

**MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
June 8, 2016**

The regular meeting of the Public Service Board was held Wednesday, June 8, 2016, at the El Paso Water Utilities Public Service Board Meeting Room located at 1154 Hawkins Boulevard, El Paso, Texas.

PSB MEMBERS PRESENT

Terri Garcia, Secretary-Treasurer
Dr. Richard T. Schoephoerster, Member
Bradley Roe, Member
Dr. Kristina Mena, Member

PSB MEMBERS ABSENT

Henry Gallardo, Chair
Christopher Antcliff, Vice Chair
Mayor Oscar Leeser, Ex-Officio Member

PSB EMPLOYEES PRESENT

John E. Balliew, P.E., President and Chief Executive Officer

EPWU EMPLOYEES PRESENT

Matthew Behrens, Assistant General Counsel
Daniel Ortiz, Assistant General Counsel
Cynthia Osborn, Real Estate Manager/Counsel
Alan Shubert, Vice President
Art Duran, Chief Financial Officer
Gilbert Trejo, Chief Technical Officer
Gretchen Byram, Computer Media Specialist
Georgette Webber, Executive Secretary
Christina Montoya, Marketing and Communications Manager
Martin Noriega, Stormwater Operations Manager
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Isabel Rodriguez, Public Information Coordinator
Corina Ledesma, Business Systems Analyst
Mark Bolduc, Business and Customer Service Manager
Fernie Rico, Chief Operations Officer
Scott Reinert, Water Resources Manager
Rose Guevara, Senior Purchasing Agent
Ana Sanchez, Human Resources Manager

GUESTS

Pam Farone, Citizen
Roberto Moreno, Moreno Cardenas, Incorporated
Daniel Olson, Arcadis
Jerry Paz, Molzen Corbin
Hilma Perez, Arcadis
John Karlsruher, CSA

MEDIA

KVIA

El Diario

The Public Service Board meeting was called to order by Ms. Garcia at 8:08 a.m. A quorum of its members was present. After a moment of silence, those in attendance joined Ms. Gretchen Byram, Computer Media Specialist, in reciting the Pledge of Allegiance.

SELECTED AN ACTING SECRETARY-TREASURER FOR THE JUNE 8, 2016, REGULAR PUBLIC SERVICE BOARD MEETING.

On a motion made by Dr. Schoephoerster, seconded by Dr. Mena and unanimously carried, the Board appointed Mr. Roe as the acting Secretary-Treasurer for the June 8, 2016, Regular Public Service Board Meeting.

CONSENT AGENDA

On a motion made by Dr. Schoephoerster, seconded by Mr. Roe and unanimously carried, the Board took action on the following agenda items:

APPROVED THE MINUTES OF THE REGULARLY SCHEDULED MEETING HELD ON MAY 11, 2016 AND THE PSB SELECTION COMMITTEE MEETING HELD ON MAY 25, 2016.

The Board approved the minutes of the regularly scheduled meeting held on May 11, 2016 and the PSB Selection Committee meeting held on May 25, 2016.

APPROVED THE PURCHASE OF 68 HP MODEL ELITEDESK 800 G2 DESKTOP COMPUTERS QUOTED BY DECISION TREE, INCORPORATED WITH BUY BOARD PRICING THROUGH TEXAS HP DIR CONTRACT NO. DIR-TSO-2538 IN THE AMOUNT OF \$54,060.

The Board approved the purchase of 68 HP Model EliteDesk 800 G2 desktop computers quoted by Decision Tree, Incorporated with buy board pricing through Texas HP DIR Contract No. DIR-TSO-2538 in the amount of \$54,060.

APPROVED A 36-MONTH FAIR MARKET VALUE LEASE WITH MARLIN BUSINESS SERVICES CORPORATION FOR 20 MODEL CF-19 AND 3 MODEL CF-31 PANASONIC TOUGHBOOK LAPTOPS AND A \$125.00 DOCUMENTATION FEE WITH BUY BOARD PRICING THROUGH TEXAS DIR CONTRACT NO. DIR-TSO-2520 FOR A TOTAL PAYMENT AMOUNT OF \$82,347.92

The Board approved a 36-month Fair Market Value lease with Marlin Business Services Corporation for 20 Model CF-19 and 3 Model CF-31 Panasonic Toughbook laptops and a \$125.00 documentation fee with buy board pricing through Texas DIR Contract No. DIR-TSO-2520 for a total payment amount of \$82,347.92.

APPROVED THE PURCHASE OF THE OPTIMA 8300 CONCENTRIC SPECTROMETER (ICP-OES) THROUGH THE TEXAS MULTIPLE AWARD SCHEDULE COOPERATIVE PURCHASING PROGRAM TXMAS # 8-66030 FROM PERKINELMER HEALTH SCIENCES INCORPORATED, IN THE AMOUNT OF \$82,848.99.

The Board approved the purchase of the Optima 8300 Concentric Spectrometer (ICP-OES) through the Texas Multiple Award Schedule Cooperative Purchasing Program TXMAS # 8-66030 from PerkinElmer Health Sciences Incorporated, in the amount of \$82,848.99.

APPROVED TASK ORDER NUMBER 1, AMENDMENT NUMBER 1, FOR CONSULTING SERVICES RELATED TO ADDITIONAL GROUNDWATER MODELING SCENARIOS IN THE HUECO BOLSON GROUNDWATER MODELING PROJECT TO MONTGOMERY AND ASSOCIATES, INCORPORATED IN THE AMOUNT OF \$39,974.

The Board approved Task Order Number 1, Amendment Number 1, for consulting services related to additional groundwater modeling scenarios in the Hueco Bolson Groundwater Modeling Project to Montgomery and

Associates, Incorporated in the amount of \$39,974.

REGULAR AGENDA

PRESENTATION ON EPWU BALANCED SCORECARD STRATEGIC PLANNING IMPLEMENTATION EFFORTS.

Mr. Balliew made introductory comments to this item and introduced Ms. Corina Ledesma, Business Systems Analyst and Ms. Georgette Webber, Executive Secretary, to make a PowerPoint presentation regarding this item (copy on file in Central Files). EPWU is committed to continuing its strategic planning efforts and is currently developing a robust strategic plan and management strategy by using the Balanced Scorecard system. To accomplish this, EPWU recognized the need to engage staff in the Balanced Scorecard Institute (BSI) methodology to sustain a healthy planning process. EPWU has established a good Balanced Scorecard foundation through training, completing a strategic planning health assessment and a series of hands-on workshops. The recommendation to use BSI methodology for developing a strategic plan was made by the Public Service Board. In September 2015, the Public Service Board approved a professional services contract with the Balanced Scorecard Institute for training and consulting services. The BSI methodology is utilized by many Fortune 500 companies. The presentation discussed the strategic planning efforts to date, as well as, plans for launching and implementing the new plan utilizing the BSI methodology. Ms. Webber, Ms. Ledesma and Mr. Balliew addressed questions and comments from the Board regarding this item.

DISCUSSION AND ACTION REGARDING EPWU COORDINATION EFFORTS WITH THE ORGANIZATIONS AND STAKEHOLDERS OF THE PROPOSED WOODS RESERVOIR BEAUTIFICATION PROJECT.

Mr. Daniel Ortiz, Assistant General Counsel, presented the Board with information regarding this item. On April 13, 2016, the El Paso Community Foundation (Foundation) provided the Public Service Board a presentation on a beautification project (Project) that the Foundation was interested in pursuing in partnership with EPWU. The Project involves painting a mural on the Woods Reservoir. After receiving the presentation, the Board directed staff to continue coordination with the Foundation on pursuing this project. Mr. Ortiz said subsequent to the April 13th Board meeting, the Foundation's attorney and EPWU general counsel met and have outlined, in general, the anticipated responsibilities of each party. As a result, the foundation's attorney provided a memorandum of understanding concerning these anticipated responsibilities. The next anticipated step is for the parties to establish a timeline for completion of specific actions. Mr. Ortiz and Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Mr. Roe and unanimously carried, the Board directed staff to continue with its coordination efforts with the organizations and stakeholders of the proposed Woods Reservoir Beautification Project.

APPROVED AMENDMENT NUMBER 2 TO TASK ORDER NUMBER 1- CONSTRUCTION ADMINISTRATION SERVICES FOR DESIGN-BUILD CONSTRUCTION OF FIELD OPERATIONS YARD AMENDMENT TO ECM INTERNATIONAL, INCORPORATED IN THE AMOUNT OF \$180,942.

Mr. Alan Shubert, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water Utilities (EPWU) has a design-build contract with Jordan Foster Construction (JFC) for the relocation and construction of EPWU's fleet operations yard, warehouse, and meter shop. The fleet operations yard is completed and JFC is now constructing the warehouse and meter shop. The services of a full time Resident Project Representative are required to ensure quality assurance of the project. The Architectural/Engineering Selection Advisory Committee met on March 6, 2015, to review and recommend selection of the engineering firm. ECM International was awarded the Construction Management Services for the Design-Build Projects in March 2015. A fee proposal associated with this scope of services was submitted, reviewed, and negotiated with the Consultant to come to an agreement on the value to be

received for the costs proposed to complete the project. The negotiated construction services fees are in line with the level of effort and hours required to complete the project and consistent with similar work done recently. The construction engineering scope of services has been developed based on the anticipated construction duration. Mr. Shubert addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster and unanimously carried, the Board approved Amendment Number 2 to Task Order Number 1- Construction Administration Services for Design-Build Construction of Field Operations Yard Amendment to ECM International, Incorporated in the amount of \$180,942.

AWARDED PROFESSIONAL SERVICES CONTRACTS FOR ON-CALL WELL DRILLING PROFESSIONAL ENGINEERING SERVICES IN THE AMOUNT OF \$250,000 EACH WITH A TERM OF 2 YEARS FOR VARIOUS WELL DRILLING PROJECTS TO BROWN AND CALDWELL AND CDM SMITH, AND AUTHORIZED FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM, AS REQUIRED.

Mr. Alan Shubert, Vice President, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water Utilities (EPWU) will use the On-Call Well Drilling Professional Engineering Services to provide engineering support of upcoming well drilling projects. This contract will provide for additional technical support in the bid phase and construction management services related to various well drilling projects including injection wells, municipal water supply wells, exploratory test holes, and test wells. El Paso Water Utilities received four proposals on April 19, 2016. The Architectural/Engineering Selection Advisory Committee met on May 11, 2016, to review and recommend selection of engineering firms for this service. Proposals were scored in areas of technical competence, project approach, team organization and availability, project management, and quality control. Brown and Caldwell and CDM Smith were selected as the most qualified firms. Each consultant will be issued a professional services contract for a maximum amount of \$250,000 and each contract will be limited to no more than two years.

On a motion made by Dr. Mena, seconded by Dr. Schoephoerster and unanimously carried, the Board awarded professional services contracts for On-Call Well Drilling Professional Engineering Services in the amount of \$250,000 each with a term of 2 years for various well drilling projects to Brown and Caldwell and CDM Smith, and authorized funding through the commercial paper program, as required. **(Resolution attached)**

AWARDED A PROFESSIONAL SERVICES CONTRACT FOR TCEQ INJECTION WELL DESIGN AND COMPLIANCE SERVICES TO LBG-GUYTON IN THE AMOUNT OF \$500,000.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water Utilities (EPWU) uses three deep injection wells for the disposal of concentrate generated through the desalination process at the Kay Bailey Hutchison Desalination Plant. Professional engineering services are needed to support the EPWU compliance efforts with the TCEQ, modifications to injection permit and for the technical design of an additional injection well. El Paso Water Utilities received one proposal on April 19, 2016. The Architectural/Engineering Selection Advisory Committee met on May 11, 2016, to review and recommend selection of engineering firms for this service. Proposals were scored in the areas of technical competence, project approach, team organization and availability, and project management and quality control. LBG-Guyton was the only firm to submit a proposal and has previously demonstrated a high level of expertise and professional service. EPWU staff worked with LBG-Guyton to develop the scope of services required for this project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant for the defined scope of work. The negotiated fees are in line with the level of effort required to complete the task and consistent with similar work completed recently. Mr. Balliew addressed questions from the Board regarding this item.

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster and unanimously carried, the Board awarded a professional services contract for TCEQ Injection Well Design and Compliance Services to LBG-Guyton in the amount of \$500,000.

AWARDED A PROFESSIONAL SERVICES CONTRACT FOR NORTHEAST EL PASO AQUIFER RECHARGE MASTER PLAN TO MORENO CARDENAS, INCORPORATED IN THE AMOUNT OF \$200,000.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). El Paso Water Utilities (EPWU) currently recharges the Hueco Bolson with effluent treated to potable water quality standards from the Fred Hervey Water Reclamation Plant by using injection wells and spreading basins. The Northeast El Paso Aquifer Recharge Master Plan will explore opportunities for increasing the amount of aquifer recharge by using available treated Rio Grande water. This additional aquifer recharge would allow EPWU to fully utilize all of its surface water rights. El Paso Water Utilities received four proposals on May 3, 2016. The Architectural/Engineering Selection Advisory Committee met on May 11, 2016, to review and recommend selection of engineering firms for this service. Proposals were scored in areas of technical competence, project approach, team organization and availability, project management, and quality control. Moreno Cardenas was selected as the most qualified firm. Moreno Cardenas will be issued a professional services contract in the amount of \$200,000. EPWU staff worked with Moreno Cardenas to develop the scope of services required for this project. A fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the consultant for the defined scope of work. The negotiated fees are in line with the level of effort required to complete the task and consistent with similar work completed recently. MR. Balliew addressed questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Dr. Mena, and unanimously carried, the Board awarded a professional services contract for Northeast El Paso Aquifer Recharge Master Plan to Moreno Cardenas, Incorporated in the amount of \$200,000.

APPROVED AMENDMENT NUMBER 2 (ENGINEERING SERVICES FOR THOMAS MANOR PARK / POND IMPROVEMENTS) TO TASK ORDER 1 (THOMAS MANOR PUMP STATION AND FORCE MAIN IMPROVEMENTS DESIGN AND BID PHASE SERVICES) TO CEA GROUP, IN THE AMOUNT OF \$235,434.81.

Mr. Shubert made a PowerPoint presentation to the Board regarding this item (copy on File in Central Files). The facility is located at 7101 Knights Street and consists of a retention pond and a pump station. The pump station was not designed to manage the flows created by a 100-year storm. Further, the pond was deepened below the suction pipeline for the pump station, thus standing water remains in the pond that cannot be pumped out. The pump, pond inlet structure, and the pump station wet well are inoperable and need to be replaced. During the study phase of the project, it was identified that improvements to the adjacent park were also needed in order to contain the 100-year storm within the area. This contract amendment is for additional design services related to the scope of work. CEA Group was selected and awarded this contract in July 2014. Staff worked with the consultant to develop the scope of work for the amendment. A fee proposal associated with the scope of services was submitted and reviewed with the consultant to come to an agreement on the value to be received for the costs proposed to complete the project. The negotiated fee is in line with the level of effort and hours required to complete the work.

On a motion made by Dr. Schoephoerster, seconded by Dr. Mena and unanimously carried with Mr. Roe abstaining from the vote and discussion, the Board approved Amendment Number 2 (Engineering Services for Thomas Manor Park / Pond Improvements) to Task Order 1 (Thomas Manor Pump Station and Force Main Improvements Design and Bid Phase Services) to CEA Group, in the amount of \$235,434.81.

AWARDED A PROFESSIONAL SERVICES CONTRACT FOR NORTHEAST SUMP IMPROVEMENTS TO MORENO-CARDENAS, INCORPORATED IN AN AMOUNT NOT TO EXCEED \$600,000.

Mr. Gilbert Trejo, Chief Technical Officer, made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). The Northeast Sump is a structure designed by the U.S. Army Corps of Engineers and it is on Fort Bliss property. Staff requires the assistance of a consulting firm for engineering services that will design improvements to add storage capacity to the sump and will seek alternatives to complement improvements needed to mitigate flooding upstream along the Diana Ditch. This project includes but is not limited to alternative analysis, design, bidding, and construction phase services for the Northeast Sump Improvements Project. El Paso Water Utilities received five proposals for this project on February 23, 2016. Proposals were accepted from Dorado Engineering, Conde, Moreno Cardenas, Dannenbaum Engineering Company, Brock and Bustillos and CSA Design Group. The EPWU Shortlist Committee reviewed all five proposals and selected the three most qualified proposals for referral to the Architectural/Engineering Selection Advisory Committee. The Architectural/Engineering Selection Advisory Committee met on March 18, 2016, to review and recommend selection of the engineering firm for these services. Submittals were scored in the areas of minimum qualifications, team and project manager, and past project experience. Moreno Cardenas was selected as the most qualified firm that best meets the needs of the Utility for this type of project and demonstrated excellent abilities in all the evaluated categories.

On a motion made by Mr. Roe, seconded by Dr. Mena and unanimously carried, the Board awarded a professional services contract for Northeast Sump Improvements to Moreno-Cardenas, Incorporated in an amount not to exceed \$600,000.

AWARDED A PROFESSIONAL SERVICES CONTRACT FOR MESA HILLS CONTROL BASIN TO CSA DESIGN GROUP, INCORPORATED IN THE AMOUNT OF \$235,685.

Mr. Trejo made a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). Mesa Hills Basin and channel is affected by an increasing amount of sediment and debris. In the 2006 storm, the dam overtopped and debris was carried over the spillway and blocked the channel outlet downstream. Staff requires the assistance of a consulting firm for design of improvements to the Mesa Hills Control Basin. This project includes but is not limited to design, bidding and construction phase services. El Paso Water Utilities received eleven proposals for this project on February 23, 2016. The EPWU Shortlist Committee reviewed all eleven proposals and selected the five most qualified proposals for referral to the Architectural/Engineering Selection Advisory Committee. The Architectural/Engineering Selection Advisory Committee met on March 18, 2016, to review and recommend selection of the engineering firm for these services. Submittals were scored in the areas of minimum qualifications, team and project manager, and past project experience. CSA Design Group was selected as the most qualified firm that best meets the needs of the Utility for this type of project and demonstrated excellent abilities in all the evaluated categories. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Dr. Mena and unanimously carried with Mr. Roe abstaining from discussion and vote, the Board awarded a professional services contract for Mesa Hills Control Basin to CSA Design Group, Incorporated in the amount of \$235,685.

APPROVED A PROFESSIONAL SERVICES CONTRACT FOR DESIGN AND BID PHASE SERVICES FOR HASKELL R. STREET WASTEWATER TREATMENT PLANT PRIMARY CLARIFIERS 1, 2, AND 4 REHABILITATION PROJECT TO PARKHILL, SMITH AND COOPER, INCORPORATED IN AN AMOUNT NOT TO EXCEED \$175,477 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). The Haskell R. Street Wastewater Treatment Plant utilizes four clarifiers to remove solids from the incoming wastewater. The existing clarifiers were installed in 1986. The corrosive environment has corroded the

mechanical components and the concrete inside the clarifiers. The Public Service Board awarded an On-Call Engineering Services Contract to Parkhill, Smith and Cooper (PSC) to prepare an engineering study and provide recommendations. PSC recommended replacement of the clarifiers' mechanisms and rehabilitation of corroded concrete inside the clarifiers. Subsequently, PSC prepared design drawings for improvements to one of the clarifiers, and this construction is in progress. Although a program is in place to rehabilitate the remaining three clarifiers over a three-year period, a second clarifier recently failed.

PSC is the most qualified engineering consulting firm due to their experience with the previous clarifier. El Paso Water Utilities staff worked with PSC to develop a scope of engineering design and bid phase services for the rehabilitation work of the remaining three clarifiers. The fee proposal associated with the scope of services was submitted, reviewed, and negotiated with the Consultant to reach an agreement on the costs to complete design engineering services and bid phase services for three clarifiers. The negotiated fees are in line with the level of effort and hours required to complete and bid the design. Mr. Trejo addressed questions from the Board regarding this item.

On a motion made by Dr. Schoephoerster, seconded by Dr. Mena and unanimously carried, the Board approved a professional services contract for design and bid phase services for Haskell R. Street Wastewater Treatment Plant Primary Clarifiers 1, 2, and 4 Rehabilitation Project to Parkhill, Smith and Cooper, Incorporated in an amount not to exceed \$175,477 and authorized funding through the commercial paper program. **(Resolution attached)**

APPROVED A ONE-YEAR PROFESSIONAL SERVICES CONTRACT WITH DALE CARNEGIE TRAINING IN AN AMOUNT NOT TO EXCEED \$120,000.

Ms. Ana Sanchez, Human Resources Manager, presented information to the Board regarding this item. Dr. Bill Mitchell and Charlie Black of Dale Carnegie Training will provide leadership training to include materials for employees. The Skills for Success training will assist supervisors in effectively managing employees by strengthening people skills, enhancing communication skills, developing leadership skills, building self-confidence and teaching them how to manage stress. The training will be conducted at the Tech H2O training facility.

On a motion made by Dr. Schoephoerster, seconded by Dr. Mena and unanimously carried the Board approved a one-year professional services contract with Dale Carnegie Training in an amount not to exceed \$120,000.

ADOPTED A RESOLUTION ASKING CITY COUNCIL TO AUTHORIZE THE ISSUANCE OF UP TO \$81,625,000 OF CITY OF EL PASO WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS SERIES 2016 TO FUND \$31,000,000 OF THE APPROVED CAPITAL IMPROVEMENTS PROGRAM, PAY OFF \$20,000,000 IN COMMERCIAL PAPER NOTES, ADVANCE REFUND \$28,125,000 OF EXISTING BONDS AND FUND RELATED TRANSACTION COSTS.

Mr. Balliew introduced Ms. Maria Urbina from First Southwest, to make a PowerPoint presentation to the Board regarding this item (copy on file in Central Files). This bond issuance will fund approximately \$31 million of the approved capital improvements program, pay off \$20,000,000 in commercial paper notes, advance refund \$28,125,000 of existing bonds and cover fund related transaction costs. Ms. Urbina reviewed the projects approved in the capital improvements program to be funded by this issuance. El Paso Water Utilities is proposing to fix-out \$20,000,000 of outstanding commercial paper notes and issue tax-exempt fixed rate bonds. The PSB started the Commercial Paper Program in 1997 and has utilized it for interim construction financing typically for small projects (less than \$5 million). The PSB currently has a maximum funding capacity for commercial paper of \$40 million. Ms. Urbina reviewed the economic refunding summary as well as the projected sources and uses of the requested bonds. She also reviewed the net debt service schedule and the five-year plan debt service requirements. The parameter authorization was reviewed by Ms. Urbina.

The parameter authorization will enable the sale of improvement and revenue refunding bonds at optimum timing and structure. Final pricing authority would be delegated to John Balliew, President/CEO, Marcela Navarrete, Vice President and Arturo Duran, Chief Financial Officer. The recommended parameters are a maximum true interest cost of 3.85%; minimum present value savings percentage of 3.00%; aggregate principal amount of issuance of \$81,625,000; final maturity date of December 31, 2037; and expiration of delegated authority within 3 months. The pricing officer can only approve the sale if all parameters are met. The recommended underwriters for this issuance are Hutchinson, Shockey (Senior Manager) and George K. Baum (Co-Manager) and Citigroup (Co-Manager). Ms. Urbina reviewed the time schedule for this issuance and said once approved by the Board, this item would go before City Council on June 28, 2016 for approval. On July 19th, the bonds would be priced and by August 17th, the sale would be closed and funds would be delivered. Several comments were made by members of the Board.

On a motion made by Dr. Schoephoerster, seconded by Mr. Roe and unanimously carried, the Board adopted a resolution asking City Council to authorize the issuance of up to \$81,625,000 of City of El Paso Water and Sewer System Revenue Refunding Bonds Series 2016 to fund \$31,000,000 of the approved capital improvements program, pay off \$20,000,000 in commercial paper notes, advance refund \$28,125,000 of existing bonds and fund related transaction costs. **(Resolution attached)**

PRESENTATION TO DR. RICHARD SCHOEPHOERSTER IN RECOGNITION OF HIS LEADERSHIP, DEDICATION, AND SERVICE TO THE COMMUNITY DURING HIS TENURE ON THE PUBLIC SERVICE BOARD.

Mr. Balliew and members of the Board presented Dr. Schoephoerster with a plaque in recognition of his leadership, dedication and service to the community during his tenure on the Public Service Board. Comments were made by Dr. Schoephoerster, Ms. Garcia and Mr. Roe.

PUBLIC COMMENT: THE PSB WILL PERMIT PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA. THE CHAIR MAY IMPOSE REASONABLE TIME LIMITS FOR EACH SPEAKER.

There were no additional comments from the public.

EXECUTIVE SESSION

On a motion made by Dr. Schoephoerster, seconded by Mr. Roe, and unanimously carried, the Board retired into Executive Session at 9:27 a.m., June 8, 2016, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 through 551.076 to discuss any of the following:

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

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

as a portion of Lot 5, Block 290, Vista Del Sol Unit Eighty, an addition to the City of El Paso, El Paso County Texas.

On a motion made by Dr. Schoephoerster, seconded by Mr. Roe and unanimously carried, The Board reconvened in open session at 9:48 a.m., June 8, 2016.

DELIBERATE REGARDING THE POSSIBLE SALE OF THREE PARCELS OF PROPERTY TOTALING APPROXIMATELY 714 ACRES OF LAND LOCATED IN NORTHEAST EL PASO BETWEEN DYER AND MCCOMBS, GENERALLY DESCRIBED AS A PORTION OF 80 TSP 1 SECTIONS 20, 29, AND 31 T & P SURV TR 1-A, CITY OF EL PASO, EL PASO COUNTY, TEXAS.

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster, and unanimously carried, the Board declared the land as inexpedient to the water system and authorized the President/CEO to recommend to the City of El Paso that the land be sold through the sealed bidding process and obtain one appraisal for each parcel and set the minimum bid price at the appraised value.

DELIBERATED REGARDING A POTENTIAL LAND PURCHASE.

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster, and unanimously carried, the Board authorized the President/CEO to proceed with the acquisition of land in the manner approved by the Board and in accordance with the terms and conditions specified by the Board and sign any and all documents necessary to complete the purchase and sign the application for transfer of ownership of the validation permits.

DELIBERATED REGARDING THE BOWEN RANCH, L.L.C. GRAZING LEASE AGREEMENT.

On a motion made by Mr. Roe, seconded by Dr. Schoephoerster, and unanimously carried, the Board authorized the President/CEO to amend the Grazing Lease Agreement with Bowen Ranch, L.L.C., in the manner approved by the Board and in accordance with the terms and conditions specified by the Board.

ADJOURNMENT

The meeting adjourned at 9:53 a.m., June 8, 2016.

ATTEST:



Secretary-Treasurer

Chair



RESOLUTION

A RESOLUTION ASKING CITY COUNCIL TO AUTHORIZE THE ISSUANCE OF UP TO \$81,625,000 OF CITY OF EL PASO WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS SERIES 2016 TO FUND \$31,000,000 OF THE APPROVED CAPITAL IMPROVEMENTS PROGRAM, PAY OFF \$20,000,000 IN COMMERCIAL PAPER NOTES, ADVANCE REFUND \$28,125,000 OF EXISTING BONDS, AND FUND RELATED TRANSACTION COSTS.

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

WHEREAS, there have been filed with the City Council one or more resolutions adopted and approved by the Public Service Board requesting the City Council to approve the issuance and sale of the City's revenue bonds for the purpose of refunding certain outstanding obligations secured by revenues of the System; and,

WHEREAS; the City Council has heretofore authorized and issued City of El Paso, Texas, Water and Sewer Revenue Bonds, Series 2008A and 2008B, dated September 16, 2008, and outstanding commercial paper notes; and

WHEREAS, the Board hereby finds and determines that it is in the best interests of the City to refund the Refunded Bonds in order to achieve a present value debt service savings; and,

WHEREAS, the Board hereby finds and determines that the refunding of the Refunded Commercial Paper Notes for the purposes of making such debt long-term fixed rate debt of the City and restructuring the debt payable from the revenues of the System is in the best interest of the City; and,

WHEREAS, in order to seize the opportunity for such savings, the Board needs to issue \$81,625,000 of City of El Paso Water and Sewer System Revenue Refunding Bonds Series 2016;

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

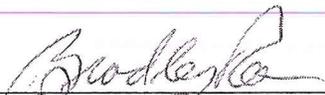
Section 1. That the findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the Public Service Board and made a part of this Resolution for all purposes.

Section 2. That the El Paso Water Utilities Public Service Board hereby adopts a resolution asking City Council to authorize the issuance of up to \$81,625,000 of City of El Paso Water and Sewer System Revenue Refunding Bonds Series 2016, to fund \$31,000,000 of the approved capital improvements program, pay off \$20,000,000 in commercial paper notes, advance refund \$28,125,000 of existing bonds and fund related transaction costs, provided that certain parameters are met.

PASSED AND APPROVED at the regular meeting of the Public Service Board, this 8th day of June, 2016, at which meeting a quorum was present and which was held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. seq.

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD

ATTEST:


By: Bradley Rhee
Acting Secretary


Terri Garci, Acting Chair

APPROVED AS TO FORM:


Matthew K. Behrens,
Assistant General Counsel

RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO APPROVE A CONTRACT WITH PARKHILL, SMITH AND COOPER, INCORPORATED FOR DESIGN AND BID PHASE SERVICES FOR HASKELL R. STREET WASTEWATER TREATMENT PLANT PRIMARY CLARIFIERS 1, 2, AND 4 REHABILITATION PROJECT AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM.

WHEREAS, the Haskell R. Street Wastewater Treatment Plant utilizes four clarifiers to remove solids from the incoming wastewater, which were installed in 1986; and,

WHEREAS, Parkhill, Smith and Cooper, Incorporated completed an engineering study recommending replacement of the clarifiers mechanisms and rehabilitation of corroded concrete inside the clarifiers; and,

WHEREAS, Parkhill, Smith and Cooper, Incorporated prepared design drawings for improvements to one of the clarifiers and construction is in progress. A program is in place to rehabilitate the remaining three clarifiers; however a second clarifier recently failed and rehabilitation of all clarifiers has become an urgent matter; and,

WHEREAS, El Paso Water Utilities staff worked with Parkhill, Smith and Cooper, Incorporated to develop a scope of engineering design and bid phase services for the rehabilitation work of the remaining three clarifiers; and,

WHEREAS, the fee proposal associated with this scope of services was submitted, reviewed, and negotiated with the Parkhill, Smith and Cooper, Incorporated to reach an agreement on the costs to complete design engineering services and bid phase services for three clarifiers. The negotiated fees are in line with the level of effort and hours required to complete and bid the design; and,

WHEREAS, in order to take advantage of favorable interest rates and reduce financing costs, the Public Service Board (PSB) and City Council have authorized a Commercial Paper Program to finance PSB construction projects and engineering services; and,

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

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

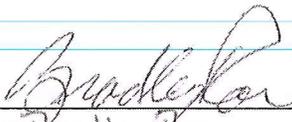
Section 2. That the Public Service Board hereby authorizes the President/CEO to sign a contract with Parkhill, Smith and Cooper, Incorporated for the design and bid phase services for the Haskell R. Street Wastewater Treatment Plant Primary Clarifiers 1, 2 and 4 rehabilitation project in an amount not to exceed \$175,477.

Section 3. That the Public Service Board hereby authorizes funding of this project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds as approved in the CIP#S4226, FY 2013-2014, Account Number 1913-026, in an amount not to exceed \$75,000.00.

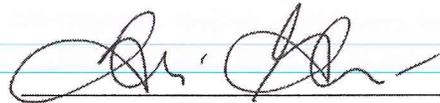
PASSED AND APPROVED at the regular meeting of the Public Service Board of the City of El Paso Texas, this 8th day of June, 2016, at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001 et. seq.

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD

ATTEST:

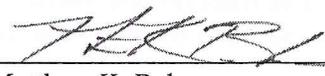


By: Bradley Rice
Acting Secretary



Terri Garcia, Acting Chair

APPROVED AS TO FORM:



Matthew K. Behrens,
Assistant General Counsel

RESOLUTION

A RESOLUTION AWARDING PROFESSIONAL SERVICES CONTRACT FOR ON-CALL WELL DRILLING PROFESSIONAL ENGINEERING SERVICES TO BROWN AND CALDWELL AND CDM SMITH AND AUTHORIZING FUNDING THROUGH THE COMMERCIAL PAPER PROGRAM AS NEEDED.

WHEREAS, El Paso Water Utilities will use on-call well drilling professional engineering services to provide engineering support of upcoming well drilling projects. This contract will provide for additional technical support in the bid phase and construction management services related to various well drilling projects including injection wells, municipal water supply wells, exploratory test holes, and test wells; and,

WHEREAS, El Paso Water Utilities received four proposals on April 19, 2016. The Architectural/Engineering Selection Committee met on May 11, 2016, to review and recommend selection of engineering firms. Proposals were scored in areas of technical competence, project approach, team organization and availability, project management, and quality control. Brown and Caldwell, and CDM Smith were selected as the most qualified firms; and,

WHEREAS, each consultant will be issued a professional services contract for a maximum of \$250,000.00, and each contract will be limited to no more than two years.

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

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

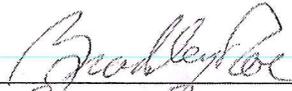
Section 2. That the Public Service Board hereby authorizes the President/CEO to enter into contract for on-call well drilling professional engineering services to Brown and Caldwell, and CDM Smith to provide On-Call Well Drilling Professional Engineering Services as needed. The contract for each firm utilized shall not exceed a total sum of \$250,000 and each contract will be limited to no more than two (2) years.

Section 3. That the Public Service Board hereby authorizes funding of the project through the PSB tax-exempt Commercial Paper Program from Commercial Paper Funds CIP#W1102, Account#1216-005, FY 2016-2017, in an amount not to exceed \$250,000 for each firm.

PASSED AND APPROVED at a regular meeting of the Public Service Board of the City of El Paso, Texas, this 8th day of June, 2016, at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001, et. seq.

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD

ATTEST:



By: Bradley Rife
Acting Secretary



Terri Garcia, Acting Chair

APPROVED AS TO FORM:



Matthew K. Behrens,
Assistant General Counsel