#### **EXHIBIT C**

#### **CONVEYANCE, BILL OF SALE AND ASSIGNMENT**

This Conveyance, Bill of Sale and Assignment ("Assignment") is entered into by and between Ponderosa and Western Village Water Supply Corporation, a non-profit water supply corporation ("PWV"), and City of El Paso for the benefit of El Paso Water Utilities Public Service Board ("El Paso"), the board established by the City of El Paso, Texas' May 22, 1952 City Ordinance No. 752 to manage and operate the water and wastewater system for the City of El Paso.

#### **RECITALS:**

- A. Concurrently with the execution and delivery of this instrument, PWV is conveying to El Paso by Deed Without Warranty all of those certain parcels of real property, together with improvements thereon ("Improvements"), in El Paso County, Texas (the "Property"), more particularly described in <u>Exhibit "A"</u> attached hereto and made a part hereof for all purposes.
- B. It is the desire of PWV to bargain, sell, convey, transfer, set over and assign unto El Paso the following:
  - (i) All of PVW's right, title and interest in items of furniture, fixtures, equipment, machinery, supplies and other items of tangible personal property presently owned, used or held for use by PWV and affixed, attached to, placed or located on the Property or used by PWV exclusively in connection with the ownership, operation and/or maintenance of the water supply and distribution system operated on the Property ("Utility System"), including without limitation, all facilities, water lines, distribution lines, wells, tanks, pumps, pipes, fittings, treatment equipment, meters, water produced in ground storage, copies of records, permits, materials and supplies, inventories (collectively, the "Tangible Personal Property");
  - (ii) All of right, title and interest in customer deposits on the Closing Date, if any, with accrued statutory interest, held by PWV in connection with PVW's operation of the Utility System ("Customer Deposits");
  - (iii) All accounts receivables, deposit accounts, cash and cash equivalents and any and all financial instruments, excluding membership fees, ("Cash and Receivables"); and
  - (iv) To the extent assignable, all of PVW's right, title and interest in and to (a) all plans, drawings, specifications, surveys, engineering reports, and other materials related to the Land and the Utility System, which are conveyed without

representation or warranty as to the information or conclusions set out therein; (b) all warranties and guaranties related to the Improvements and the Tangible Personal Property; (c) all licenses, permits, franchises, approvals and any other development rights and benefits relating to the Property; and (d) all insurance policies, software and intellectual property rights, all contract rights, interest in any claims, causes of action or judgments (collectively, the "Intangibles"), if any.

C. The Tangible Personal Property, Customer Deposits, Cash and Receivables owned by PWV and Intangibles are hereinafter collectively referred to as the "Transferred Property."

#### CONVEYANCE, ASSIGNMENT AND AGREEMENT

For and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PWV does hereby BARGAIN, SELL, CONVEY, TRANSFER, SET-OVER AND ASSIGN unto El Paso, its successors and assigns, the Transferred Property without express or implied warranty. All statutory and common law warranties are excluded.

TO HAVE AND TO HOLD the Transferred Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto El Paso and El Paso's successors and assigns forever, and PWV does hereby bind PWV and PVW's successors to warrant and forever defend all and singular the Transferred Property unto El Paso, and El Paso's successors and assigns against any person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through or under PWV, but not otherwise.

DISLAIMER OF WARRANTIES. EXCEPT AS TO ANY WARRANTY OF TITLE PWV DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY CONCERNING OR RELATING TO: (A) THE NATURE AND CONDITION OF THE TRANSFERRED PROPERTIES; (B) THE SUITABILITY OR FITNESS OF THE TRANSFERRED PROPERTIES, THE INCOME TO BE DERIVED THEREFROM OR EXPENSES TO BE INCURRED WITH RESPECT TO TRANSFERRED PROPERTIES, OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE SAME; (C) THE COMPLIANCE OF THE PROPERTY OR OPERATIONS THEREOF WITH ANY LAWS; EL PASO ACKNOWLEDGES AND AGREES THAT EL PASO HAS NOT RELIED ON ANY REPRESENTATION, STATEMENT, OR OTHER ASSERTION WITH RESPECT TO THE TRANSFERRED PROPERTIES BY PWV AND WILL RELY SOLEY ON EI PASO'S EXAMINATION OF THE TRANSFERRED PROPERTIES AND THE MATTERS AFFECTING THE TRANSFERRED PROPERTIES. WITHOUT LIMITATION, ANY **IMPLIED** PWV SPECIFICALLY, DISCLAIMS WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ACCEPT PROPERTY. **PURCHASER** AGREES TO TRANSFERRED THETRANSFERRED PROPERTY "AS IS" AND "WITH ALL FAULTS."

This Assignment is give effective (the 'Property and the Transferred Pro	'Agreement				
This Assignment shall be Texas and shall be performable conditions and agreements herei Paso, and their respective heirs, or	in El Paso ( n shall inur	County, Texas. e to the benefit o	This Assign of and be bi	nment and thinding upon	he covenants,
EXECUTED the da	y of	, 20	4		
		EROSA AND V R SUPPLY CO			
By	:			Juan	Eubanks,
THE STATE OF TEXAS	<b>§</b> <b>§</b>				
COUNTY OF EL PASO	§				
This instrument was ack 20 by Juan Eubanks, Presider on behalf of said corporation.	nowledged at of Ponder	before me on the osa and Western	ne d Village Wa	ay of ater Supply	Corporation,
	j	Notary Public, S	tate of Texa	ıs	

#### **EL PASO WATER UTILITIES PUBLIC SERVICE BOARD:**

By:

Name: John Balliew Title: President/CEO

THE STATE OF TEXAS

§ § §

**COUNTY OF EL PASO** 

This instrument was acknowledged before me on the 29 day of 2016 by John Balliew, President/CEO of El Paso Water Utilities, on behalf of said entity.

Notary Public State of Texas

#### EXHIBIT "A" ASSIGNMENT

#### **PROPERTY**

#### PARCEL 1

Lots 1 and 2, Block 14, PONDEROSA MOBILE HOMES SUBDIVISION -REPLAT an Addition to El Paso County, Texas, according to the plat thereof, recorded in Volume 44, Page 23, Plat Records of El Paso County, Texas.

#### PARCEL 2

Tract 22-A, Block 17, UPPER VALLEY SURVEYS, in El Paso County, Texas, according to the resurvey of said UPPER VALLEY SURVEYS made by El Paso County, Texas for tax purposes and being more particularly described by metes and bounds as follows:

Being the description of 0.505 acres of land out of Tract 22-A, Block 17, Upper Valley Surveys, El Paso County, Texas known as Western Way Drive and being more fully described by metes and bounds as follows:

Beginning at a point on the Westerly line of Bosque Road (40 feet wide), said point bears South 8°20'00" East a distance of 127.09 feet from the Northeast corner of Tract 22-A, Block 17, Upper Valley Surveys, El Paso County, Texas;

THENCE South 8°20'00" East a distance of 50.54 feet along the Westerly line of Bosque Road to a point;

THENCE North 89°59'00" West a distance of 440.17 feet to a point on the Westerly line of said Tract 22-A;

THENCE North 7°02'00" West a distance of 50.38 feet along the Westerly line of said Tract 22-A to a point;

THENCE South 89°59'00" East a distance of 439.01 feet to the Point of Beginning.

#### PARCEL 3

A portion out Tracts 25A and 25B, NKA Tract 25-C and 25-B-1, Block 17, UPPER VALLEY SURVEYS, in El Paso County, Texas, according to the resurvey of said UPPER VALLEY SURVEYS made by El Paso County, Texas for tax purposes and being more particularly described by metes and bounds as follows:

Being the description of 0.147 acres (5,386.8 square feet) of land out of Tracts 25A and 25B, Block 17, Upper Valley Surveys, El Paso County, Texas and being more fully described by metes and bounds as follows:

Beginning at a point on the Westerly line of Bosque Road (35.00' wide), said point bears North 08°20'00" West a distance of 98.41 feet from the intersection of the Westerly line of Bosque Road with the Northerly line of Canutillo – La Union Road –F.M. 258 (70.00' wide);

THENCE South 85°10'00" West a distance of 98.80 feet to a point;

THENCE North 05°50'00" West a distance of 65.64 feet to a point;

THENCE North 86°10'00" East a distance of 95.93 feet to a point on the Westerly line of Bosque Road;

THENCE South 08°20'00" East a distance of 65.80 feet along the Westerly line of Bosque to the Point of Beginning.

#### EXHIBIT D

#### AFFIDAVIT OF CLOSING

<b>TEXAS PUBLIC</b>	UTILITY	<b>COMMISSION</b>
APPLICATION	NO.	

STATE OF TEXAS

COUNTY OF EL PASO

#### AFFIDAVIT OF CLOSING

BEFORE ME, the undersigned authority, on this day personally appeared Juan Eubanks, President of Ponderosa and Western Village Water Supply Corporation, a non-profit water supply corporation ("Seller"), personally known to me to be the person whose name is subscribed hereto and upon his/her oath depose and state that:

"I am a citizen of the United States, of legal age, and have never been known by any other name than set out below; I am Juan Eubanks, authorized agent of Seller, and am authorized to make this affidavit on its behalf.

Seller and City of El Paso for the benefit of El Paso Water Utilities Public Service Board ("Buyer") entered into that certain Asset Transfer Agreement dated effective as of \_\_\_\_\_\_\_ ("Contract"), which provided for the sale and transfer to Buyer of Seller's water supply system, consisting of real property rights, easements, pipelines and related infrastructure and personal property as more fully described in the Contract (collectively the "Assets"), located within or to serve the area designated by the Commission under Water CCN No. 11017 ("Transfer Area").

Pursuant to the terms of the Contract the Seller has agreed that upon closing it will decertify and transfer the Transfer Area within its CCN No. 11017 to Buyer so that Buyer may amend its CCN No. 10211, to the extent required or necessary, in order to include the Transfer Area in accordance with Chapter 13 of the Texas Water Code.

The sale and transfer to the Buyer of Seller's water supply system, the decertification of Seller's CCN No. 11017, and the transfer of the Transfer Area to Buyer shall be collectively referred to as the "Transfer."

In addition, after the receipt by the Public Utility Commission ("PUC") of the applicable closing documents, Seller understands that PUC staff will prepare proposed maps, certificates, and recommendations for both the Seller and the Buyer to review and approve before their submittal to the PUC for approval of the Transfer; provided, however, that Seller understands that it has the right to grant the Buyer the right to consent to the proposed maps, certificates and recommendations on behalf of the Seller.

system and the Assets have been sold to Seller concurs with the Transfer under Water Code, (iii) Seller agrees that the from Seller and certificate the Transfer the authority to provide the necessary Se certificates and the recommendation for necessary to effectuate the Transfer, ar upon receipt of Buyer's signed consincluding, but not limited to, executing a	(i) as of the date hereof the portion of the water supply to Buyer in accordance with the terms of the Contract, (ii) or the applicable provisions of Chapter 13 of the Texa PUC may take action to decertificate the Transfer Area to the Purchaser; and (iv) Seller has granted Buye eller's consent to PUC with respect to the proposed maps or decertification, and approval and issuance of any CCN and hereby authorizes the PUC to effectuate the Transfer sent form without the further involvement of Seller all necessary consent documents on behalf of the Seller.
Executed this day of	, 20
	Affiant
SUBSCRIBED AND SWORN TO b Eubanks, President of Ponderosa Water S	pefore me on, 20 by Juan Supply Corporation, on behalf of said corporation.
SEAL	Print name:
	Notary Public for the State of Texas
	Commission expires:

#### EXHIBIT E

#### CONTRACT CLOSING CERTIFICATION

Date:	, 20 (the "Closing Date")
President of Pondero supply corporation (	the undersigned authority, on this day personally appeared Juan Eubanks and Western Village Water Supply Corporation, a non-profit wate "Seller"), personally known to me to be the person whose name in upon his/her oath depose and state that:
I am of legal a Juan Eubanks, authori	ge, and have never been known by any other name than set out below; I an zed agent of Seller, and am authorized to make this affidavit on its behalf.
Service Board ("Buye2015 supply system, consis and personal property	and the City of El Paso for the benefit of El Paso Water Utilities Publicano entered into that certain Asset Transfer Agreement dated effective as of ("Contract"), which provided for the sale and transfer of Seller's watering of real property rights, easements, pipelines and related infrastructure as more fully described in the Contract (collectively the "Assets"), located one of serving the area designated by the Commission under Water CCN
2. Seller Agreement.	and Buyer have performed their obligations under Asset Transfer
	Juan Eubanks, President of Ponderosa Water Supply Corporation
SUBSCRIBED Eubanks, President of I	AND SWORN TO before me on, 20 by Juan conderosa Water Supply Corporation, on behalf of said corporation.
	Notary Public, State of Texas

# Schedule 1 Membership Fee Deposits Schedule

Ponderosa Data		<b>EPWU Data</b>	Data		
LAST NAME	NEW AMOUNT	NAME	ADDRESS	ACCOUNT NUMBER	SELON
AINSWORTH	\$150.00		Annayou Many		
ALMANZA	\$150.00	ALMANZA	7343 BRONCO WAY	5200164300	AND THE STATE OF T
ALONZO	\$150.00	ALONZO	11 KELLY WAY	5200234300 INACTIVE	NACTIVE
Animal Rescue League	\$150.00	ANIMAL RESC	ANIMAL RESCU 7256 LA JUNTA DR	5200241300	
ARAMBULA	\$150.00	ARAMBULA	250 WESTERN WAY	5200380300	
ARREOLA	\$150.00	ARREOLA	427 B.K WAY	5200187300	
ARROYO	\$150.00	ARROYA	7100 LATIGO DR	5200309300	
ARROYO	\$150.00	ARROYO	7100 LATIGO DR	5200308302	
ATCHLEY	\$150.00	ATCHLEY	483 ELK WAY	5200198300	
AVANT	\$150.00	AVANT	7113 LATIGO DR	5200302300	
AVila	\$150.00	AVEA	7325 WLDCAT WAY	5200258301	
AYALA	\$150.00	AYALA	141 CALICO ST	5200285301	
AYERS	\$300.00	AYER	7300 WILDCAT WAY	5200408300	is an analysis of the second s
BAILEY			320,368,003		
BARNES	\$150.00	BARNES	140 PLANTATION DR	5200325300	A CONTRACT OF THE STANDARD OF
BECERRA	\$150.00	BECERRA	7105 LATIGO DR	5200300301	
BELTRAN	\$150.00	BE.TRAN	458 B.K WAY	5200192300	
BELTRAN	\$150.00	BETRAN	458 B.K WAY	5200193300	
BILLINGSLEA	\$150.00	BILLINGSLEA	160 PLANTATION DR	5200324300	
BIRCHLER, PRESIDENT	\$150.00			5200111301	S200111301 NAME IS LINDER CONSOLIDATED BLOTO BACKACIAIS
BLOCK	\$150.00	BLOCK	7331 GILLETT RD	5200218301 INACTIVE	INACTIVE
BOSWELL	\$150.00	BOSWELL	7321 BUFFALO WAY	5200155300	
BOWRON	\$150.00	BOWRON	7305 WLDCAT WAY	5200402300	
BURCIAGA		BURCIAGA	7335 BUCKHORN WAY	5200135301	
CADENA	© 00.00€\$		1 607.850Th East 1005		
CALDERON	\$300.00		7312 BRANDING IRON	5200122300 INACTIVE	
CAMPOS	\$150.00	CAMPOS	7329 WILDCAT WAY	5200260300	
CANIZALES	\$150.00	CANIZALES	7160 RIO DR	5200374301	
CANO	\$150.00	S S	7324 BRANDING IRON DR	5200398304	
CARBALLO	\$150.00	CARBALLO	7148 RO DR	5200386300	
CARDIEL	\$150.00	S E	181 CALICO ST	5200282300	
CARDIEL	\$150.00	CARDE	181 CALICO ST	5200283302	

5200188300	5200217300	5200391300	5200389300	2200299300	5200144300	5200337300	5200314300	5200384300	5200401300 iNACTIVE	0088580025	5200175302	5200342300	5200393300	5200204300 INACTIVE	5200205301 NA-TIVE	5200284300	5200243300		5200131300	5200141300 INACTIVE	52D0106300	5200206301	5200207301	5200189300	5200233300 INACTIVE	5200194300	5200273301	5200242300	5200257300	5200121300	5200195300	5200127300	5200414300	5200134301	5200115300	; «
5200	5200	2000	5200	5200	2500	5200	5200	5200	5200	5200	5200	9200	9200	9200	2500	5200	5200		5200	5200	52DC	2200	5200	2200	5200	5200	5200	5200	5200	5200	5200	5200	5200	2200	2200	
428 ELK WAY	7329 GILETT RD	7128 RIO DR	7136 RIO DR	7101 LATIGO DR	7340 BUCKHORN WAY	7129 STATESBURG ST	7120 LATIGO DR	7120 LATIGO DR	7335 BRANDING IRON	7130 SUMPTER ST	7333 BUCKHORN WAY	7130 STATESBURG ST	7160 RIO DR	7309 giletird spa	7309 gillett rd sp b	151 CALICO ST	7260 LA JUNTA DR		7329 BRANDING IRON DR	7339 BUCKHORN WAY	7241 BOSQUE RD	7311 GLLETT RD A	7311 GILETT RD B	436 E.K WAY	10 KELY WAY	468 ELK WAY	7147 BOSQUE RD	ANIMAL RESCU 7256 LA JUNTA DR SP B	7324 WEDCAT WAY	7308 BRANDING IRON DR	474 ELK WAY	7320 BRANDING IRON DR	7340 WLDCAT WAY	7334 Buckhorn way	7290 BRANDING IRON DR	
CARNAGY	CARRASCO	CARRASCO	CARRERA	CARSON	CASTANEDA	CASTILLO	CAZARES	CAZARES		CEAYA	CENTENO	CHAVEZ	CHAVEZ	s. chavez	s. chavez	CLOTEAUX	CORRALES		CRUZ		DELA PENA	O. DEL REAL	H DEL REAL	DEGADO	DELuca	DOSS	EDGE	MAL RESC	BAM	B.LS	ESQUINE.	ESTRADA	ESTRADA	M. Estrada	EUBANKS	
<u> </u>	<u> </u>	<u> </u>	<u>ජ</u>	<u> গ</u>	<u> </u>	<u> ర</u>	<u> </u>	<u> </u>		8	8	<u>ਲ</u>	₹	ý,	ý.	ਰੋ	8		8		路	Ö	Ξ_	8	路	8	<u> </u>	A N	<u>a</u>	त्त	B	is .	88	ž	8	-
																																				-
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$300.00	\$150.00	\$300.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$300.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$300.00	\$300.00	\$150.00	
CARNAGY	CARRASCO	CARRASCO	CARRERA	CARSON	CASTANEDA	CASTILLO	CAZARES	CAZARES	CAZARES	CELAYA	CENTENO	CHAVEZ	CHAVEZ	CHAVEZ	CHAVEZ	CLOTEAUX	CORRALES	COVEY	CRUZ	DAVIS	DE LA PENA	DEL REAL	DEL REAL	DELGADO	DELUCA	DOSS	EDGE	El Paso Animal Rescue L	ELAM	ELLIS	ESQUIVEL	ESTRADA	ESTRADA	ESTRADA	EUBANK	

					-
The state of the s		= 0 % XX		\$150.000 \$150.00	GUMIM
	5200153300	7350 BRANDING FRON DR	GUENEDUE	\$150,00	GUEREQUE
INACTIVE	5200219300 INACTIVE	7333 GLLETT RD	GUENTHARDT		GUENTHARDI
	5200340301	7120 STATESBURG ST	GONZALEZ		GONZALEZ
	5200185301	411 EKWAY	GONZALEZ	\$150.00	GONZALEZ
	5200382300	120 DIXIE DR	GOMEZ	\$300.00	GOMEZ
	5200357300	7126 SUMPTER ST	GOMEZ	\$300.00	GOMEZ
	egy - X - X - X - X - X - X - X - X - X -		(2) (3) (4) (4)	<b>10.00</b>	GILDER
	5200162301	7341 BRONCO WAY	GAYLAN	\$150.00	Gaylan
	5200126300	7317 BRANDING IRON DR	GATUN	\$150.00	GATLIN
, 1 1 2 2	5200124300	7313 BRANDING IRON DR	GA1.N	\$150.00	GATUN
	5200107300	7243 BOSQUERD	GARDEA	\$150.00	GARDEA
	5200167300	7347 BRONCO WAY	GARCIA	\$150.00	GARCIA
INACIIVE	5200344300	7138 STATESBURG ST	GALE	\$150.00	GALE
di Made Pilli	5200280300	7123 BOSQUE	GALE	\$150.00	GALE
	5200182300	7325 GLLETT PD	GALAVE	\$150.00	GALAVIZ
	5200277301	7135 BOSQUERD	GALAN	\$150.00	GALAN
	5200362303	7146 SUMPTER ST	FRAS	\$300.00	FRIAS
INACTIVE	5200405300	7343 BUCKHORN WAY	FRESCAS	\$300.00	FRESCAS
MACTIVE	5200330300 INACTIVE	180 SHILOH ST SPB	FRAUSTO	\$150.00	FRAUSTO
	5200329300	180 SHILOH ST SPA	FRAUSTO	\$150.00	FRAUSTO
	5200407301	7346 BRANDING IRON DR	FRAUSTO	\$300.00	FRAUSTO
	5200400300	7362 BRANDING IRON DR	FORMAN	\$300.00	FORMAN
	520024930\$	7309 WLDCAT WAY	FLORES	\$150.00	FLORES
	5200248300	7309 WLDCAT WAY	FLORES	\$150.00	FLORES
	5200222300	7339 GILLETT RD	FLORES	\$300.00	FLORES
SZ00366300	5200366300	281 TRANQUILITY ST	FLEWING	\$150.00	FLEMING
MANAE ININER TO CO. INCRESS.	5200239300	EP COUNTY WT 7254 LA JUNTA DR	EP COUNTY W	\$300.00	FIFER
SALINE STATE OF THE STATE OF TH	5200369300	141 TRANQUILITY ST	FIERRO	\$150.00	FIERRO
	5200138300 INACTIVE	7333 BRANDING IRON B		\$150.00	FAUBION
F. LL.	5200136301 188400136	7333 BRANDING IRONA		\$56.04	FAUBION
	5200154300	7344 BUCKHORN WAY	EVANS	\$150.00	EVANS
rights account is norma barcia	5200173301	7331 BUCKHORN WAY	EUBANK	\$150.00	EUBANK
5200254300	5200254300	EUBANK/GARCI 7317 WLDCAT	EUBANKGARC	\$150.00	EUBANK
	5200220300	7335 CALLETT RD	EUBANK	\$150.00	EUBANK

5200406300	5200160303	5200266300	5200237300 INACTIVE WRITE OFF	5200250300 INACTIVE		\$200371300	5200156300		5200235300	5200255300	5200321300	5200322300	5200341301	5200415300	5200396301 INACTIVE	\$200256300	5200390300	6200132300	The second secon	The state of the s	6200116300 INACTIVE	5200114300	5200196300	5200181300 INACTIVE	5200361300	5200240300	5200247300	5200372300		5200363300 INACTIVE	5200148301 INACTIVE	5200151301	5200226300 INACTIVE	S200352300 INACTIVE	5200351300	1. Sec. 40 ft (1.00 lt (1.00 lt ))
7316 GILLETT RD	7356 BRANDING IRON DR	7140 LA JUNTA DR	7142 LA JUNTA DR	7312 WLDCAT WAY		180 TRANQUILITY ST	7329 BUFFALO WAY	180 PANTANTONION W	13 KBLY WAY	7320 WLDCAT WAY	180 PLANTATION DR C	180 PLANTATION DR B	7126 STATESBURG ST	7344 WLDCAT WAY	121 CALICO ST	7321 WLDCAT WAY	7132 RO DR	7329 BRANDING IRON DR			7300 BRANDING IRON DR	7286 BRANDING IRON DR	475 ELK WAY	401 E.K WAY	7142 SUMPTER ST	ISSE 7255 LA JUNTA DR	7308 WILDCAT WAY	160 TRANQUILITY ST		201 TRANQUILITY	7339 BRANDING IRON DR	7343 BRANDING FRON DR	3 KELY WAY	7129 SUMPTER ST SP B	7129 SUMPTER ST	
GUNTER	GUZMAN	HADDAD	HADDAD	HANEY		HE CT	HERNA NDEZ	THIRY COLOR	HERNANDEZ	HERNANDEZ	HERNA NDEZ	HERNA NDEZ	HERNA NDEZ	HERWANDEZ	HERWANDEZ	HERNDON	HERRERA	HEDALGO	Constant.	Negro	HINTZE	TITA .	нтанооск	HORAN	HUDSON	JOE R PRUESSE	JAMES	JIMBNEZ		KEW	KILLEBREW	KILLEBREW	KING	KING	KING	
\$300.00	\$150.00	\$300.00	\$300.00	\$150.00	\$150.00	\$150.00	\$300.00	515000 5	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$300.00	\$300.00	\$150.00	\$150.00	\$150.00	\$150,005 page 1	2150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	t \$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$300.00	\$300.00	\$150.00	\$150.00	\$150.00	\$150,00
GUNTER	GUZMAN	HADDAD	НАБВАВ	HANEY	HARTSHORN	негот	HERNANDEZ	HERNANDEZ	HERNANDEZ	HERNANDEZ	HERNANDEZ	HERNANDEZ	HERNANDEZ	HERNANDEZ	HERNANDEZ	HERNDON	HERRERA	HIDALGO	HIDALGO	HIDALGO	HINTZE	HITA	HITCHCOCK	HORAN	HUDSON	J&H Equ'pment	JAMES	JIMENEZ	JOHNSON	KEIM	KILLEBREW	KILLEBREW	ט צוצ	אואט	S N	LAMAR

LAWRENCE CLOTEANUX	\$150.00			
LEWA	\$150.00	LEYVA	7 KELY WAY	5200230300
LINEBAUGH	\$150.00	LINEBAUGH	7126 STATESBURG ST	\$200341300 NACTIVE
LOERA	\$150.00	LOERA	160 DIXIE DR	5200297301
COPEZ	\$150.00	LOPEZ	303 FARM RD 259	5200201300
LOPEZ	\$150.00	LOPEZ	7314 GILLETT RD	5200209300
LOPEZ	\$150.00	TOP62	7139 BOSQUE RD	5200276300
LUCERO	\$150.00	LUCERO	7134 SUMPTERST	5200359300
LUERA	\$300.00	LUBRA	7337 BUFFALO WAY	5200178302
LUNA	\$150.00	LUNA	7332 BRANDING IRON DR	5200133300
MACHADO	\$150.00	MACHADO	7313 GILETT RD	5200208300
Major***	\$150.00	MA JOR	485 ELK WAY	5200410300
MARTINEZ	\$150.00	MARTINEZ	7218 G'LETT RD	\$200202300
MARTINEZ	\$300.00	MARTINEZ	7218 GILLETT RD	5200264300
MARTINEZ	\$150.00	MARTINEZ	200 DIXIE DR	5200271302
MATA	\$150.00	MATA	603 BROTHERS RD	5200171301
MAY	\$150.00	MAY	201 WESTERN WAY	5280377300
MC WILLIAMS	\$150.00	MCMILLAMS	301 FARM RD 259	5260200300 INACTIVE
McCABE	\$150.00	MCCABE	7336 BUCKHORN	5200137302
McDANIEL	\$150.00		7340 BRANDING RON	S200150300 NAME INDEP CARANTA PECK
McDANIEL	\$150.00	MCDANEL	7344 BRANDING IRON DR	6200152301
MEANS	\$150.00	MEANS	7321 GILLETT	5200215300 INACTIVE
MEECE	\$150.00	MEECE	7350 BRONCO WAY	620017030 INACTIVE
MILLER	\$300.00			INACTIVE
MILLER	\$150.00	<b>₩</b> .199	7104 LATIGO DR	5200310300
MOLINA	\$300.00	MOLINA	240 DIXIE DR	5200291301
MONTANYA-McDONALI	\$150.00	MONTANYA	424 E.K WAY	5200186300
MORALES	\$150.00	MORALES	7200 BOSQUE RD	5200104300
MORALES	\$300.00	MORALES	7200 BOSQUE RD	5200105300
MORALES	\$300.00	MORALES	7200 BOSQUE RD	5200289300
MORALES	\$150.00	MORALES	190 TRANQUELTY ST	5200370300
MORENO	\$150.00	MORENO	7109 LATIGO DR	5200301300
MORGAN	\$300.00	MORGAN	7339 BUFFALO WAY	5200179301
MORRIS	\$150.00			THE CONTRACTOR OF THE PARTY OF
MUNOZ	\$150.00	MUNOZ		\$200129300
NAVARETTE	\$150.00	NAVARRETTE	7337 BRANDING IRON DR	5200145300

5200146300	5200137300	5200320300	5200253300	5200326300	5200336300		Culture (Culture)	5200103306	5200272301	5200307300	5200356300	5200165303	Charles and the contract of th	5200130300	5200246300	5200118300	5200318300	5200267301	MACINE Median merenina	520027.1900	520025	5200280301	5200120300	5200311300	\$200298303	5200228300 INACTIVE	all the contract of the contra	5200296300	5200238300	\$200281300	5200394300	5200101300	5200187300 NACTIVE	5200343300	5200347300
7338 BRANDING IRON DR	7331 BUCKHORN WAY	141 PLANTATION DR	7316 WLDCAT WAY	181 SHLOH ST	7135 STATESBURG ST			7117 BOSQUE RD	7309 BRANDING IRON DR	7131 LATIGO DR	7126 SUMPTER ST	7344 BRONCO WAY		7328 BRANDING IRON DR	7304 WLDCAT WAY	7304 BRANDING IRON DR	161 PLANTATION DR	7111 BOSQUE		7143 BOSQUE RD	7139 BOSQUERD	7123 BOSQUERD	7308 BRANDING IRON DR	7108 LATIGO DR	140 DIXIE DR	SKELY WAY	400 Payer Do	100 LAKE LK	A SINDS A SEST	191 CALICO ST	191 CALICO ST	7113 BOSQUE RD	475 ELK WAY SPB	7134 STATESBURG ST	7145 SUMPTER ST
NAVARRETTE	NAVARRO	NOPER	NOVA	OLIVAS	OLNAS			OROPEZA	ORTEGA	ORTEGA	ORTIZ	ALVIDREZ		PARKER	PARKER	PASILLAS	PEARSON	PERKINS		PEREZ	PEREZ	PERRIN	PETERSON	PNEDA	POOR		2000			HELET	PRUETT	PUBNTE	RADE	RANDELL	REDE
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	1	\$150.00	\$150.00	\$300.00	\$150.00	\$300.00			\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00 \$150.00	\$300.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00		\$150.00	On order	\$150.00	\$300.00	\$150.00	\$150.00	\$150 00	\$150.00
NAVARETTE	NAVARRO	NOPERI	NOVA	OLIVAS	OUVAS	OUVAS	OLIVAS III	OROPEZA	ORTEGA	ORTEGA	ORTIZ	ORTIZ ALVIDREZ		PAKKER	TAKKEK	PASILLAS	PEARSON	PEKINS	PEREZ PEREZ	PEREZ	PEREZ	PERRIN	PETERSON	PINEDA	POOR	PORTILLO	PRICE	PRUESSER	Daylett	וווחער	PROETT	PUENTE	RADEL	RANDELL	REDE

c		0						S200305300	,		5200224300 INACTIVE LIBITE OF		A STATE OF THE PROPERTY OF THE	5200172301 MA CONTRACTOR	INACLIVE			5200319300		INACTIVE				INACTIVE	INACTIVE		5200216300 113 2001 113 2001	INAC II VE VVKI IE-OFF							MALIVE	Charles and the second
5200287300	5200180301	5200312300	5200231300	5200333300	5200166300	5200212300	520021330	5200305300	5200306300	5200174303	520022430		5200161301	5200172301	5200140300	5200376300	5200261300	5200319300	5200375300	5200214300	5200392301	5200403300	5200125300	5200338300	5200181301	5200268300	5200216300	5200290301	5200378301	5200227300			5200191300	5200245300 INACTIVE	5200244300	
180 CALICO ST	7349 BUFFALO WAY	7112 LATIGO DR	8 KELY WAY	7123 STATESBURG ST	7345 BRONCO WAY	7318 GILLETT RD	7318 GILLETT RD SP B	7125 LATIGO DR	7125 LATIGO DR	7332 BUCKHORN WAY	1 KELY WAY	A Treesters A	7340 BRONCO WAY	7330 BUCKHORN WAY	7338 BLCKHORN WAY	7156 RO DR	7333 WLDCAT WAY	151 PLANTATION DR	291 WESTER WAY	7319 GLLETT RD	7124 RO DR	7250 GILETT RD	7316 BRANDING IRON	7143 STATESBUBS ST	401 EKWAY	7285 BRANDING IRON DR	7327 GALETT	220 DIXIE DR	251 WESTERN WAY	4 KBLY WAY			450 E.K WAY	STRASSBURGE 7301 WILDCAT WAY	STRASSBURGE 7301 WLDCAT WAY	
RENOVATO	REYES	<b>808</b>	RIOS	RIOS	ROBLES	ROCHA	ROCHA	RODERICK	RODERICK	RODRIGUEZ	ROJAS	ROMERO	ROMERO	ROMO	RUEDAS	RUZ	RUNKLE	SALAS	SALBM	SAMUE	SANCHEZ	SCHUMAN	SHUMATE	SIMONSON	SLARE	SLAPE	SMTH	SOTO	SOTO	SOTO		<b>PARE</b>	SOWELL	STRASSBURG	STRASSBURG	
\$150.00	\$300 00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$300.00	\$300.00	5300.00	\$300.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$300.00	\$300.00	\$150.00	\$150.00	\$150.00	\$300.00	\$150.00	\$300.00	\$150.00	\$150.00	\$150.00	\$150,00	\$150.00	\$150.00	\$150.00	2520 00 15 15 15 15 15 15 15 15 15 15 15 15 15
RENOVATO	REYES	RICCA	RIOS	RIOS	ROBLES	ROCHA	ROCHA	RODERICK	RODERICK	RODRIGUEZ	ROJAS	ROMERO	ROMERO	ROMO	RUEDAS	RUiZ	RUNKLE	SALAS	SALEM	SAMUEL	SANCHEZ	SCHUMAN	SHUMATE-RUBIO	SIMONSON	SLAPE	SLAPE	SMITH	SOTO	SOTO	5070	2010	5010	SOWELL	SIKASSBURGER	STULTS STULTS	?

5200381300	5200399301	5200346300	5200278302	5200313301	5200332300	5200365300	5200149304	5200388300	5200158300	5200270300	5200263300	5200119301	5200168300	5200190301	5200331301	5200259300	5200169300 IMACTINE	5200348300	5200327300		520033930D	5200360300	5200286300 INACTIVE	5200190300	INACIIVE 7750 Turk William	5200385302	5200328300	500013000010001	5200317300	5200159300
200 WESTERN WAY	181 DIXIE DR	7148 STATESBURG ST	V 7131 BOSQUERD	7116 LATIGO DR	140 SHILOH ST	261 TRANQUILITY ST	7342 BUCKHORN WAY	7140 RKO DR	7352 BRANDING RON DR	7331 BUFFALO WAY	7341 WLDCAT WAY	7305 BRANDING IRON DR	7348 BRONCO WAY	444 E.K WAY	160 SHLOH ST	7328 WLDCAT WAY	7349 BRONCO WAY		161 SHLOHST		7147 STATESBURG ST	7138 SUMPTER ST	190 CALICO ST	444 B.K WAY		7152 RO DR	141 SHLOH ST	7337 BUCKHORN WAY	181 PLANTATION DR	7364 BRANDING IRON DR
SWAHLEN	TAMAYO	TAYLOR	TEMPLETON	N N N N N N N N N N N N N N N N N N N	TORRES	TREVINO	TRANA	TRUMLLO	VALDIVIA	VARGAS	VEC.	VEASCO	VB.OZ	VICTORIA	VILLAGRANA	WALKER	WATKINS	WAYSON	WESTEEN	******	WLSON	WESON	WOODARD	YATES		ZAMORA	ZAPATA	ZOLLICOFFER	ZUBIATE	ZUNICA
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$300.00	\$150.00	\$300.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	150.00	\$150.00	\$150.00	\$150.00	\$150.00
SWAHLEN	TAMAYO	TAYLOR	TEMPLETON	NINNIL	TORRES	TREVINO	TRIANA	TRUJILLO	VALDIVIA	VARGAS	VEGA	VELASCO	VELOZ	VILLAGRANA	<b>००</b> वा	WALKER	WATKINS	WAYSON	WESTEEN	WILLIAMS	WILSON	WOOD	WOODARD	YATES	YATES	ZAMORA	ZAPATA	ZOLUCOFFER	ZUBIATE	ZUNIGA

#### Attachment No. 2

### List of Board Members of the El Paso Water Utilities Public Service Board

Henry Gallardo – Chair

Christopher A. Antcliff - Vice Chair

Terri Garcia - Secretary - Treasurer

Kristina D. Mena – Member

Richard T. Schoephoerster – Member

Bradley Roe – Member

Mayor Oscar Leeser – Member

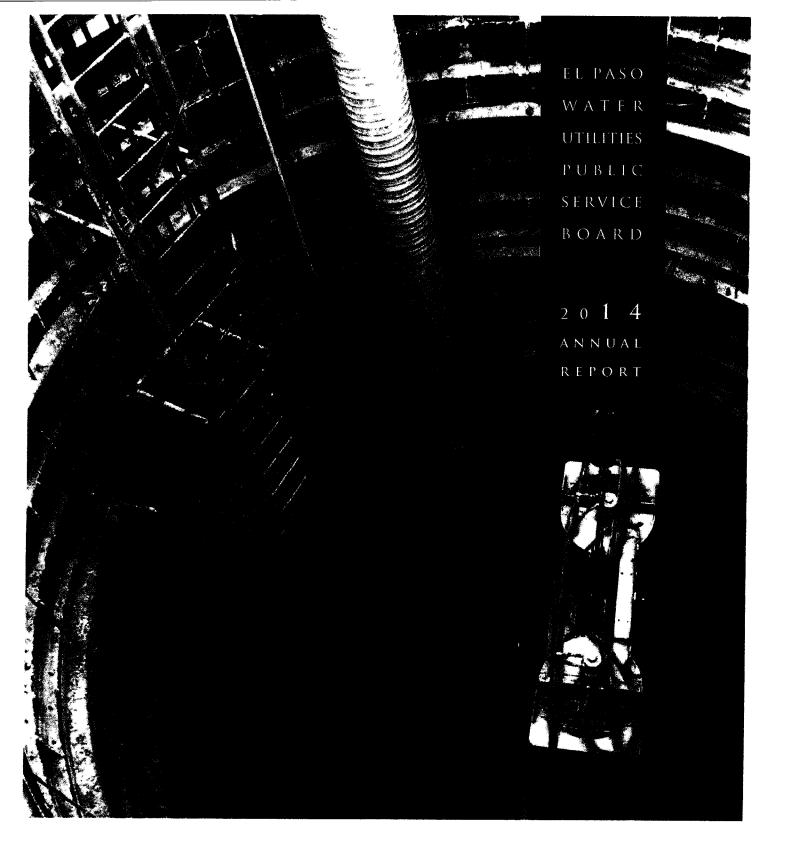
John E. Balliew – President/Chief Executive Officer

Address and Phone Number for the Board Members:

1154 Hawkins El Paso, TX 79925 (915) 594-5594

#### **Attachment No. 3**

### El Paso Water Utilities Public Service Board's Fiscal Year 2014-2015 Comprehensive Annual Financial Report



STRATEGICALLY PLANNING OUR FUTURE

# from the President/CEO and the Public Service Board



Executive Staff John Balliew, P.E. President/CEO

Marcela Navarrete, C.P.A.

Vice President Strategic,
Financial & Management Services

Alan Shubert, P.E. Vice President Operations & Technical Services

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

Arturo Duran Chief Financial Officer

Fernando Rico, P.E. Chief Operations Officer

Gilbert Trejo, P.E. Chief Technical Officer We were pleased to be among the nine utilities to receive the inaugural Sustainable Water Utility Management Award from the Association of Metropolitan Water Agencies. It validates our efforts to balance environmental stewardship, social responsibility and sound financial management policy and acknowledges the challenge of conserving water and energy while promoting community development and economic growth.

El Paso had a mild summer and above average rainfall in its fourth year of reduced river water allocations. With our new wells and water transmission lines, we can move groundwater around the city. These projects benefit areas that

depend on the river for water in late spring and summer. Thanks to proactive planning and drought-relief projects, we met customer demand.

In the area of new water resources, we are proceeding with plans for the advanced water purification facility and taking initial steps toward our Hudspeth County importation project. These initiatives will allow us to pump the aquifers at sustainable levels in both drought and nondrought years.

By the end of the year, nine stormwater master plan projects had been completed, and 15 were in design or under construction. The completed projects, combined with our comprehensive main-

#### Mission

To provide our customers a sustainable water supply and the highest quality water services at a reasonable cost with excellent customer service.

#### Vision

To sustain the future of the community through proper planning and implementation of diverse and alternative strategies.

tenance program and localized flooding projects, increased flood protection by 60 percent citywide.

We are prioritizing projects in the central area of the city to improve drainage and reduce flooding along Interstate 10. New ponding areas are being built and existing ponds are being expanded. The high-profile Magnolia and Gateway projects will work with the upstream ponds to carry stormwater safely from the mountains to the Rio Grande.

Summer storms increased awareness of areas where additional work is needed. The next group of prioritized stormwater projects will cost \$144 million. Those projects will reduce flooding citywide.

The Public Service Board approved an 8 percent rate increase to meet operating and capital infrastructure needs in FY 2016-17. Although recent surveys rank our water and wastewater rates among the lowest in Texas, we will look for efficiencies, refinance debt and cut costs wherever possible. We will also seek grants and low-interest loans to finance capital improvements, which would mitigate future rate increases.

For the 19th year, our Comprehensive Annual Financial Report was awarded the Government Finance Officers Association's Certificate of Achievement in Financial Reporting. We've received the association's Distinguished Budget Presentation Award for the past 16 years.



Public Service Board Richard T. Schoephoerster, Ph.D., P.E. Chair

Ruth Katherine Brennand Vice Chair

**Terri Garcia**Secretary-Treasurer

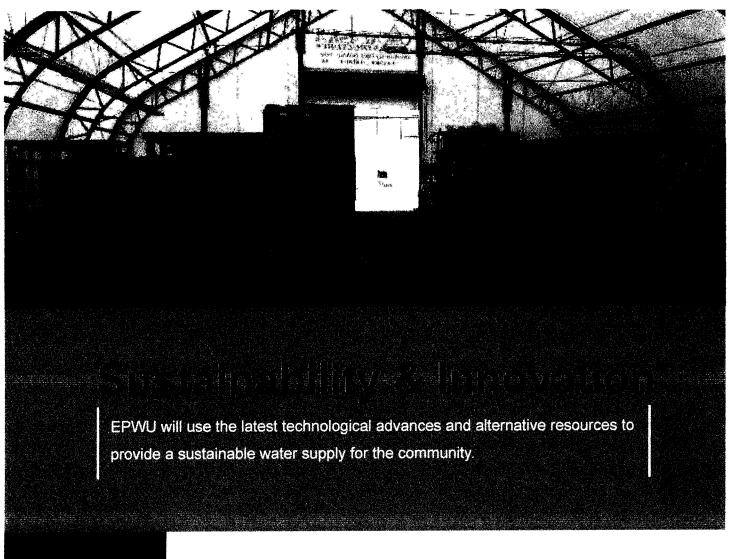
Henry Gallardo Member

Christopher A. Antcliff Member

Bradley Roe, P.E. Member

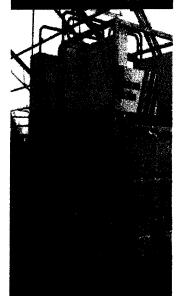
Mayor Oscar Leeser Member





(above) Advanced Water Purification Pilot Facility

(below)
Purification equipment



#### A Safe, Sustainable Resource

Purified water will become a new source of drinking water for El Paso. The state-of-the-art technology at the Advanced Water Purification Facility will transform cleaned wastewater into a safe, reliable, drought-proof water supply.

Many cities recycle cleaned wastewater for irrigation and industrial processes. A few cities blend purified water with water from other sources and send it to plants to be treated again. El Paso Water Utilities would be the first in the country to place purified water directly into the distribution system and deliver it to businesses and homes.

EPWU staff and consultants who manage the project are working closely with the Texas Commission on Environmental Quality (TCEQ). A panel of independent experts is guiding the process. They make recommendations on regulations, plant design and communication.

A pilot facility is testing advanced water purification processes. TCEQ will review the test data before the full-scale plant construction begins. EPWU expects to begin delivering advanced purified water by 2020.

#### **Moving Water**

The 48-inch Paisano water transmission line replaced a deteriorating 36-inch water line that served the downtown, central and west sections of the city. Subsurface conditions presented challenges during construction. The contractor encountered rock, fine sand and other unanticipated materials while boring a tunnel 30 feet underground.

The new pipeline is stronger, more reliable and carries up to seven times more water. Downtown customers can receive water from the well field when drought reduces river water. River water can be sent to west El Paso when it is plentiful,

which conserves the water in underground aguifers.

The Paisano water transmission line is a part of a new 14-mile pipeline that stretches from the Canutillo well field to downtown El Paso. The project was completed in summer 2014.

#### Recognizing Sustainability

EPWU is one of nine utilities that received the 2014 Sustainable Water Utility Management Award. The

(above) Boring tunnel for 48-inch Paisano Water Transmission Line

Association of Metropolitan Water Agencies presented the award to utilities that made significant progress toward sustainability through all channels of water system management. El Paso was judged on its environmental stewardship, social responsibility and financial management practices.

EPWU has received two other awards from the agency – the Gold Award for exceptional utility performance and the Platinum Award for utility excellence.

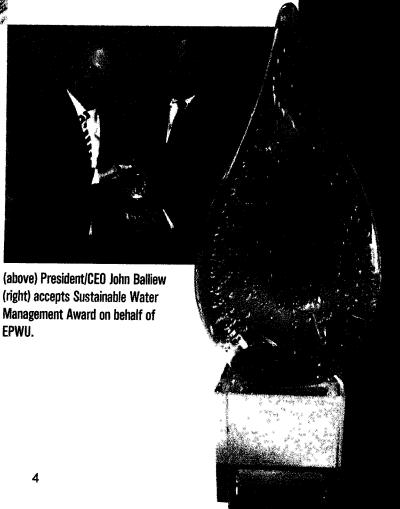
#### From Waste to Water

Texas-based Enviro Water Minerals (EWM) and EPWU are partners in a venture that benefits both entities. EWM will extract industrial-grade minerals from the concentrated waste material (concentrate) produced during the desalination process. The cleaned water that remains is sold back to the utility to augment the water supply.

EPWU can dispose of up to 3 million gallons per day (mgd) of concentrate at a well site 22 miles from the Kay Bailey Hutchison Desalination Plant. In the future, the utility will divert 1.25 mgd of concentrate to EWM's facility, which will be adjacent to the plant. EWM will build, own and operate the new facility. Construction will take from 18 to 22 months.

The concentrate will go through a series of processes that remove high-purity salt, agricultural gypsum and other products. These cutting-edge processes and technologies were performed successfully during pilot testing in 2014. The water that remains will meet drinking water quality standards. EPWU can buy the water at a discounted price.

Returning water that would have gone to the disposal site increases the desalination plant's production capacity and reduces its maintenance and operating costs. The water recovery rate will increase from 80 to 93 percent.





### **Finance**

EPWU will depend on proper financial planning to minimize customer impacts.

(above)
A 72-inch pipe under
I-10 will connect
stormwater ponds
north and south of the
freeway.

#### **Capital Planning**

In prior years, EPWU spent on average 60 to 70 percent of the funds allocated for capital projects. A new methodology implemented by the Finance and Engineering staffs improved capital planning to increase the number of budgeted projects that are completed within the budgeted fiscal year.

Acquiring the easements needed for a project can be a lengthy process. Projects are no longer prioritized until the design is complete and the easements are acquired. In FY 2014-15, EPWU spent more than 80 percent of the water and wastewater capital budget. Expenditures for capital stormwater projects increased to 70 percent.

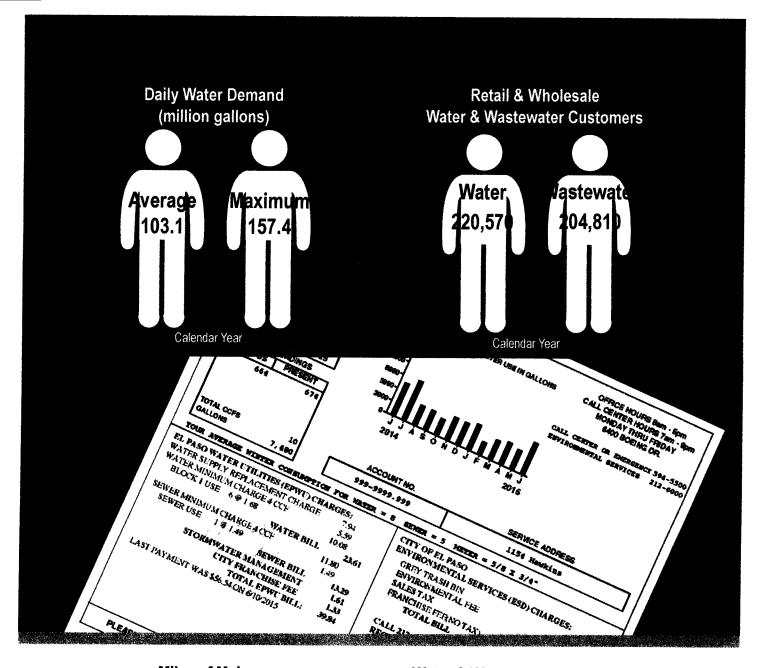
The process will be refined going forward to increase the percentage of completed projects approved and funded by the Public Service Board.

#### **Prioritizing Growth Projects**

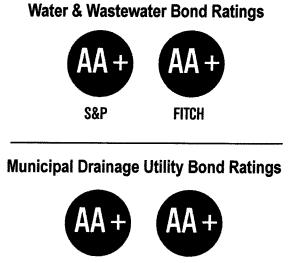
EPWU has identified several projects to ensure adequate water resources for the future: water rights land acquisitions, advanced water purification, the Jonathan Rogers Water Treatment Plant expansion, and a new reservoir to store excess stormwater. A cost-benefit analysis will be used to assess feasibility and prioritize the projects.

#### **New Rate Structure**

The PSB approved changes to the rate structure for FY 2015-16. The Water Supply Replacement Charge is not charged to the lowest water users. Customers who use less than 300 cubic feet (2,244 gallons) of water will not pay the charge that funds future water supply projects. The rating agencies continue to express confidence in EPWU's fiscal management. The utility's AA+bond ratings are among the highest that can be awarded by Standard & Poor's and Fitch Ratings.

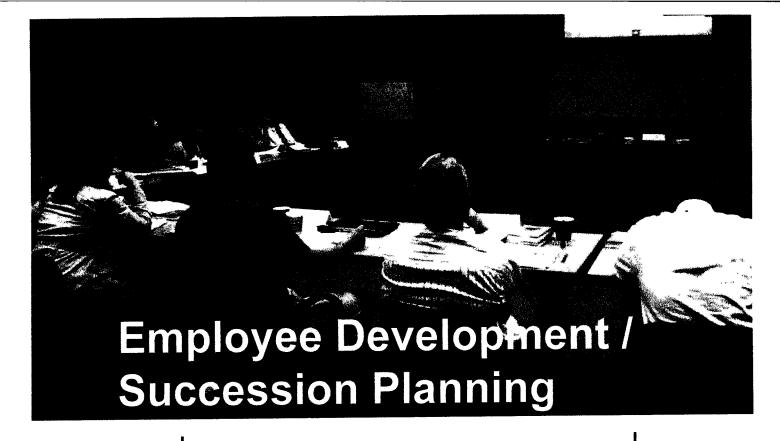






FITCH

S&P



EPWU will identify candidates, provide training and mentoring, and create opportunities to ensure a well prepared workforce.

(above)

Managers were trained on the **Balanced Scorecard** strategic planning system.

#### **Preparing Future Leaders**

With veteran employees retiring at an accelerated rate, managers are prioritizing development and training. More than 30 percent of the workforce will be eligible for retirement within the next five years.

Managers are identifying employees who will become the utility's next generation of leaders. Succession-planning, cross-exposure programs and mentorship opportunities are being implemented to develop management and leadership skills.

The Technical Services Division has taken several steps to give engineers the skills needed to execute capital projects. The goal is to train 100 percent of engineers in project management over the next three years and have 50 percent certified in project management.

Personalized coaching and customized training are being offered, and opportunities for supervising and developmental training have been increased. The engineers have been trained to use construction management software, and they will also benefit from collaboration with their private sector peers. A new program will contract with engineers from the private sector to establish in-house tools and protocols to improve project management processes.

The Operations and Technical Services managers are gaining additional knowledge through cross exposure. This training and mentoring program provides the opportunity for staff to work in positions they have not worked in. Cross exposure is a key element in the division's succession planning strategy. This on-the-job training ensures a smooth transition into future leadership opportunities and a well-prepared workforce.

The Texas Commission on Environmental Quality requires certification for operating water and wastewater facilities. EPWU offers an incentive to eligible employees who obtain a higher level of certification than their current position requires. Employees in the Water Division. Wastewater Division. Industrial Pretreatment. Section and Laboratory. Services can receive a \$300 award for obtaining a higher level of certification. This encourages employees to obtain the qualifications needed for promotional positions that might arise.

Many employees are taking advantage of the Tuition Assistance/Reimbursement Policy. By sharing the cost of approved classes. programs, and certification examinations, the utility gives employees incentives to advance their skills and knowledge. These strategies will create a sustainable workforce.

The program reimburses up to 80 percent of tuition and registration fees for a maximum of six credits per semester.

#### New Approach to Planning

Managers are being trained on the Balanced Scorecard approach to strategic planning. It was introduced to the PSB and staff in 2013. Key stake-

holders, including political leaders, consultants and environmentalists, were invited to participate in the planning process.

After identifying strengths, weaknesses, opportunities and threats, staff revised the utility's mission statement and its vision for the future. This information became the foundation for strategic goals and objectives, and each initiative and performance measure supports the strategic plan.

The updated plan provides the framework for prioritizing projects, programs and resources. Each budgeted line item supports a strategic objective, the mission and the vision. Every day-to-day assignment is tied to the strategic plan. The Balanced Scorecard system is aligned with the continuous process improvement. Staff monitors the plan on an ongoing basis

and makes adjustments

as needed.

846

. Tankar talkh landroon s matrifikansoon da ahaanar

3.9

## Customers & Stakeholders

EPWU will improve internal and external communications and the quality of life in the community.

(above)

Gateway West stormwater pond expansion

(below) stormwater system



#### Following the Flow

El Pasoans of all ages boarded buses in November for EPWU's first public stormwater facilities tour. They left at 8:30 a.m., returned four hours later and made several stops along the way.

Public tours The stormwater system comprises more than 74 miles of channels, 43 miles of agricultural drains. 140 miles of conduits and 2,430 acres of dams and basins. There are 904 acres of ponds. 21 pump stations and more than 6,000 storm drain inlets.

> Attendees saw how the system works and how its components are connected. They saw facilities that were under construction and learned the consequences of illegal dumping. They left with a better understanding of how the system reduces flooding and what stormwater fees pay for.

#### Charl Ann Pond

The Charl Ann stormwater pond is a popular

destination. Its walking path and scenery attract residents, while birds and animals enjoy the water. EPWU looked for an environmentally sensitive way to remove years of accumulated sediment from the 7-acre pond.

Professional divers vacuumed sediment - up to 18 inches deep - into seven 100-foot by 30-foot containers. The water drained out of the sediment was pumped back into the pond. This noninvasive procedure was completed in two months without disturbing the wildlife or destroying plants.

#### Bringing Water to the Bosque

Greener days are ahead for the Rio Bosque Wetlands Park. Hot, dry summers and continuing drought left little water for the growing season. The park has been dry for several months each year, which caused trees and plants to die.

The Public Service Board owns the Rio Bosque and the nearby Roberto Bustamante Wastewater

Treatment Plant. The plant provided cleaned wastewater for irrigation in late fall and early winter. The University of Texas at El Paso manages the wetlands. Volunteers and university staff trucked in water during the remaining months.

The new Bustamante to Rio Bosque pipeline now delivers 4.3 million gallons of water daily from May through September. The park will once more be filled with mesquite bosques, wet meadows and other native habitats. These improvements can lead to economic, educational and research benefits, while creating a more attractive destination for recreation and tourism.

#### Oxygen Reduces Odor

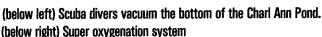
When EPWU received complaints about odors from the John T. Hickerson Water Reclamation Facility, staff looked for a solution. The plant, which serves northwest El Paso, is bordered by businesses, open spaces and a major highway. Residential housing is within close proximity, and commercial and residen-

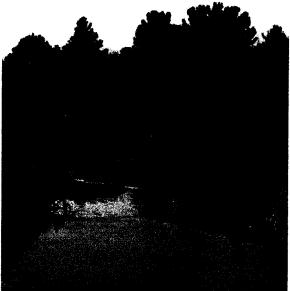
tial development is planned for the land adjacent to the plant along I-10.

Wastewater entering the plant was the source of the odor. It contained high levels of hydrogen sulfide, a colorless gas with an unpleasant smell. The gas forms when there is no oxygen in the collection system. EPWU leased equipment to reduce the odor while a permanent solution was designed and installed.

A super oxygenation system was installed 3.5 miles away at the Frontera Lift Station. The lift station handles 90 percent of the wastewater that flows into the plant. The system dissolves pure oxygen in the wastewater. The dissolved oxygen reduces sulfides in the wastewater that enters the plant.

The new system reduces chemical costs and provides better odor treatment than the previous system. The operating and maintenance cost savings will equal the capital expenditure in less than four years.











(above)

#### Projects Reduce I-10 Flooding

Pond is one of nine EPWU/City of El Paso projects that merge flood-control facilities and park amenities.

The Skyline Park EPWU has completed several projects that reduce flooding in Central El Paso. The area was developed without adequate drainage infrastructure. Central drainage improvements are the top priority in the stormwater master plan.

> Interstate Highway10 separates the mountains from the river and causes flooding along the freeway and frontage road during heavy rain events. It will take several years and an estimated \$60 million to address flooding along I-10.

> The Magnolia stormwater projects will reduce flooding in Central El Paso by moving 113 million gallons of stormwater per day. A pipeline will carry water under I-10 and a railroad yard and into a basin adjacent to the pump station. Water flowing into the pump station will be transferred to a second pipeline and discharged into the Rio Grande.

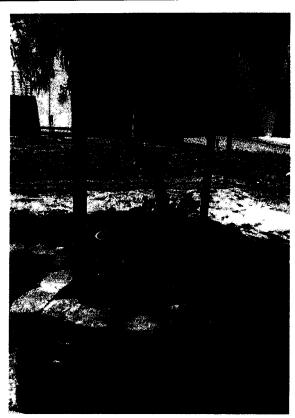
> EPWU is building and improving ponds north and south of the freeway. Stormwater accelerates as it drops in elevation. Ponds dissipate its energy so the water moves more slowly, which reduces erosion and damage downstream.

Ponds east of the Magnolia pump station will provide additional flood protection. The expanded Gateway West pond north of the freeway holds 17 million gallons of water. The new Gateway East pond holds 5 million gallons, but its capacity will increase in Phase 2. A pipeline connecting the ponds will carry water under the freeway. Together the pump station, pipelines, ponds and associated facilities will alleviate flooding in Central El Paso and along I-10.

#### **Education and Outreach**

The TecH<sub>2</sub>O Center offers presentations, workshops and other activities on water resources and the environment. More than 36,000 adults and children attended educational events in 2014.

The WISE Actions! program, funded by a Texas Parks and Wildlife Department grant, combined classroom and outdoor activities to teach 200 students about urban wetland ecosystems. After receiving journals, cameras, sketch pads and test equipment, students observed the impact of drought at the Rio Bosque Wetlands and Keystone Heritage Park. They returned to the TecH<sub>2</sub>O Center for hands-on demonstrations on





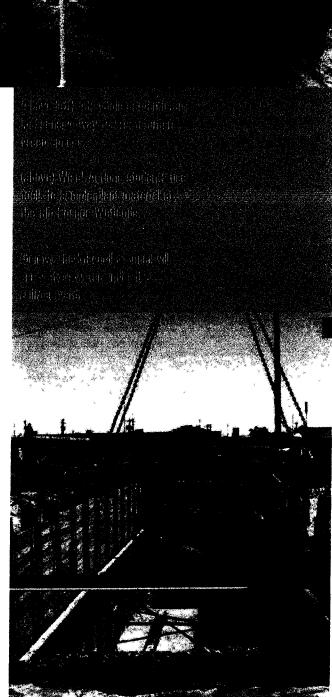
erosion, conservation and pollution. They compared the natural filtration of urban wetlands to processes used by water treatment plants.

The \$12,600 grant targets under-represented populations who rarely participate in field trips. Students compiled and analyzed their field trip data and reported their findings to the group. Park rangers and University of Texas at El Paso students assisted EPWU staff with the WISE! Actions activities.

#### **Desert Gardens**

EPWU leveraged a \$6,220 grant from the Environmental Protection Agency and the Border Environment Cooperation Commission into a thriving fruit orchard and demonstration gardens. More than 900 gardeners attending TecH<sub>2</sub>O Center workshops learned to build keyhole gardens, compost and put rain to beneficial use.

Keyhole gardens are raised beds that use organic matter for composting. The beds are shaped like keyholes to provide easy access to the plants. A new 15,000-gallon tank collects rain for irrigation. The orchard and gardens are in natural drainage areas to demonstrate passive rainwater harvesting techniques. Fruit and vegetables from the garden are offered to students who help tend the garden and used as door prizes for workshop participants.



# Operations

EPWU will provide reliable and high duality service to its

eustomers.

(alioVe), a Serving New Avens Montana North - The cate & electronic models a 2 Pump Statistic average receives to excess.



\$14.5 M

main breaks and the resulting water losses.

#### Flushing Water Lines

EPWU opens fire hydrants to flush sediment from pipelines, Crews flushed more than 200 hydrants in 2014. But the sight of water gushing from a hydrant can be alarming, and it often generates customer complaints. The new Neutral Output Discharge Elimination System solves the problem by creating a loop between two fire hydrants, so very little water goes into the street.

First, crews connect hoses to the hydrants. The water is pumped at high velocity through the system, which is mounted on a flat-bed truck. Filters remove the sediment as the water flushes the pipeline. Chlorine can be added to disinfect the water before it returns to the distribution system through the fire hydrant.

This process eliminates the perception that water is being wasted. It saves about 1.6 million gallons of water per year. It also eliminates any traffic disruption or property and pavement damage that gushing water might cause.

#### **Testing Technology**

EPWU replaces pipelines based on the number of breaks, but other factors should be considered. Otherwise, pipes with significant service life remaining might be prematurely replaced. EPWU is testing technology that helps assess the condition of pipelines. Echologics' ePulse™ uses acoustic sensors to assess the average thickness of pipeline walls. EPulse does not interrupt water service, and no excavation is required.

To perform the test, EPWU selected 18 sections of asbestos concrete and cast iron pipelines. The selections were based on age, history of breaks, and possibility of failure. Technicians compared the ePulse measurements to the pipe's design thickness to assess degradation in the pipeline wall. The measurements indicated that seven sections of pipe were in poor condition, and degradation was detected in both types of pipe.

EPWU plans to continue the evaluation. Using ePulse to prioritize pipeline replacement can yield significant savings by extending the life of good pipes.

that gushing water might cause.

(below) New equipment recirculates the water used to flush pipelines.



Laboratory

Samples Received

43,000

Analysis Performed

217,000

Public Service Board El Paso Water Utilities A Component Unit of the City of El Paso Enterprise Funds - Statement of Net Position February 28, 2014

	Water & Wastewater <u>Utility Fund</u>	r Municipal Drainage <u>Utility Fund</u>	e <u>Eliminations</u>	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 12,586,724	\$ 2,203,062	\$	\$ 14,789,786
Investments	13,455,855	_	_	13,455,855
Accounts receivable - customers	16,599,054	789,597		17,388,651
Accounts receivable - other	622,729	7,243		629,972
Accrued interest receivable	413,077	119,393		532,470
Due from Water and Wastewater Utility		36,135	(36,135)	
Inventory - materials and supplies	1,979,925	· <del></del>	_	1,979,925
Other current assets	386,259			386,259
Prepaid expenses	2,016,389			2,016,389
Restricted current assets:	_,,-			, ,
Restricted for bond requirements:				
Cash and cash equivalents	34,504,077	4,915,490		39,419,567
Investments	15,220,319	1,475,532	********	16,695,851
investments	13,220,319	1,475,552		10,000,001
Restricted for construction and improvements		04 027 050		60 455 715
Cash and cash equivalents	42,217,856	26,237,859		68,455,715
Investments	29,046,549	23,298,384		52,344,933
Accounts receivable government grants	509,463	_		509,463
Notes receivable	98,979			98,979
Total current assets	169,657,255	59,082,695	(36,135)	228,703,815
Noncurrent assets:				
Investments	5,021,763	*****		5,021,763
Restricted noncurrent assets:				
Restricted for bond requirements:				
Investments	11,887,753	977,238	<del></del>	12,864,991
Restricted for construction and improvements.				
Investments	16,887,105	4,412,307		21,299,412
Capital assets:	, ,			
Water and Wastewater Utility capital assets	1,801,924,213	-		1,801,924,213
Municipal Drainage Utility capital assets		58,998,666		58,998,666
Land and right of way	71,029,203	6,601,105		77,630,308
Construction work in progress	119,354,839	9,976,295		129,331,134
Less accumulated depreciation	(809,281,469)	(9,231,298)		(818,512,767)
Total capital assets	(005,201,105)	(7,231,450)		
(net of accumulated depreciation)	1,183,026,786	66,344,768		1,249,371,554
Total noncurrent assets	1,216,823,407	71,734,313		1,288,557,720
Total assets	\$1,386,480,662	\$ 130,817,008	<b>\$</b> (36,135)	\$ 1,517,261,535
D.C. 1. (f) C				
Deferred outflows of resources	1 042 245			1,943,345
Losses on bond refunding	1,943,345			1,273,343
Total assets and deferred outflows of resources	<u>\$1,388,424,007</u>	\$ 130,817,008	<u>\$ (36,135)</u>	\$ 1,519,204,880

Public Service Board El Paso Water Utilities A Component Unit of the City of El Paso Enterprise Funds - Statement of Net Position February 28, 2014

			Municipal Draina	_			70 . I
LIABILITIES	Utility Fund	_	<u>Utility Fund</u>	En	minations		Total
Current liabilities:							
Accounts payable	\$ 2,423,41	6	\$ 483,937	\$		\$	2,907,353
Contributions and Solid Waste Management	Ψ 2,123,11		¥ 405,757	Ψ		Ψ	2,907,333
collections due to City of El Paso	5,272,15	54			*********		5,272,154
Customer deposits	7,678,09						7,678,096
Accrued vacation payable	1,749,27		58,633				1,807,906
Accrued payroll and benefits	1,534,58		120,731				1,655,311
Due to Municipal Drainage Utility	36,13				(36,135)		
Unearned revenue on land leases	276,48		8,765		(55,.55)		285,248
Other current liabilities	373,22						373,223
Self insurance worker's compensation	,						0.0,220
and health claims	836,02	.7			man app		836,027
Other governments payable - current	128,93						128,931
Current liabilities payable from restricted asset							
Revenue bonds payables and unamortized							
premiums net of discounts	27,423,25	6	2,570,259				29,993,515
Accrued interest on revenue bonds and	,,,,	-	_, <b>,</b>				_,,,,,,,,,
commercial paper	9,213,48	7	1,553,713		_		10,767,200
Accounts payable	17,398,45		1,062,549				18,460,999
Land notes payable	752,69						752,693
Land notes interest payable	70,91						70,912
Customer advances for construction	7,019,24						7,019,249
Retainage payable on construction contracts	1,612,14		76,133				1,688,273
Total current liabilities	83,798,50		5,934,720	****	(36,135)		89,697,090
Noncurrent liabilities.  Revenue bonds payables and unamortized premiums net of discounts	400 827 00		(1 (4( 400				561 4 <b>5</b> 1 314
	499,827,90		61,646,408				561,474,314
Land notes payable Other governments payable	3,406,39		***				3,406,394
	2,631,86		<del></del>				2,631,861
Commercial paper notes	5,000,000		106.007				5,000,000
Other Post-Employment Benefits Accrued vacation payable	6,720,593		196,987				6,917,579
Self insurance worker's compensation claims	1,132,40		49,824		_		1,182,231
Total noncurrent liabilities	548,888		61 902 210				548,888
Total liabilities	519,268,048 603,066,553		61,893,219		(26.125)		<u>581,161,267</u>
Total habilities	003,000,33	2.	67,827,939		(36,135)		670,858,357
Deferred inflows of resources							
Gains on bond refunding	143,045	5					143,045
-							
NET POSITION							
Restricted:	50 200 666		5 014 540				50.010.010
Restricted for debt service	52,398,662		5,814,548				58,213,210
Restricted for construction and improvements	<u>27,034,464</u>		8,717,102				35,751,566
Total restricted	79,433,126		14,531,650				93,964,776
Net investment in capital assets Unrestricted	681,280,780		46,220,867		_		727,501,647
Total net position	24,500,503 785,241,409		2,236,552 62,989,069				26,737,055 848,203,478
Tomi not position	703,241,403		02,303,003				UTU, 2UJ, 4/0
Total liabilities, deferred inflows of resources, and net position	\$ 1,388,424,007	7 9	<u>130,817,008</u>	\$	(36,135)	<b>\$</b> 1 '	519,204,880
L	<del>,000, .= 1,001</del>	- 9		*	(50,155)	4.1.	

Public Service Board El Paso Water Utilities A Component Unit of the City of El Paso Enterprise Funds - Statement of Revenues, Expenses, and Changes in Net Position February 28, 2014

Operating revenues.         \$ 91,837,712         \$ —         \$ 91,837,712           Water supply replacement charge         19,594,187         —         19,594,187           Reclaimed water         2,651,400         —         —         2,61,400           Wastewater         58,032,496         —         —         58,032,496           Drainage fees         —         —         15,162,459         (104,856)         15,057,603           Customer connection fees         4,637,221         —         4,637,221         —         4,637,221           Billing fees - City Solid Waste Management         608,171         260,645         —         868,816           Rent revenue         2,019,831         —         (24,000)         1,995,831           Other operating revenue         1,615,576         399,981         —         2,015,557           Total operating revenues         38,764,590         —         (72,975)         38,691,615           Operations and maintenance - water & reclaimed water         22,496,822         —         (52,474)         22,444,348           General, administrative and engineering expenses         19,178,358         —         1,294,176         20,472,534           Operations and maintenance - wastewater         22,496,822         — <th>ч</th> <th></th> <th>r &amp; Wastewater Itility Fund</th> <th>M</th> <th>unicipal Drainage Utility Fund</th> <th>Е</th> <th>liminations</th> <th>Total</th>	ч		r & Wastewater Itility Fund	M	unicipal Drainage Utility Fund	Е	liminations	Total
Water water water water claimed water         \$19,837,712         \$ — \$19,934,187         \$ — \$19,934,187         \$ — \$19,934,187         \$ 19,934,187         \$ — \$19,934,187         \$ 19,934,187         \$ — \$2,651,400         \$ 2,651,400         \$ 2,651,400         \$ 2,651,400         \$ 36,032,496         \$ 36,032	Operating revenues		timey raisa		Culty Fana			
Water supply replacement charge         19,594,187         —         19,594,187           Reclaimed water         2,651,400         —         2,651,400           Wastewater         58,032,496         —         —         2,651,400           Drainage fees         4,637,221         —         —         4,637,221           Billing fees - City Solid Waste Management         608,171         260,645         —         4637,221           Billing fees - City Solid Waste Management         608,171         260,645         —         4637,221           Billing fees - City Solid Waste Management         608,171         260,645         —         4637,221           Other operating revenue         1,615,576         399,981         —         2,015,557           Total operating revenues         180,996,594         15,823,085         (128,856)         196,690,823           Operations and maintenance - water & reclaimed water         238,764,590         —         (72,975)         38,691,615           Operations and maintenance - wastewater         22,496,822         —         (52,474)         22,444,348           General, administrative and engineering expenses         19,178,358         —         1,294,176         20,472,534           Operations and maintenance - wastewater		8	91 837 712	\$		\$		\$ 91,837,712
Reclaimed water \$2,651,400		Ψ	, ,	*		•	_	
Wastewater         58,032,496         —         58,032,496           Drainage fees         —         15,162,459         (104,856)         15,077,603           Customer connection fees         4,637,221         —         —         4,637,221           Billing fees - City Solid Waste Management         608,171         260,645         —         868,816           Rent revenue         2,019,831         —         (24,000)         1,995,831           Oher operating revenue         1,615,576         399,981         —         2,015,557           Total operating revenues         180,996,594         15,823,085         (128,856)         196,690,823           Operations and maintenance - water & reclaimed water         38,764,590         —         (72,975)         38,691,615           Operations and maintenance - wastewater         22,496,822         —         (52,474)         22,444,348           General, administrative and engineering expenses         19,178,358         —         1,294,176         20,472,534           Operations and maintenance - drainage         —         5,613,000         (7,417)         5,620,417           Indirect cost allocation         —         1,305,000         (1,305,000)         —           Other operating expenses         2,602,114					- controller		_	
Drainage fees								, ,
Customer connection fees Customer connection fees Billing fees - City Solid Waste Management 608,171 Rent revenue 2,019,831 - (24,000) 1,995,831 Other operating revenue 1,615,576 399,981 - 2,015,557 Total operating revenues 180,996,594 15,823,085  Operating expenses: Operations and maintenance - water & reclaimed water reclaimed water Operations and maintenance - wastewater 22,496,822 Operations and maintenance - wastewater Operations and maintenance - drainage Operations Operations Operating expenses 0,602,114 Other Post-Employment Benefits expense 0,509,203 Operations Operating expenses 145,021,612 Operating expenses Operations Operating expenses Interest earnings and net change in fair value of investments 0,509,539,539 Operating income 0,559,2139 Operating revenues (expenses): Interest earnings and net change in fair value of investments 265,915 Support of the su			30,032,170		15 162 459		(104.856)	, ,
Billing fees - City Solid Waste Management	Customer connection food		4 637 221					, ,
Rent revenue 2,019,831			, ,		260 645			
Other operating revenue         1,615,576         399,981         —         2,015,557           Total operating revenues         180,996,594         15,823,085         (128,856)         196,690,823           Operating expenses:         Operations and maintenance - water & reclaimed water         38,764,590         —         (72,975)         38,691,615           Operations and maintenance - wastewater         22,496,822         —         (52,474)         22,444,348           General, administrative and engineering expenses         19,178,358         —         1,294,176         20,472,534           Operations and maintenance - drainage         —         5,613,000         (7,417)         5,620,417           Indirect cost allocation         —         1,305,000         (1,305,000)         —           Other operating expenses         2,602,114         —         —         2,602,114           Other Post-Employment Benefits expense         833,973         50,995         —         884,968           Depreciation         50,592,539         1,484,740         —         52,077,279           Payment to City of El Paso per bond covenants         10,553,216         —         —         10,553,216           Total operating expenses         145,021,612         8,453,735         (128,856)	,				200,015		(24 000)	
Total operating revenues   180,996,594   15,823,085   (128,856)   196,690,823	··· - ·				399 981		(21,000)	
Operating expenses:           Operations and maintenance - water & reclaimed water         38,764,590         — (72,975)         38,691,615           Operations and maintenance - wastewater         22,496,822         — (52,474)         22,444,348           General, administrative and engineering expenses         19,178,358         — 1,294,176         20,472,534           Operations and maintenance - drainage         — 5,613,000         (7,417)         5,620,417           Indirect cost allocation         — 1,305,000         (1,305,000)         —           Other operating expenses         2,602,114         — — 2,602,114         — — 2,602,114           Other Post-Employment Benefits expense         833,973         50,995         — 884,968           Depreciation         50,592,539         1,484,740         — 52,077,279           Payment to City of EI Paso per bond covenants         10,553,216         — — 10,553,216           Total operating expenses         145,021,612         8,453,735         (128,856)         153,346,491           Operating revenues (expenses):         Interest earnings and net change in fair value of investments         265,915         89,659         — 355,574           IRS tax credit for Build America Bonds         221,332         828,171         — 1,049,503           Gain on land assets converted by				-			(128 856)	 
Operations and maintenance - water & reclaimed water         38,764,590         —         (72,975)         38,691,615           Operations and maintenance - wastewater         22,496,822         —         (52,474)         22,444,348           General, administrative and engineering expenses         19,178,358         —         1,294,176         20,472,534           Operations and maintenance - drainage         —         5,613,000         (7,417)         5,620,417           Indirect cost allocation         —         1,305,000         (1,305,000)         —           Other operating expenses         2,602,114         —         —         2,602,114           Other Post-Employment Benefits expense         833,973         50,995         —         884,968           Depreciation         50,592,539         1,484,740         —         52,077,279           Payment to City of El Paso per bond covenants         10,553,216         —         —         10,553,216           Total operating expenses         145,021,612         8,453,735         (128,856)         153,346,491           Operating income         35,974,982         7,369,350         —         355,574           IRS tax credit for Build America Bonds         221,332         828,171         —         1,049,503 <t< td=""><td>Total operating revenues</td><td></td><td>180,990,394</td><td>_</td><td>15,625,065</td><td></td><td>(120,050)</td><td> 170,070,020</td></t<>	Total operating revenues		180,990,394	_	15,625,065		(120,050)	 170,070,020
reclaimed water 38,764,590 — (72,975) 38,691,615 Operations and maintenance - wastewater 22,496,822 — (52,474) 22,444,348 General, administrative and engineering expenses 19,178,358 — 1,294,176 20,472,534 Operations and maintenance - drainage 19,178,358 — 1,305,000 (7,417) 5,620,417 Indirect cost allocation — 1,305,000 (1,305,000) —  Other operating expenses 2,602,114 — 2,602,114 Other Post-Employment Benefits expense 833,973 50,995 — 884,968 Depreciation 50,592,539 1,484,740 — 52,077,279 Payment to City of El Paso per bond covenants 10,553,216 — 10,553,216 Total operating expenses 145,021,612 8,453,735 (128,856) 153,346,491 Operating income 35,974,982 7,369,350 — 335,574 IRS tax credit for Build America Bonds 221,332 828,171 — 1,049,503 Gain on land assets converted by sale 2,013,946 256,595 — 2,270,541 Gain on sale of miscellaneous assets 314,473 — 314,473 Interest of long term debt (18,534,364) (2,775,634) — (21,309,998) Total nonoperating expenses (15,718,698) (1,601,209) — (17,319,907) Income in net position, before contributions 830,034 Capital non-federal grant contributions from (to) 12,998,824 (13,712) — 12,985,112 Total contributions 34,085,142 5,754,429 — 39,839,571 Total net position - beginning 751,129,267 57,234,640 — 808,363,907								
Operations and maintenance - wastewater   22,496,822     (52,474)   22,444,348	Operations and maintenance - water &						(20.025)	20 (01 (15
Ceneral, administrative and engineering expenses   19,178,358					******			
Operations and maintenance - drainage	Operations and maintenance - wastewater		, .		_			
Indirect cost allocation		S	19,178,358					
Other Operating expenses   2,602,114	Operations and maintenance - drainage				, ,			5,620,417
Other Post-Employment Benefits expense         833,973         50,995         —         884,968           Depreciation         50,592,539         1,484,740         —         52,077,279           Payment to City of El Paso per bond covenants         10,553,216         —         —         10,553,216           Total operating expenses         145,021,612         8,453,735         (128,856)         153,346,491           Operating income         35,974,982         7,369,350         —         43,344,332           Nonoperating revenues (expenses):         Interest earnings and net change in fair value of investments         265,915         89,659         —         355,574           IRS tax credit for Build America Bonds         221,332         828,171         —         1,049,503           Gain on land assets converted by sale         2,013,946         256,595         —         2,270,541           Gain on sale of miscellaneous assets         314,473         —         —         314,473           Interest of long term debt         (18,534,364)         (2,775,634)         —         (21,309,998)           Total nonoperating expenses         (15,718,698)         (1,601,209)         —         (17,319,907)           Income in net position, before contributions         830,034         —         — <td>Indirect cost allocation</td> <td></td> <td></td> <td></td> <td>1,305,000</td> <td></td> <td>(1,305,000)</td> <td></td>	Indirect cost allocation				1,305,000		(1,305,000)	
Other Post-Employment Benefits expense         833,973         50,995         —         884,968           Depreciation         50,592,539         1,484,740         —         52,077,279           Payment to City of El Paso per bond covenants         10,553,216         —         —         10,553,216           Total operating expenses         145,021,612         8,453,735         (128,856)         153,346,491           Operating income         35,974,982         7,369,350         —         43,344,332           Nonoperating revenues (expenses):         Interest earnings and net change in fair value of investments         265,915         89,659         —         355,574           IRS tax credit for Build America Bonds         221,332         828,171         —         1,049,503           Gain on land assets converted by sale         2,013,946         256,595         —         2,270,541           Gain on sale of miscellaneous assets         314,473         —         —         314,473           Interest of long term debt         (18,534,364)         (2,775,634)         —         (21,309,998)           Total nonoperating expenses         (15,718,698)         (1,601,209)         —         (17,319,907)           Income in net position, before contributions         830,034         —         — <td>Other operating expenses</td> <td></td> <td>2,602,114</td> <td></td> <td></td> <td></td> <td><del></del></td> <td></td>	Other operating expenses		2,602,114				<del></del>	
Depreciation	Other Post-Employment Benefits expense		833,973		50,995			•
Total operating expenses   145,021,612   8,453,735   (128,856)   153,346,491			50,592,539		1,484,740			
Total operating expenses         145,021,612         8,453,735         (128,856)         153,346,491           Operating income         35,974,982         7,369,350         —         43,344,332           Nonoperating revenues (expenses):         Interest earnings and net change in fair value of investments         265,915         89,659         —         355,574           IRS tax credit for Build America Bonds         221,332         828,171         —         1,049,503           Gain on land assets converted by sale         2,013,946         256,595         —         2,270,541           Gain on sale of miscellaneous assets         314,473         —         —         314,473           Interest of long term debt         (18,534,364)         (2,775,634)         —         (21,309,998)           Total nonoperating expenses         (15,718,698)         (1,601,209)         —         (17,319,907)           Income in net position, before contributions         830,034         —         —         830,034           Capital non-federal grant contributions from (to)         12,998,824         (13,712)         —         12,985,112           Total contributions         13,828,858         (13,712)         —         13,815,146           Change in net position         34,085,142         5	Payment to City of El Paso per bond covenants		10,553,216	_				
Nonoperating revenues (expenses):   Interest earnings and net change in fair value of investments   265,915   89,659     355,574     IRS tax credit for Build America Bonds   221,332   828,171     1,049,503     Gain on land assets converted by sale   2,013,946   256,595     2,270,541     Gain on sale of miscellaneous assets   314,473				_			(128,856)	 
Interest earnings and net change in fair value of investments   265,915   89,659   355,574	Operating income	_	35,974,982	_	7,369,350			 43,344,332
Interest earnings and net change in fair value of investments   265,915   89,659   355,574	Nononerating revenues (expenses):							
value of investments         265,915         89,659         — 355,574           IRS tax credit for Build America Bonds         221,332         828,171         — 1,049,503           Gain on land assets converted by sale         2,013,946         256,595         — 2,270,541           Gain on sale of miscellaneous assets         314,473         — — 314,473           Interest of long term debt         (18,534,364)         (2,775,634)         — (21,309,998)           Total nonoperating expenses         (15,718,698)         (1,601,209)         — (17,319,907)           Income in net position, before contributions         20,256,284         5,768,141         — 26,024,425           Federal grant contributions         830,034         — — 830,034         — 830,034           Capital non-federal grant contributions from (to)         12,998,824         (13,712)         — 12,985,112           Total contributions         13,828,858         (13,712)         — 13,815,146           Change in net position         34,085,142         5,754,429         — 39,839,571           Total net position - beginning         751,129,267         57,234,640         — 808,363,907								
Gain on land assets converted by sale 2,013,946 256,595 — 2,270,541  Gain on sale of miscellaneous assets 314,473 — 314,473  Interest of long term debt (18,534,364) (2,775,634) — (21,309,998)  Total nonoperating expenses (15,718,698) (1,601,209) — (17,319,907)  Income in net position, before contributions 20,256,284 5,768,141 — 26,024,425  Federal grant contributions 830,034 — 830,034  Capital non-federal grant contributions from (to) 12,998,824 (13,712) — 12,985,112  Total contributions 13,828,858 (13,712) — 13,815,146  Change in net position 34,085,142 5,754,429 — 39,839,571  Total net position - beginning 751,129,267 57,234,640 — 808,363,907			265,915		89,659			355,574
Gain on land assets converted by sale         2,013,946         256,595         — 2,270,541           Gain on sale of miscellaneous assets         314,473         — 314,473           Interest of long term debt         (18,534,364)         (2,775,634)         — (21,309,998)           Total nonoperating expenses         (15,718,698)         (1,601,209)         — (17,319,907)           Income in net position, before contributions         20,256,284         5,768,141         — 26,024,425           Federal grant contributions         830,034         — 830,034         — 330,034           Capital non-federal grant contributions from (to)         12,998,824         (13,712)         — 12,985,112           Total contributions         13,828,858         (13,712)         — 13,815,146           Change in net position         34,085,142         5,754,429         — 39,839,571           Total net position - beginning         751,129,267         57,234,640         — 808,363,907			221,332		828,171		_	1,049,503
Gain on sale of miscellaneous assets       314,473       —       314,473         Interest of long term debt       (18,534,364)       (2,775,634)       —       (21,309,998)         Total nonoperating expenses       (15,718,698)       (1,601,209)       —       (17,319,907)         Income in net position, before contributions       20,256,284       5,768,141       —       26,024,425         Federal grant contributions       830,034       —       830,034         Capital non-federal grant contributions from (to)       12,998,824       (13,712)       —       12,985,112         Total contributions       13,828,858       (13,712)       —       13,815,146         Change in net position       34,085,142       5,754,429       —       39,839,571         Total net position - beginning       751,129,267       57,234,640       —       808,363,907			2,013,946		256,595			2,270,541
Interest of long term debt         (18,534,364)         (2,775,634)         — (21,309,998)           Total nonoperating expenses         (15,718,698)         (1,601,209)         — (17,319,907)           Income in net position, before contributions         20,256,284         5,768,141         — 26,024,425           Federal grant contributions         830,034         — 830,034           Capital non-federal grant contributions from (to)         12,998,824         (13,712)         — 12,985,112           Total contributions         13,828,858         (13,712)         — 13,815,146           Change in net position         34,085,142         5,754,429         — 39,839,571           Total net position - beginning         751,129,267         57,234,640         — 808,363,907			314,473					314,473
Total nonoperating expenses         (15,718,698)         (1,601,209)         — (17,319,907)           Income in net position, before contributions         20,256,284         5,768,141         — 26,024,425           Federal grant contributions         830,034         — 830,034           Capital non-federal grant contributions from (to)         12,998,824         (13,712)         — 12,985,112           Total contributions         13,828,858         (13,712)         — 13,815,146           Change in net position         34,085,142         5,754,429         — 39,839,571           Total net position - beginning         751,129,267         57,234,640         — 808,363,907	<del>-</del>		(18,534,364)		(2,775,634)			 (21,309,998)
Income in net position, before contributions   20,256,284   5,768,141   — 26,024,425					(1,601,209)			(17,319,907)
Federal grant contributions         830,034         —         830,034           Capital non-federal grant contributions from (to)         12,998,824         (13,712)         —         12,985,112           Total contributions         13,828,858         (13,712)         —         13,815,146           Change in net position         34,085,142         5,754,429         —         39,839,571           Total net position - beginning         751,129,267         57,234,640         —         808,363,907		<u> </u>		_	5,768,141			 26,024,425
Capital non-federal grant contributions from (to)         12,998,824         (13,712)         —         12,985,112           Total contributions         13,828,858         (13,712)         —         13,815,146           Change in net position         34,085,142         5,754,429         —         39,839,571           Total net position - beginning         751,129,267         57,234,640         —         808,363,907		_	830,034	_				830,034
Total contributions         13,828,858         (13,712)         —         13,815,146           Change in net position         34,085,142         5,754,429         —         39,839,571           Total net position - beginning         751,129,267         57,234,640         —         808,363,907		t			(13,712)			12,985,112
Change in net position         34,085,142         5,754,429         — 39,839,571           Total net position - beginning         751,129,267         57,234,640         — 808,363,907								
Total net position - beginning 751,129,267 57,234,640 — 808,363,907				-	5,754,429			 39,839,571
10th 10th 10th 10th 10th 10th 10th 10th					57,234,640			 808,363,907
	Total net position - ending	\$	785,214,409	\$	62,989,069	\$		\$ 848,203,478

Public Service Board El Paso Water Utilities A Component Unit of the City of El Paso Enterprise Funds - Statement of Cash Flows February 28, 2014

,		er & Wastewater Utility Fund	· N	Municipal Draina Utility Fund	_	Eliminations		Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	\$	181,465,426	\$	15,802,839	\$		\$	197,268,265
Cash received from Municipal Drainage Utility		1,042,321		· · ·		(1,042,321)		· · · · · · · · · · · · · · · · · · ·
Cash received from Water and Wastewater Utility				104,856		(104,856)		
Solid Waste Management fees collected for				101,000		(10.,000)		
the City of El Paso		52,511,352						52,511,352
Cash payments to suppliers for goods and services		(46 965 000)		(4,153,559)				(51,019,459)
Cash payments to employees for services		(46,865,900) (36,773,939)		(1,138,533)				(37,912,472)
Solid Waste Management fees paid to the		•		(1,136,333)				
City of El Paso		(51,977,487)						(51,977,487)
Payments to City of El Paso per bond covenants	3	(10,484,432)				104.056		(10,484,432)
Cash payments to Municipal Drainage Utility		(104,856)		(1.042.221)		104,856		
Cash payments to Water and Wastewater Utility		99 912 495	_	(1,042,321)	_	1,042,321	_	98,385,767
Net cash provided by operating activities	_	88,812,485		9,573,282	_			98,383,707
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Proceeds from:	)							
Revenue bonds		64,900,000						64,900,000
Premiums received on revenue bonds		7,540,774						7,540,774
Commercial paper		27,000,000		_				27,000,000
Cash receipts from grants		1,460,404						1,460,404
Acquisition and construction of capital grants		(1,182,310)						(1,182,310)
Acquisition and construction of capital assets		, , , ,						
net of disposals		(68,676,431)		(5,475,993)				(74,152,424)
Refunding revenue bonds		(40,335,000)		· · · · · ·				(40,335,000)
Refunding commercial paper		(30,000,000)				_		(30,000,000)
Principal payments on revenue bonds		(25,100,000)		(2,359,000)				(27,459,000)
Interest and fees on revenue bonds and		•						
commercial paper		(22,872,177)		(2,931,435)				(25,803,612)
IRS tax credit on Build America Bonds		221,332		828,171		_		1,049,503
Principal payments on land notes payable		(764,376)		_				(764,376)
Interest payments on notes and other long term debt		(232,508)						(232,508)
Proceeds from sale of assets net of related		, , ,						, , ,
expenses  Net cash used by capital and	-	2,262,984		256,595	_			2,519,579
related financing activities		(85,777,308)		(9,681,662)				(95,458,970)
CASH FLOWS FROM INVESTING ACTIVITIES								
Proceeds from the sale and maturities of								
investment securities		83,681,308		32,019,402				115,700,710
Purchase of investment securities		(123,318,773)		(40,591,561)		_	1	(163,910,334)
Interest received on investment securities	_	140,029		112,766			_	252,795
Net cash used by investing activities	_	(39,497,436)	-	(8,459,393)			-	(47,956,829)
Net decrease in cash and cash equivalents Cash and cash equivalents:		(36,462,259)		8,567,773		_		(45,030,032)
Beginning of year		125,770,916		41,924,184	_			167,695,100
End of year	<u>\$</u>	89,308,657	<u>\$</u>	33,356,411	<u>\$</u>		\$	122,665,068

Public Service Board El Paso Water Utilities A Component Unit of the City of El Paso Enterprise Funds - Statement of Cash Flows February 28, 2014

		& Wastewater tility Fund	nicipal Drainage Itility Fund	El	iminations		Total
Reconciliation of operating income to net							
cash provided by operating activities:						_	
Operating income	\$	35,974,982	\$ 7,369,350	\$		\$	43,344,332
Adjustments to reconcile operating income to							
net cash provided by operating activities:							
Depreciation		50,592,539	1,484,740				52,077,279
Bond issue expense		663,091	persona		ALCOHOL:		663,091
(Increase) decrease in assets:							(242.22)
Accounts receivable		(403,817)	84,597				(319,220)
Due from Water and Wastewater Utility			303,261		(303,261)		
Inventory		(207,683)			_		(207,683)
Prepaid expenses		(95,385)					(95,385)
Other current assets		(97,114)	_				(97,114)
Increase (decrease) in liabilities.							
Accounts payable		75,939	255,812				331,751
Other current liabilities		1,502,438	15				1,502,453
Due to Municipal Drainage Utility		(303,261)			303,261		
Due to Water and Wastewater Utility		_	_				
Accrued vacation payable		35,500	11,352				46,852
Accrued payroll and benefits		125,486	37,250				162,736
Other Post-Employment Benefits		833,973	50,995				884,968
Retainage payable on operating contracts		-	(24,090)				(24,090)
Self insurance claims		115,797	 				115,797
Net cash provided by operating activities	\$	88,812,485	\$ 9,573,282	\$		\$	98,385,767
Noncash investing, capital, and financing activities	:						
Contribution in aid of construction from (to)	\$	12,646,548	\$ (13,712)	\$		\$	12,632,836
Decrease in accounts receivable capital grants		(278,094)			_		(278,094)
Change in fair value of investments		52,721	 6,423				59,144
Č	\$	12,421,175	\$ (7,289)	\$		\$	12,413,886

Public Service Board El Paso Water Utilities A Component Unit of the City of El Paso Water and Wastewater Utility Fund February 28, 2014 and February 28, 2013

	2014	20131	20122
DINIANICHAE PARCIA		Restated	Restated
FINANCIAL DATA*	#102.01 <b>0.</b> 040	#1#0 101 pom	#### 000 of
Total Revenue Water System Income	\$183,812,260	\$179,184,287	\$178,090,062
Wastewater System Income	94,489,112	94,590,378	94,686,408
Miscellaneous Revenue (Interest, etc.)	58,032,496 31,069,320	54,468,286 29,876,195	53,711,156 29,443,070
Paid to City in Lieu of Taxes	10,553,216	10,382,694	10,509,152
Income (Loss) before Contributions	20,256,284	12,667,540	10,593,032
Capital Contributions	12,998,824	11,663,713	9,632,021
Water Revenue per Customer	434.56	441.12	449.04
Wastewater Revenue per Customer	286.96	273.03	273,96
Number of Employees - Annual Average	842	814	819
Expenditures for Plant Additions	69,858,741	49,001,682	43,121,842
Bonded Debt	492,250,000	492,785,000	483,380,000
Outstanding Commercial Paper	5,000,000	8,000,000	13,000,000
Debt Service Coverage	2.09	2.01	1.88
*Fiscal Year March 1 of year shown thru end of February of the following year.			
FINANCIAL RATIOS*			
Current Ratio (Current Assets/Current Liabilities)	2.02	2,51	2.24
Acid Test Ratio (Cash & Cash Equivalents/Current Liabilities)	1,07	1.72	1.57
Operating Ratio (O&M-depreciation/Total Operating Revenue)	0,52	0.55	0.55
Net Take-Down Ratio (Total Operating Income+Depreciation)/Gross Revenue)	0.47	0.44	0.44
Total Liabilities to Total Assets	0.43	0.44	0.44
Debt to Equity Ratio (Bonds payable+Commercial paper notes)/Equity)	0.63	0.67	0.68
Debt Ratio (Bonds payable+Commercial paper notes/Total Assets)	0.36	0.37	0.38
Debt Service Safety Margin (Net Operating Income-Debt Service)/Gross Revenue)	0.24	0.21	0.19
Current Restricted Assets/Current Restricted Liabilities	1.92	2.55	2.15
*Fiscal Year March 1 of year shown thru end of February of the following year.			
WATER PRODUCTION AND USAGE DATA (Calendar Year)			
Water Customers Retail at End of Year	196,600	194,274	191,625
Water Customers Retail & Wholesale at End of Year	217,406	214,254	210,987
Water Pumped - Million Gallons	37,345	38,820	38,833
Water Metered - Million Gallons - Retail	31,815	33,669	34,336
Water Metered - Million Gallons - (Retail/Wholesale)	35,083	36,322	37,022
Percent of Water Billed vs. Water Pumped (R/W) Annual Billed Water per Customer Retail - 1000 Gallons	94%	94%	95%
Annual Billed Water per Customer (R/W) - 1000 Gallons	162 161	173 170	179
Average Daily Water Demand - Million Gallons	99.8	104.3	175 106.2
Maximum Daily Water Demand - Million Gallons	161.1	163.2	163.5
Minimum Daily Water Demand - Million Gallons	63.3	60,6	61,2
Daily Average Consumption in Peak Week - Million Gallons	149.8	152.5	155.6
Peak Day	June 26	June 26	June 29
Miles of Water Mains Installed	35.58	37.75	35.34
Miles of Water Mains Replaced or Ahandoned	2 88	7.50	10.72
Miles of Water Mains in Place	2,593	2,561	2,530
Number of Fire Hydrants Installed	123	102	136
Number of Fire Hydrants in Place	10,314	10,191	10,089
WASTEWATER SYSTEM DATA (Calendar Year)			
Wastewater Customers Retail & Wholesale at End of Year	202,068	199,181	195,875
Average Daily Flow - Million Gallons	59.10	61.76	61.53
Maximum Daily Flow - Million Gallons	91.07	67.16	68.10
Minimum Daily Flow - Million Gallons	55.85	56.57	52.30
Average Daily Flow per Customer - Gallons	292	310	314
Miles of Wastewater Line Installed	25,00	25.00	34,96
Miles of Wastewater Line in Place	2,235	2,210	2,185
	, .	-,	-,

<sup>&</sup>lt;sup>1</sup>Fiscal year 2013 has been restated as a result of a change in estimates and the adoption of GASB 65, *Items Previously Reported as Assets and Liabilites*<sup>2</sup>Fiscal year 2012 has been restated as a result of the adoption of GASB 65, *Items Previously Reported as Assets and Liabilites*<sup>3</sup>Fiscal year 2005 restated to properly present amortization of bond premiums
<sup>4</sup>Fiscal year 2006 restated to properly present change in method of depreciation and capitalized interest

Public Service Board El Paso Water Utilities A Component Unit of the City of El Paso Water and Wastewater Utility Fund February 28, 2014 and February 28, 2013

2011	2010	2009	2008	2007	2006 <sup>3</sup> Restated	2005 <sup>4</sup> Restated
b. (0.051.500	#145 D44 507	\$166,857,980	\$153,870,696	\$145,522,699	\$162,759,681	\$136,040,710
\$168,954,309	\$165,064,597	, .	76,512,872	70,329,517	75,286,185	68,092,152
89,315,635	84,211,344	82,144,429	46,246,662	45,348,889	43,003,469	44,207,686
51,563,606	51,567,727	50,233,301	31,111,162	29,844,293	44,470,027	23,740,872
28,075,068	29,285,526	34,480,250	8,601,624	7,980,845	9,330,128	7,782,955
9,930,669	9,613,832	9,301,374		4,958,666	36,711,635	16,983,714
5,227,358	450,503	7,328,369	1,469,119	, ,	14,761,857	11,196,302
17,169,370	7,943,164	15,465,512	9,450,817	29,829,315 366 59	371.66	311.03
429.76	416.58	414.06	391.59		261 15	244.61
266.71	274.31	273.02	255.80	254.99	663	666
816	810	784	693	708		\$91,905,919
\$42,998,857	\$30,188,754	\$56,845,392	\$110,012,539	\$120,193,891	\$115,683,182	
497,720,000	504,971,000	519,273,000	465,542,000	436,375,000	402,017,000	359,719,000
19,000,000	9,000,000	9,000,000	14,000,000	21,000,000	40,000,000	15,000,000
1.86	1.58	1.95	1 61	1 67	2.34	2.23
2.56	2.58	2.51	1,66	2.02	3.05	1.76
	1.75	1.64	1.13	1.55	1.47	1.31
1.80		0.58	0,60	0.61	0.53	0.53
0.55	0.59	0.41	0.39	0.38	0.40	0.46
0.45	0.40	0.41	0.46	0.45	0,46	0.44
0.45	0.46			0.71	0.73	0.68
0.73	0,75	0.78	0.74	0,39	0,40	0.38
0.40	0.41	0.42	0.40	0.11	0.24	0.25
0.19	0.13	0.18	0.10	2.10	3.46	2.83
2.56	2.61	2 77	1.74	2.10	5.40	2.02
		100 215	170 021	174,922	171,607	167,753
188,927	185,062	182,315	178,031		187,794	183,210
207,563	202,150	198,390	195,389	191,849	35,173	34,663
37,348	37,067	35,476	35,636	35,457	30,510	30,066
31,570	31,871	30,481	31,123	30,600		32,042
34,407	34,147	32,069	32,284	32,595	32,565	92%
92%	92%	90%	91%	92%	93%	
167	172	167	175	175	178	179
166	169	162	165	170	173	175
102.4	101.6	96.4	97.5	97.0	96.4	95.0
158.5	152.6	158.7	154.8	162.7	162.3	156.4
62.7	60.7	58.2	59.7	54.6	55.4	60.2
147.7	138.7	144.0	138.0	144.0	152.2	141.5
June 18	July 14	June 27	June 26	June 21	July 6	June 16
21.68	28.69	38.84	42.82	22.00	34.10	60.87
5.14	7.74	2.94	12.75	2,70	4.05	11.13
2,506	2,489	2,468	2,432	2,402	2,383	2,354
168	226	287	270	435	152	208
9,953	9,785	9,559	9,272	9,002	8,567	8,415
				.== 0.5	124 105	140.282
192,765	187,992	183,990	180,795	177,845	174,195	169,283
60.35	58.66	58.23	57.98	58.23	55 85	58.15
68,62	72,68	82.31	66 05	78 62	59 24	66.63
51.52	50.79	51.91	51,42	51.63	47.05	49,99
313	312	316	321	327	321	344
30.00	37.00	32.24	29.73	28.00	26.10	53.64
2,150	2,120	2,083	2,051	2,021	1,993	1,967
2,100	-,	•				

SELECTED FINANCIAL RATIOS	2014*	2013* Restated	2012* Restated	2011*	2010*	2009*
FINANCIAL DATA						
Total Drainage Revenue	16,997,510	17,546,271	16,494,793	16,505,456	15,615,742	17 417 842
Residential Drainage Revenue	6,235,938		6,057,512	5,975,720	5,857,191	6,575,449
Non Residential Drainage Revenue	8,926,521	8,918,715	8,881,591	8,876,317	8,815,413	10,797,716
Other Operating Revenue	660,626	620,728	466,187	438,037	456,537	
Interest Revenue	89,659		122,488	217,392	65,227	44,677
IRS Tax Credit for Build America Bonds	828,171	934,250	967,015	997,990	421,374	- 11,077
Gain on Sale of Land and Assets	256,595	820,603	201,015	,,,,,,	-	_
Income before Contributions	5,768,141	7,093,521	5,998,229	5,359,572	5,579,012	8,390,394
Capital Contributions	-,:,	.,00,0,0,0	-	508,814	598,616	24,091,448
Operating Drainage Revenue per Customer	85.05	85.40	84.99	85.14	85.81	99.79
Bonded Debt		65,743,000	53,518,000		55,163,000	33.13
Debt Service Coverage	1.76	2.35	2,26	3,73	N/A	N/A
2000 Survive Converge	1.70	2.33	2.20	3.73	N/A	IV/A
FINANCIAL RATIOS						
Current Ratio (Current Assets/Current Liabilities)	9.96	11.64	8.00	11.43	32.03	5.04
Acid Test Ratio (Cash & Cash Equivalents/Current		7.81	4.88	6.42	20.38	4.08
Operating Ratio (O&M-depreciation/Total Operation		0.40	0.42	0.44	0.47	0.43
Net Take-Down Ratio (Total Operating Income+D	•					
/Gross Revenue)	0.52	0.53	0.54	0.52	0.52	0.56
Total Liabilities to Total Assets	0.52	0.55	0.54	0.57	0.60	0.03
Debt to Equity Ratio (Bonds payable)/Equity)	1.01	1.15	1.07	1.24	1.43	-
Debt to Ratio (Bonds payable/Total Assets)	0.48	0.52	0.50	0.53	0.58	-
Debt Service Safety Margin (Net Operating Income						
Service)/(Total Operating Revenue+Interest Ear		0.28	0.26	0.36	0.49	0.56
Current Restricted Assets/Current Restricted Liabil	ities 10.63	11.31	7.74	11.90	39.24	N/A
SELECTED OPERATIONS AND STATISTICAL	DATA					
DRAINAGE OPERATIONS						
Number of Ponds	361	361	361	310	277	277
Acres of Ponds inventoried	904	904	1,020	904	983	983
Acres of Ponds cleaned	82	917	461	650	500	3,429
Number of Dams/Basins	37	37	37	32	38	38
Acres of Dams/Basins inventoried	2,430	2,430	2,417	2,430	2,390	2,390
Acres of Dams/Basins cleaned	57	463	263	1,200	1,000	1,915
Miles of Channels inventoried	74	74	72	74	68	68
Miles of Channels cleaned	10	27	44	30	15	30
Miles of Agricultural Drains inventoried	43	43	39	43	39	39
Miles of Agricultural Drains cleaned	6	39	17	15	20	25
Miles of Drainage Conduits inventoried	280	146	280	146	100	100
Miles of Drainage Conduits cleaned	2	12	2	15	2	2
Drainage Inlets inventoried	6,346	6,094	6,359	6,094	4,100	4,100
Drainage Inlets cleaned	46	373	116	500	100	,-··

<sup>\*</sup>Fiscal Year March 1 of year shown thru end of February of the following year.

Note: The Stormwater Utility was created and started operations during fiscal year 2008

<sup>&</sup>lt;sup>1</sup>Fiscal year 2013 has been restated as a result of a change in the adoption of GASB 65, *Items Previously Reported as Assets and Liabilities* 

<sup>&</sup>lt;sup>2</sup>Fiscal year 2012 has been restated as a result of the adoption of GASB 65, *Items Previously Reported as Assets and Liabilities* 

## **Mailing Address**

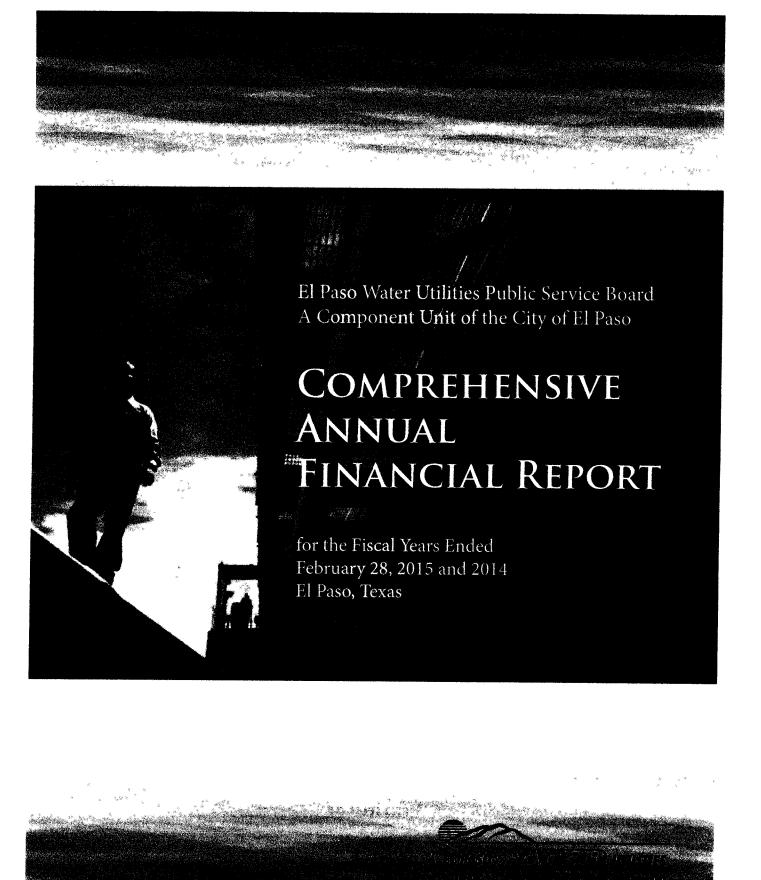
P.O. Box 511 El Paso, Texas 79961

# **Physical Address**

1154 Hawkins Blvd. El Paso, Texas 79925

915.594.5500 epwu.org





# **Public Service Board El Paso Water Utilities**

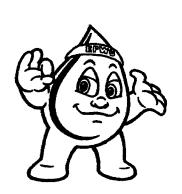
A Component Unit of the City of El Paso

Comprehensive
Annual Financial Report
For the Fiscal Years Ended
February 28, 2015 & 2014

El Paso, Texas

Prepared by:

**Departments of Finance & Accounting** 



# PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

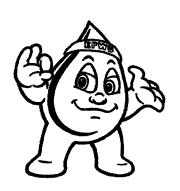
## A COMPONENT UNIT OF THE CITY OF EL PASO

### Comprehensive Annual Financial Report

For the Fiscal Years Ended February 28, 2015 & 2014

#### TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Transmittal Letter	1
GFOA Certificate of Achievement for Excellence in Financial Reporting	7
Organizational Chart	8
List of Principal Officers and Staff	9
FINANCIAL SECTION	
Independent Auditor's Report	10
Management's Discussion and Analysis	14
Basic Financial Statements	
Enterprise Funds Financial Statements	
Statement of Net Position	31
Statement of Revenues, Expenses, and Changes in Net Position	35
Statement of Cash Flows	37
Notes to Financial Statements	41
Required Supplementary Information for Other Post-Employment Benefits Pla	n
Water and Wastewater Utility Fund	
Schedule of Funding Progress	100
Schedule of Employer Contributions	100
Municipal Drainage Utility Fund	
Schedule of Funding Progress	101
Schedule of Employer Contributions	101
Supplementary Schedules	
Water and Wastewater Utility Fund	
Statements of Net Position	103
Statements of Revenues, Expenses, and Changes in Net Position	105
Statements of Cash Flows	107
Schedule of Operating Revenues	109
Schedule of Operating Expenses	110
Schedule of Net Operating Revenue - Water & Reclaimed Water	111
Schedule of Net Operating Revenue - Wastewater	112
Schedule of Accounts Receivable - Government Grants & Other Receivables	113
Schedule of Changes in Revenue Bonds Payable	114
Schedule of Debt Service Requirements	115
Municipal Drainage Utility Fund	127
Statements of Net Position	137 139
Statements of Revenues, Expenses, and Changes in Net Position	141
Statements of Cash Flows	141
Schedule of Operating Revenues	143
Schedule of Operating Expenses	144
Schedule of Net Operating Revenue - Municipal Drainage Utility	
Schedule of Changes in Revenue Bonds Payable	146 147
Schedule of Debt Service Requirements	151
Schedule of Insurance Coverage	131
STATISTICAL SECTION (Unaudited)	Section
Financial Trends Information	A
Revenue Capacity Information	В
Debt Capacity Information	C
Demographic and Economic Information	D
Operating Information	E





July 8, 2015

Public Service Board El Paso Water Utilities

Dear Public Service Board Member:

We are pleased to submit the Comprehensive Annual Financial Report of the Public Service Board - El Paso Water Utilities (EPWU) for the fiscal year which ended February 28, 2015, pursuant to the City of El Paso Bond Ordinance 752, as amended and City Ordinance No. 016668 establishing the Municipal Drainage Utility System. This Comprehensive Annual Financial Report was prepared by the Accounting and Finance Departments of EPWU. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the EPWU; and that all disclosures necessary to enable the readers to gain the maximum understanding of EPWU's financial activity have been included.

This report consists of management's representation concerning the finances of the Public Service Board – El Paso Water Utilities and its Water and Wastewater Utility Fund and the Municipal Drainage Utility Fund. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with EPWU. To provide a reasonable basis for making these representations, management of the EPWU has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of EPWU's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the EPWU's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

EPWU's financial statements have been audited by Gibson, Ruddock, Patterson LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of EPWU for the fiscal year ended February 28, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the EPWU's financial statements for the fiscal year February 28, 2015, are fairly presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report. For fiscal year ending February 28, 2015 the independent audit of the financial statements of EPWU didn't include a "Single Audit" that is designed to meet the special needs of federal grantor agencies. EPWU's federal award expenditures were below the Single Audit threshold of \$500,000.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The EPWU's MD&A can be found immediately following the independent auditor's report.

#### **Profile of the Government**

The El Paso Water Utilities – Public Service Board provides water, wastewater, reclaimed water, and drainage service to its customers. For financial reporting purposes, EPWU is considered a component unit of the City of El Paso. The PSB operates and manages EPWU on behalf of the City of El Paso. It adopts an annual combined operating, capital, and debt service budget for both the Water and Wastewater Utility Fund and the Municipal Drainage Utility Fund, along with associated rates and fees for services; and also issues updates to its Rules and Regulations, which have the force of law. EPWU recovers the cost of providing water, wastewater, reclaimed water, and drainage services primarily through user charges and fees. EPWU does not assess or collect ad valorem property taxes. As part of the mission and vision statements of the Public Service Board, EPWU strives to balance customer needs with proper resources and financial management as well as regional leadership.

City of El Paso Ordinance Number 752, adopted May 22, 1952, established the Public Service Board – El Paso Water Utilities. The board of trustees, known as the "Public Service Board (PSB)," was given complete management and control of the city's water system. Ordinance Number 017167 adopted August 11, 2009 increased the number of board members from five to seven. The PSB consists of the Mayor of the City of El Paso and six residents of El Paso County, Texas. With the exception of the Mayor, all other trustees are appointed by the City Council and serve staggered four-year terms.

In June 2007, City Ordinance Number 016668 established a Municipal Drainage Utility for the City of El Paso. The Public Service Board – El Paso Water Utilities was given complete management and control of the city's drainage system, which EPWU assumed effective March 1, 2008.

<u>Mission Statement</u> - The mission of the Public Service Board - El Paso Water Utilities is to provide our customers a sustainable water supply and the highest quality water services at a reasonable cost with excellent customer service.

<u>Vision Statement</u>- To sustain the future of the community through proper planning and implementation of diverse and alternative strategies.