  
Investment maturities shall be staggered and laddered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the PSB. Market cycle risk will be reduced by diversifying the appropriate maturity structure throughout two years.
- f. Yield  
Attaining a competitive yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury bill portfolio shall be the minimum yield objective.

2. Improvement & Construction Funds

- a. Suitability  
Any investment eligible in the Investment Policy is suitable for the Improvement & Construction Fund.
- b. Safety of Principal  
All investments will be of high-quality securities with no perceived default risk. Market price fluctuations will however occur, by managing the Improvement & Construction Fund's portfolio to not exceed the anticipated expenditure schedule the market risk of the overall portfolio will be minimized.
- c. Marketability  
Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.
- d. Liquidity  
Improvement & Construction funds used for construction programs have reasonably predictable draw down schedules. Therefore, investment maturities shall generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds shall provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments
- e. Diversification  
Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable arbitrage yield for a specific bond issue, the PSB is best served by locking in most investments. If the arbitrage yield cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger lumps. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.
- f. Yield  
Achieving a positive spread to the applicable arbitrage yield is the desired objective for Bond Proceeds. For other Improvement & Construction Funds, the yield of an equally

weighted, rolling three-month treasury bill portfolio shall be the minimum yield objective.

3. Debt Service Reserve Funds

a. Suitability

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

b. Safety of Principal

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

c. Marketability

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

d. Liquidity

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

e. Diversification

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

f. Yield

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

4. Debt Service Funds

a. Suitability

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

- b. Safety of Principal  
All investments will be of high-quality securities with no perceived default risk. Market price fluctuations will however occur, by managing the Debt Service fund's portfolio to not to exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.
- c. Marketability  
Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash requirement is not probable.
- d. Liquidity  
Debt Service funds have predictable payment schedules. Therefore, investment maturities shall not exceed the anticipated cash flow requirements. Investment pools and money market mutual funds shall provide a competitive yield alternative for short term fixed maturity investments.
- e. Diversification  
Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally, if investment rates exceed the applicable arbitrage yield for a specific bond issue, the PSB is best served by locking in most investments. If the arbitrage yield cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger lumps. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.
- f. Yield  
Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury bill portfolio shall be the minimum yield objective.

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

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

RULES AND REGULATIONS NO. 10, SECTION III(B), SECTION V(A)(6), SECTION V(A)(6)(a) AND SECTION V(C)(4)(a), MODIFIED, APPROVED, and ADOPTED the 14<sup>th</sup> day of January, 2004, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION II AND SECTION V(F)(1), MODIFIED, APPROVED, and ADOPTED the 27<sup>th</sup> day of April, 2005, by the Public Service Board of the City of El Paso, Texas.

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

RULES AND REGULATIONS NO. 10, TABLE OF CONTENTS SECTION V(C)(2)(B);TABLE OF CONTENTS  
*Rules & Regulations No. 10 April 10, 2024 p. 23*

SECTION ATTACHMENT “A”(B)(2); SECTION II, SECTION III(B), SECTION IV(A), SECTION V (C)(2)(b); SECTION V(F)(1), ATTACHMENT “A” (A); ATTACHMENT “A” (B)(2)(a)(b)(d)(f), ADDED, MODIFIED, APPROVED, and ADOPTED the 12<sup>th</sup> day of December, 2007, by the Public Service Board of the City of El Paso, Texas.

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

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

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

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

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

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

RULES AND REGULATIONS NO. 10, APPROVED AND ADOPTED, AND REAFFIRMED IN ITS ENTIRETY the 12<sup>th</sup> day of April 2017, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION V(A)(1); SECTION V(A)(6)(a); SECTION V(A)(7)(a)(b); SECTION V(A)(8)(a)(1)(2)(b)(c)(d)(1)(2)(3); SECTION V(A)(9)(a)(3)(b)(3); SECTION V(A)(10)(b)(13); SECTION V(A)(10)(f), SECTION V(D); ADDED, MODIFIED, APPROVED, and ADOPTED THE 11<sup>th</sup> Day of April 2018, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION II, SECTION V(A), SECTION V(E)(1); APPROVED AND ADOPTED the 10<sup>th</sup> day of April 2019, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION III (B)(C), SECTION IV(A), SECTION V(A)(6)(b)(c), SECTION V(A)(10)(b)(9)(11)(12)(h)(k), SECTION V(A)(11), SECTION V(C)(4)(f), SECTION V(D), SECTION V(E)(1)(4), SECTION V(F)(1)(2)(6), ATTACHEMENT A(A); APPROVED AND ADOPTED the 8<sup>th</sup> day of April 2020, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION III(C), SECTION IV(A), SECTION V(A)(6)(a)(d)(1)(4), SECTION V(A)(8)(a)(b)(d), SECTION V(A)(9)(c)(1)(2)(3), SECTION V(A)(10)(a)(b)(8)(g)(1)(i)(j), SECTION V(A)(11)(a)(3), SECTION V(B)(5)(6), SECTION V(C)(2)(d),(4)(6), SECTION V(D), SECTION V(E)(1)(4), SECTION V(F)(1)(2)(3)(4)(6), ATTACHMENT A; ADDED, MODIFIED, APPROVED and ADOPTED the 14<sup>th</sup> day of April 2021, by the Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 10, SECTION II POLICY; SECTION V(A), SECTION V(C)(6), (E)(1), (F)(1), (F)(6); ADDED, MODIFIED, APPROVED, and ADOPTED THE 13<sup>th</sup> Day of April 2022, by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS NO. 10, AFFIRMED, APPROVED and ADOPTED the 12<sup>th</sup> day of April 2023, by the Public Service Board of the City of El Paso, Texas.

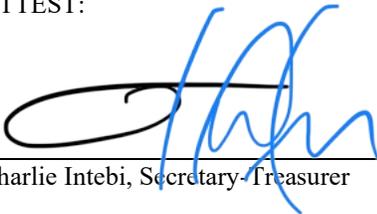
RULES & REGULATIONS NO. 10, SECTION V(E)(1), SECTION V(E)(4), SECTION V(F)(1), ATTACHMENT A; ADDED, MODIFIED, APPROVED and ADOPTED the 10<sup>th</sup> day of April 2024, by the Public Service Board of the City of El Paso, Texas.

PUBLIC SERVICE BOARD



Ivonne Santiago, Chair

ATTEST:



Charlie Intebi, Secretary-Treasurer

APPROVED AS TO FORM:



Daniel Ortiz, General Counsel