

**Minutes of Special Meeting
Board of Directors
El Paso County Water Improvement District No. 1
("EPCWID")
January 15, 2016**

DIRECTORS PRESENT	OTHERS PRESENT
Johnny Stubbs, President	Jesus Reyes, General Manager
Art Ivey, Vice-President	Al Blair, District Engineer/Consultant via telephone
Indar Singh, Secretary	Jim Speer, Attorney At Law
Larry Ceballos, Director	Jay Ornelas, Assistant District Engineer
Miguel Teran, Director	Phil Bowen, Attorney At Law
	Mary Cortez, Chief Financial Officer
	Sharon Atilano, Administrative Assistant
	Robert Rios, Water Master
	Pete Rodriguez, Maintenance Manager
	Lisa Aguilar, HR Manager
	Rose Rodriguez, Tax Assessor/Collector/Office Manager
	Gary Ford
	Ruben Chavez, Visitor
	Robert Kimpel, Visitor
	John Bilhartz
	William Cochran
	Jim Edd Miller, HCCRD

1. Call to order and establishment of a quorum.

There being a quorum of Directors present, the meeting was called to order by President Johnny Stubbs at 8:30 a.m., and the Directors then proceeded to consider the following:

2. Welcome of guests.

No action was taken on this item.

3. Engagement of David Fuller and Value Incorporated as valuation experts in condemnation cases against EPCWID.

After a motion by Art Ivey, seconded by Larry Ceballos, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that the Engagement letter of David Fuller and Value Incorporated as valuation experts in condemnation cases against EPCWID is approved and the General Manager, Jesus Reyes, is authorized to sign and execute such letter, a copy of which is hereto attached.

Mr. Stubbs left the room and abstained from any discussion on items 4(a) and (b).

4. Natural gas crossings:

- a. Comanche Trail Pipeline L.L.C. fiber optic line and pipeline.
- b. Roadrunner Gas Transmission L.L.C., ONEOK Partners, L.P.

No action was taken on these items.

5. Approval of minutes of Special Meeting held on November 18, 2015.

Draft minutes of the Special Meeting on November 18, 2015, of the Board of Directors were presented for approval.

After a motion by Indar Singh, seconded by Larry Ceballos, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that the draft minutes of the Special Meeting held on November 18, 2015 are approved.

6. Report and recommendations by Mary Cortez, Accountant, concerning financial information, expenditures, budget, and investment policy:

- a. **November and December Reports for the months ending November 30, 2015 and December 31, 2015 were presented to the Board of Directors.** No action was taken on this item.

- b. \$500 Expenditure Report for the months of November and December 2015 was presented to the Board of Directors.** No action was taken on this item.
- c. Legal & Consulting Fees Budget Report.** No action was taken on this item.
- d. Quarterly Investment Report.**

After a motion by Art Ivey, seconded by Indar Singh, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that the Quarterly Investment Report for the period ending 12/31/2015 is approved, a copy of which are attached hereto.

- 7. Report and recommendations by Rose Rodriguez, Tax Assessor/Collector/Office Manager, concerning adjustments and corrections, if any, to assessments, taxes, and charges by EPCWID.

- a. Review tax reports and adjustments.**

The delinquency reports for November and December were presented and reviewed by the Tax Assessor/Collector/Office Manager.

- b. 2013-2015 El Paso Public Service Board leases and assignments.** No action was taken on this item.
- c. 2015 Lower Valley Water District Assignments.** No action was taken on this item.
- d. Comparison of EPCWID tax assessments and collections during 2013 and 2014.** No action was taken on this item.
- e. Report on tax suits and interventions filed by EPCWID.** No action was taken on this item.

- 8. General Manager's report concerning the following:

- a. Discuss possible release date of project water.** No action was taken on this item.
- b. Discuss and set dates for farmers meetings regarding irrigation release dates.** No action was taken on this item.

- c. **Replacement of Island Feeder culvert at Socorro Road TX-DOT and EPCWID project.** No action was taken on this item.
- d. **Report on meeting with El Paso Service Board reference drain maintenance agreement.** No action was taken on this item.
- e. **Report on meeting with Gary Esslinger, EBID General Manager, regarding Montoya Drain at Sunland Park.** No action was taken on this item.

9. District Engineer's report and recommendations concerning the following:

- a. **Rio Grande Project Operating Agreement Accounting.** No action was taken on this item.
- b. **Rio Grande Compact Accounting.** No action was taken on this item.
- c. **Status of 3rd Party Construction in District Canals and Drains.** No action was taken on this item.

10. Maintenance Manager's report and recommendations concerning the following:

Drain maintenance program and water delivery system. No action was taken on this item.

11. Water master's report and recommendations concerning the following:

Water use and availability. No action was taken on this item.

12. Water delivery allocations to EPCWID water users and water available by contract.

No action was taken on this item.

13. Applications for Licenses for Use of District Real Property:

- a. **Application 1712, by Lower Valley Water District, for a 25 (twenty-five) year license to construct an 8-inch potable water line inside a 16-inch steel casing across Green Lateral at Richfield Street, approximately Station 12+23, via boring method**

After a motion by Larry Ceballos, seconded by Indar Singh, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that Application 1712, by Lower Valley Water District, for a 25 (twenty-five) year license to construct a 8-inch potable water line inside a 16-inch steel casing across Green Lateral at Richfield Street, approximately Station 12+23, via boring method is approved upon the condition that the applicant meets all requirements of the license, including paying all fees and costs required by the license and providing the District with three signed originals of the license, both within 60 days hereafter, and the officers of EPCWID No. 1 are authorized and directed to execute such license, a copy of which is attached hereto.

- b. Application 1713, by Lower Valley Water District, for a 25 (twenty-five) year license to construct an 8-inch potable water line inside a 16-inch steel casing across Green Lateral at Main Street, approximately Station 16+48, via boring method**

After a motion by Larry Ceballos, seconded by Indar Singh, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that Application 1713, by Lower Valley Water District, for a 25 (twenty-five) year license to construct a 8-inch potable water line inside a 16-inch steel casing across Green Lateral at Main Street, approximately Station 16+48, via boring method is approved upon the condition that the applicant meets all requirements of the license, including paying all fees and costs required by the license and providing the District with three signed originals of the license, both within 60 days hereafter, and the officers of EPCWID No. 1 are authorized and directed to execute such license, a copy of which is attached hereto.

- c. Application 1714, by Lower Valley Water District, for a 25 (twenty-five) year license to construct an 12-inch potable water**

line inside a 24-inch steel casing across Green Lateral at San Elizario Road (FM 1110), approximately Station 26+99, via boring method

After a motion by Larry Ceballos, seconded by Indar Singh, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that Application 1714, by Lower Valley Water District, for a 25 (twenty-five) year license to construct a 12-inch potable water line inside a 24-inch steel casing across Green Lateral at San Elizario Road (FM 1110), approximately Station 26+99, via boring method is approved upon the condition that the applicant meets all requirements of the license, including paying all fees and costs required by the license and providing the District with three signed originals of the license, both within 60 days hereafter, and the officers of EPCWID No. 1 are authorized and directed to execute such license, a copy of which is attached hereto.

d. Application 1715, by Lower Valley Water District, for a 25 (twenty-five) year license to construct an 12-inch potable water line inside a 24-inch steel casing across Clint Lateral at Celum Road, approximately Station 174+19, via boring method

After a motion by Larry Ceballos, seconded by Indar Singh, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that Application 1715, by Lower Valley Water District, for a 25 (twenty-five) year license to construct a 12-inch potable water line inside a 24-inch steel casing across Clint Lateral at Celum Road approximately Station 174+19, via boring method is approved upon the condition that the applicant meets all requirements of the license, including paying all fees and costs required by the license and providing the District with three signed originals of the license, both within 60 days hereafter, and the officers of EPCWID No. 1 are authorized and directed to execute such license, a copy of which is attached hereto.

- e. Application 1716, by Lower Valley Water District, for a 25 (twenty-five) year license to construct an 6-inch potable water line inside a 12-inch steel casing across Middle Drain at Leisure Lane, approximately Station 102+93, via open cut method**

After a motion by Larry Ceballos, seconded by Indar Singh, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that Application 1716, by Lower Valley Water District, for a 25 (twenty-five) year license to construct an 6-inch potable water line inside a 12-inch steel casing across Middle Drain at Leisure Lane, approximately Station 102+93, via open cut method is approved upon the condition that the applicant meets all requirements of the license, including paying all fees and costs required by the license and providing the District with three signed originals of the license, both within 60 days hereafter, and the officers of EPCWID No. 1 are authorized and directed to execute such license, a copy of which is attached hereto.

- f. Application 1778, by Time Warner Cable, Inc., for a 1 (one) year license to access EPCWID right of way, district wide, for operation and maintenance of existing Time Warner Cable system**

After a motion by Larry Ceballos, seconded by Indar Singh, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that Application 1778, by Time Warner Cable, Inc., for a 1 (one) year license to access EPCWID right of way, district wide, for operation and maintenance of existing Time Warner Cable system is approved upon the condition that the applicant meets all requirements of the license, including paying all fees and costs required by the license and providing the District with three signed originals of the license, both within 60 days hereafter, and the officers of EPCWID No. 1 are authorized and directed to execute such license, a copy of which is attached hereto.

- g. Application 1821, by Time Warner Cable, Inc., for a 25 (twenty-five) year license to construct a cable television overhead line across the Franklin Canal and Alameda Avenue, near Nevarez Road approximately station 901+82.**

After a motion by Indar Singh, seconded by Larry Ceballos, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that Application 1821, by Time Warner Cable, Inc., for a 25 (twenty-five) year license to construct a cable television overhead line across the Franklin Canal and Alameda Avenue, near Nevarez Road approximately Station 901+82 is approved upon the condition that the applicant meets all requirements of the license, including paying all fees and costs required by the license and providing the District with three signed originals of the license, both within 60 days hereafter, and the officers of EPCWID No. 1 are authorized and directed to execute such license, a copy of which is attached hereto.

- d. Application 1798, by Verde 360 Americas, L.P., for proposed roadway crossing Franklin Drainage Canal to Carl Longuemare Road with a single barrel 10' X 7' concrete box culvert at approximately Station 387+60. No action was take on this item.**
- e. Application 1809, by Time Warner Cable, Inc., for a 25 year license to construct a fiber CATV overhead line across the Franklin Drainage Canal at Carl Longuemare Road approximately station 333+59**

After a motion by Larry Ceballos, seconded by Indar Singh, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that Application 1809, by Time Warner Cable, Inc., for a 25 year license to construct a fiber CATV overhead line across the Franklin Drainage Canal at Carl Longuemare Road approximately station 333+59 is

approved upon the condition that the applicant meets all requirements of the license, including paying all fees and costs required by the license and providing the District with three signed originals of the license, both within 60 days hereafter, and the officers of EPCWID No. 1 are authorized and directed to execute such license, a copy of which is attached hereto.

Agreement to classify Non-irrigable Land as Irrigable Land:

h. Application 1822, by Robert L. Kimpel, for classification of portions of Lots 3 through 5, Block J, Cobos Quadrilla Subdivision, approximately (0.20 ac), in El Paso County, Texas, as irrigable lands

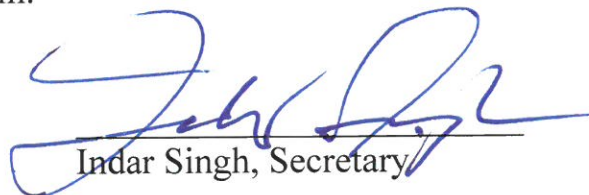
After a motion by Miguel Teran, seconded by Indar Singh, duly considered and carried by unanimous vote of the Board it was:

RESOLVED: that Application 1822 by Robert L. Kimpel, for classification of portions of Lots 3 through 5, Block J, Cobos Quadrilla Subdivision, approximately (0.20 ac), in El Paso County, Texas as irrigable land is approved and the officers of EPCWID No. 1 are authorized and directed to execute such contract, a copy of which is attached hereto.

14. Status of and/or action on bids for purchases or sale and/or easements of real property: **None**

15. Any or all of the items shown on the attached Closed Meeting Agenda. **The Board then entered into a closed session at 10:52 a.m. regarding the items to be considered in closed session as shown on the Notice of Public Meeting. The Board subsequently returned to the open session at 11:33 a.m. with no action having been taken in the closed session.**

16. **Adjournment.** On motion duly made, seconded and carried, the Board Meeting adjourned at 11:35 a.m.


Indar Singh, Secretary


**Affidavit of Abstention by Member of the Board of Directors of
El Paso County Water Improvement District No. 1**

I, Johnny Stubbs, am a member of the Board of Directors of El Paso County Water Improvement District No. 1. At a meeting of such Board of Directors on the 15th day of January, the following matter came before the Board for consideration:

4. (a) Comanche Trail Pipeline L.L.C.
fiber optic line and pipeline, and
4(b) Roadrunner Gas

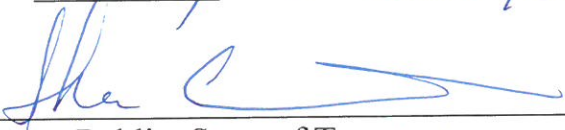
Since the matter involved a business entity or real property in which I have a substantial interest, as defined in Chapter 171 of the Texas Local Government Code, I abstained from participation in the matter. The nature and extent of the interest is the following:

I own property interests in business entities
currently involved in negotiation with
Comanche regarding condemnation proceedings with
also Roadrunner Gas.

Signature: 

Subscribed and sworn to this 15th day of January, 2016, by Johnny Stubbs




Notary Public, State of Texas
My commission expires: 2/20/2017

BOARD POLICY
Affidavit and Abstention from Voting

(ADM/Affidavit 01-1997)

All members of the Board of Directors of the El Paso County Water Improvement District No. 1 will comply with the following statute regarding conflicts of interest:

V.T.C.A., Local Government Code, Sec. 171.004

Affidavit and Abstention from Voting Required

(a) If a local public official has a substantial interest in a business entity or in real property, the official shall file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:

- (1) in the case of a substantial interest in a business entity the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
- (2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

(b) The affidavit must be filed with the official record keeper of the governmental entity.

(c) If a local public official is required to file and does file an affidavit under Subsection (a), the official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the governmental entity of which the official is a member is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.

/15/97

Approved



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Irving, Texas 75039

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web: www.valueinc.com

November 30, 2015

El Paso County Water Improvement District No. 1,
a political subdivision of the State of Texas
13247 Alameda Ave
Clint, TX 79836-0749
Attn: Johnny P. Stubbs, President

Re: United States of America v. 0.4685 Acres of Land, et al, etc.; Case No. EP-14-CV-002998-DCG

Dear Sirs:

This engagement letter, when mutually executed, serves as the agreement between El Paso County Water Improvement District No. 1, a political subdivision of the State of Texas ("EPCWID")(the "Client"), and Value Inc., a Texas corporation doing business as VALUE Incorporated ("VALUE") and in relation to valuation and advisory services.

Scope and Purpose

VALUE will provide valuation consulting services to Client in relation to the above captioned matter. VALUE agrees that this project will be managed by David N. Fuller ("FULLER") and that FULLER provide any expert testimony relating to this matter. VALUE and FULLER will serve as consulting experts initially. If requested, VALUE and FULLER will prepare an expert report and offer expert testimony in deposition and trial settings, as well as other litigation support services authorized by you. No other purpose for our analysis or work product is intended or should be inferred.

Fees and Expenses

For this engagement, we will be compensated based on our standard hourly rates, plus reimbursable expenses billed at VALUE's cost. Our standard hourly rates currently range from \$175 to \$450 per hour, as shown on the attached schedule of our standard hourly rates. Fees for additional services requested after completion of our report will be billed at our standard hourly rates. Rates vary based only on the individual performing the service, and not based on the nature of the activity performed. In addition to professional fees, VALUE will submit invoices for reimbursable expenses billed at VALUE's cost. Reimbursable expenses include travel, lodging, meals, research materials, shipping, and incidental expenses directly related to the engagement. In addition, costs associated with access to information services used during the engagement will be billed at a flat rate of 3.0% of the professional fees.

For All It's Worth

We will submit invoices monthly and will submit our final invoice after receiving notice that no further services will be required in relation to this engagement. The retainer will be credited against the final invoice. Invoice detail will consist of the number of hours charged by each consultant during the invoice period, as well as each reimbursable expense item relating to the project. Invoices are due and payable upon receipt. Any outstanding account balances, including expenses, must be paid prior to our issuance of reports or any employee of VALUE providing expert testimony.

Confidentiality

We will strictly guard the confidentiality of the information we are provided during our engagement. We will not disclose or disseminate any documents without your prior written permission. You agree that we will be allowed to use your name and company logo in our lists of representative clients.

Other Terms and Conditions

This agreement is terminable at any time during the engagement by either party upon written notice. In the event of termination, VALUE will be compensated for the time expended, based on our hourly rates, and reimbursed for our out-of-pocket expenses. At that time, we will issue a final bill promptly.

Our fees are not contingent in any way upon the opinions or conclusions reached. All professional fees and reimbursable expenses billed are due and payable regardless of the opinions reached or the outcome of the related litigation. VALUE shall bear no responsibility to the Client or any other parties for the accuracy, completeness, or legal sufficiency of any financial statements, memoranda, or other documentation provided to VALUE by or on behalf of the Client, or for verifying any of the information contained therein, or for the accuracy of information obtained from outside information sources. The laws of the State of Texas shall govern the interpretation of this agreement in relation to this and any subsequent engagement. Venue for any dispute that may arise in relation to this agreement is agreed to be El Paso County, Texas.


Please signify your agreement with the provisions of this engagement letter by signing in the space provided below, and returning an executed copy of this letter. You may keep the original for your own records.

We look forward to working with you.

Very truly yours,

VALUE Incorporated



By: 
David N. Fuller, CFA, ASA
President & Founder

ACCEPTED AND AGREED TO

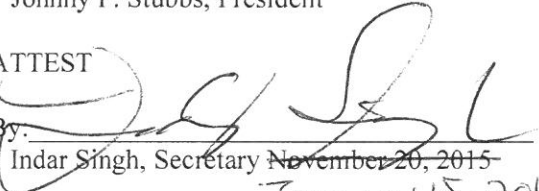
As of the 15th day of January, ~~2015~~
2016

EL PASO COUNTY WATER IMPROVEMENT DISTRICT NO. 1

By: 
Johnny P. Stubbs, President

for

ATTEST

By: 
Indar Singh, Secretary ~~November 20, 2015~~
January 15, 2016

