

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**NOTES TO FINANCIAL STATEMENTS**

February 28, 2019 and 2018

**16. REVENUE PLEDGED AND DEBT SERVICE COVERAGE (Continued)**

Municipal Drainage Utility

The bond ordinances require EPWater to maintain revenues in each fiscal year, after deductions for maintenance and operation expenses, in an amount equal to at least 1.25 times the debt service requirements in such year for the Municipal Drainage Utility Fund. The computations of this ratio are summarized below for the years ended February 28, 2019 and 2018.

Revenues available for debt service are determined as follows:

	<u>2019</u>	<u>2018</u>
Municipal drainage utility revenue	\$ 23,300,515	\$ 22,419,202
Operating revenue deductions	<u>6,527,008</u>	<u>6,088,026</u>
Net municipal drainage utility revenue	<u>16,773,507</u>	<u>16,331,176</u>
Other revenues available for debt service:		
Interest income	942,499	493,700
IRS Tax Credit Build American Bonds	-	516,337
Property rentals	88,138	79,525
Gain on sale of miscellaneous assets	-	58,712
Other miscellaneous operating revenue	570,023	585,578
Other miscellaneous expenses	<u>(249,613)</u>	<u>(487,336)</u>
Net other revenues available for debt service	<u>1,351,047</u>	<u>1,246,516</u>
Revenues available for debt service	<u><u>\$ 18,124,554</u></u>	<u><u>\$ 17,577,692</u></u>

Comparison of pledged revenues to debt requirements:

	<u>2019</u>	<u>2018</u>
Revenues available for debt service	<u>\$ 18,124,554</u>	<u>\$ 17,577,692</u>
Debt service requirements		
Principal	2,144,000	3,704,000
Interest	<u>4,144,387</u>	<u>5,089,138</u>
Total requirements	<u>\$ 6,288,387</u>	<u>\$ 8,793,138</u>
Debt service ratio	<u><u>2.88</u></u>	<u><u>2.00</u></u>

As calculated above, the approximate amount of pledged revenue for the years ended February 28, 2019 and 2018 were \$18,124,554 and \$17,577,692, respectively.

The proportion of the specific revenue stream that has been pledged to cover the debt requirements to the total revenue were 75.65% and 76.15% for the years ended February 28, 2019 and 2018, respectively.

The bonds, both principal and interest, are secured by a first lien and pledge of the net revenues of the Municipal Drainage Fund.

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**17. RISK MANAGEMENT**

EPWater is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Additionally, the Water and Wastewater Utility and the Municipal Drainage Utility, through the City of El Paso, maintain insurance policies acquired from independent insurance carriers covering all material structural property.

EPWater, in conjunction with the City of El Paso, provides health benefits, life insurance, and workers' compensation benefits for eligible employees and a fully insured plan for retirees. EPWater and the City of El Paso fund these plans separately, and EPWater is responsible for the costs incurred related to the employees of EPWater.

The City maintains a group health insurance plan for active and retired employees and their eligible dependents. Reinsurance coverage limits the annual liability of EPWater to \$225,000 per claim per covered member. Contributions to the fund are provided by both EPWater and participating employees. The group life insurance plan is provided by a commercial carrier. Health expenses and liabilities are recorded separately by EPWater for any eligible EPWater members enrolled in these plans. Costs are recorded in the fund from which the employees' compensation is paid.

Claims Administrative Services administers the workers' compensation self-insurance program. A separate bank account is used to pay all claims for workers' compensation, and EPWater accrues estimated future liabilities for workers' compensation claims filed as of the end of the year. Management feels that the contributions made during the year for workers' compensation will offset any claims paid during the year.

For the years ended February 28, 2019 and 2018, and February 29, 2017 the amount of settlements did not exceed insurance coverage and there were no significant reductions in the coverage from the prior year. The estimated liability for unpaid health claims is based upon the claim lag report. The estimated liability for unpaid workers' compensation claims is the discounted future payments, as actuarially determined, of case reserves plus claims incurred but not reported as of the actuarial report date of January 1, 2017. Accrued liabilities for these self-insurance programs are summarized below for the years ended February 28, 2019 and 2018, and February 29, 2017:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Health Insurance	\$ 165,447	\$ 234,028	\$ 240,279
Workers' Compensation	<u>734,582</u>	<u>734,582</u>	<u>795,049</u>
Total payable	<b>900,029</b>	968,610	1,035,328
Less current portion	<u>238,627</u>	517,178	351,885
Estimated Long-term portion	<u><b>\$ 661,402</b></u>	<u>\$ 451,432</u>	<u>\$ 683,443</u>

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**17. RISK MANAGEMENT (Continued)**

Changes in accrued liabilities for self-insurance programs were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total payable, beginning of year	\$ 968,610	\$ 1,035,328	\$ 1,097,283
Additional claims incurred	4,728,381	4,102,828	4,146,500
Claims paid during the year	<u>(4,796,962)</u>	<u>(4,169,546)</u>	<u>(4,208,455)</u>
Total payable, end of year	<u>\$ 900,029</u>	<u>\$ 968,610</u>	<u>\$ 1,035,328</u>

**18. PENSION AND RETIREMENT PLAN**

General - The Public Service Board - El Paso Water Utilities contributes to the City of El Paso Employees Retirement Trust (CERT) which is a single-employer Public Employee Retirement System defined benefit pension plan. However, in accordance with GASB Statement No. 68, as a component unit of the City, EPWater reports its proportionate share of the collective net pension liability as if it was a cost-sharing employer.

Plan Description - The CERT was established in accordance with authority granted by Chapter 2.64 of the El Paso City Code and is a component unit (fiduciary fund type) of the City. It is the responsibility of the CERT to function as an investment and administrative agent for the City of El Paso and EPWater with respect to the pension plan. The CERT is not required to maintain any legally required reserves.

Basis of Accounting - The accounting policies for the CERT have been established to conform to generally accepted accounting principles for state and local governments as promulgated by authoritative pronouncements issued by the Governmental Accounting Standards Board. The CERT is accounted for on an economic resources measurement focus using the accrual basis of accounting.

Pension Plan Fiduciary Net Position - Detailed information about the City of El Paso Employees Retirement Trust fiduciary net position is available in separately issued audited plan financial statements, including required supplementary information (RSI). That report may be obtained from the City of El Paso Employees Retirement Trust Administrative Office at 1039 Chelsea St., El Paso, Texas 79903 or online at [http://www.eppension.org/documents/fund-overview/2018 Auditor's Report.pdf](http://www.eppension.org/documents/fund-overview/2018%20Auditor's%20Report.pdf).

The collective net pension liability was measured as of August 31, 2018 and the total pension liability is based on the actuarial valuation as of September 1, 2018.

	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 1,024,379,167	\$ 975,995,580
Less: Fiduciary Net Position	<u>(820,416,288)</u>	<u>(776,137,711)</u>
Net Pension Liability	<u>\$ 203,962,879</u>	<u>\$ 199,857,869</u>
Fiduciary Net Position as percentage of Total Pension Liability	<u>80.09%</u>	<u>79.52%</u>

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**18. PENSION AND RETIREMENT PLAN (Continued)**

Benefits Provided: Substantially all full-time employees of the City (including EPWater) are eligible to participate in the Plan. Non-employer contributions are limited to participating employees. Participation is mandatory for classified employees (except permanent part-time employees). For non-classified employees, participation is mandatory for employees hired after July 1997. Classified employees include all persons who are permanent, full-time employees and are not otherwise excluded from the CERT. The designated purpose of the CERT is to provide retirement, death, and disability benefits to participants or their beneficiaries. The CERT is administered by the CERT Board of Trustees, which is comprised of two members of the City Council, two citizens of the City who are not officers or employees of the City, four city employees who are qualified to participate in the trust, and one retired city employee receiving pension benefits from the trust. The CERT Board contracts with an independent pension custodian, investment managers, an investment consultant, an actuary and an attorney to assist in managing the CERT.

Members who were first participants prior to September 1, 2011, accrue benefits based on Tier I provisions as follows:

- Participants who leave the Plan before completion of five years of service receive a refund of their contributions. Participants leaving the Plan with more than five years but less than ten years of service may receive a refund of their contributions plus interest at 5.5%, compounded annually, provided they are not eligible for normal retirement. Participants become fully vested after reaching forty years of age and ten years of service or forty-five years of age and seven years of service. Normal retirement is the earlier of (i) fifty-five years of age with ten years of service, (ii) sixty years of age with seven years of service or (iii) thirty years of service, regardless of age. Participants who have met the minimum vesting requirements may retire but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement, which will provide an actuarially reduced pension benefit payment upon termination. Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.5% of average monthly gross earnings received by the employee during the three years immediately prior to retirement, or 2.5% of the average monthly base salary received by the employee during the year immediately prior to retirement, or 2.5% of the monthly base salary pay for the month immediately prior to retirement, whichever is greater, multiplied by the number of completed years of service, plus .2083 of 1% of such average for each additional completed or fractional part of a month of service.

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**18. PENSION AND RETIREMENT PLAN (Continued)**

Members who were first participants on or after September 1, 2011, accrue benefits based on Tier II provisions as follows:

- Participants who leave the plan before completion of seven years of service receive a refund of their contributions. Participants leaving the plan with more than seven years but less than ten years of service may receive a refund of their contributions plus interest at 3%, compounded annually, provided they are not eligible for normal retirement. Participants become fully vested after reaching forty-five years of age and seven years of service. Normal retirement is the earlier of (i) sixty years of age with seven years of service or (ii) thirty-five years of service, regardless of age. Participants who have met the minimum vesting requirements may retire but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement which will provide an actuarially reduced pension benefit payment upon termination. Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.25% of average monthly gross earnings received by the employee during the three years immediately prior to retirement, multiplied by the number of completed years of service, plus .1875 of 1% of such average for each additional completed or fractional part of a month of service, limited to 90% of the three year average final pay.

A pension benefit is available to surviving spouses and dependents. The plan includes no automatic increase in retirement benefits, including automatic COLAs. However, the Board, at its discretion after consideration of a recent actuarial review of the funding status, may provide ad hoc cost of living or other increases in retirement benefits. There was no ad-hoc payment issued for the plan year ended August 31, 2018. There was an ad-hoc cost of living adjustment of \$800 per beneficiary for the plan year ended August 31, 2017.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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**18. PENSION AND RETIREMENT PLAN (Continued)**

For the September 1, 2018 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses), projected salary increases of 3.0%, which includes an inflation rate of 3.0% and no costs of living increases. The remaining amortization period at September 1, 2018 and September 1, 2017 was 14 years, using a level percent, open basis, amortization period. For the September 1, 2018 valuation, the mortality rates were based on the RP-2014 employee tables with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Table for Disabled Lives. The actuarial assumptions used in the September 1, 2018 valuation were based on the results of an actuarial experience study performed in 2016.

Changes since the Prior Actuarial Valuation - There were no changes in the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement date.

There were no changes of benefit terms that affected the measurement of the total pension liability since the prior measurement date.

There were no changes between the measurement date of the collective net pension liability and the employer's reporting date that are expected to have a significant effect on the EPWater's proportionate share of the collective net pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of returns by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the CERT's target asset allocation as of August 31, 2018 and August 31, 2017 are summarized in the following table:

Asset Class	2018 Target Allocation	2017 Target Allocation	2018 Long- term Expected Real Rate of Return	2017 Long- term Expected Real Rate of Return
Domestic Equity	24%	24%	8.20%	9.41%
International Equity	16%	16%	6.90%	7.84%
Fixed Income	19%	19%	2.00%	1.69%
Real Estate	10%	10%	4.60%	6.46%
Absolute Return	15%	15%	3.80%	-
Master Limited Partnerships	5%	5%	8.20%	-
Private Equity	10%	10%	11.7%	-
Cash	1%	1%	-	-
Alternatives	-	-	-	7.39%

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**18. PENSION AND RETIREMENT PLAN (Continued)**

Discount Rate: The discount rate used to measure the total pension liability was 7.5 percent for the plan years ended August 31, 2018 and August 31, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the City will be made at the current contribution rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

Contributions Required and Contributions Made - Contribution rates for the CERT are based upon local statutes as enacted by the El Paso City Council and are not actuarially determined. However, each time a new actuarial valuation is performed, contribution requirements are compared to the actuarially determined amount necessary to fund service costs and amortize the unfunded actuarial accrued liability (using entry-age-normal cost method) over thirty years. As of the most recent actuarial valuation, the contribution rate was 23 percent of annual covered payroll.

EPWater Contributions for the years ended February 28, 2019 and 2018 were as follows:

	<b>2019 - Contributions Required and Made</b>		<b>2018 - Contributions Required and Made</b>	
	<b>Water and Wastewater Utility</b>	<b>Municipal Drainage Utility</b>	<b>Water and Wastewater Utility</b>	<b>Municipal Drainage Utility</b>
Employer contribution	\$ 4,993,530	\$ 293,007	\$ 4,656,649	\$ 267,945
Employee contribution	3,180,399	186,649	3,099,245	179,680
Total contributions	<u>\$ 8,173,929</u>	<u>\$ 479,656</u>	<u>\$ 7,755,894</u>	<u>\$ 447,625</u>

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**18. PENSION AND RETIREMENT PLAN (Continued)**

Sensitivity to Changes in the Discount Rate: The following presents the EPWater's proportionate share for the Water and Wastewater Utility and Municipal Drainage Utility of the resulting net pension liability calculated using the discount rate of 7.5 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

8/31/2018 - Water and Wastewater Utility's proportionate share of the net pension liability	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Water and Wastewater Utility	\$ 60,667,045	\$ 38,351,408	\$ 19,647,004

8/31/2018 - Municipal Drainage Utility's proportionate share of the net pension liability	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Municipal Drainage Utility	\$ 3,538,973	\$ 2,237,204	\$ 1,146,095

8/31/2017 - Water and Wastewater Utility's proportionate share of the net pension liability	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Water and Wastewater Utility	\$ 59,221,771	\$ 37,581,946	\$ 19,505,744

8/31/2017 - Municipal Drainage Utility's proportionate share of the net pension liability	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Municipal Drainage Utility	\$ 3,450,646	\$ 2,189,770	\$ 1,136,532

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At February 28, 2019, EPWater reported a net pension liability for its proportionate share of the CERT's net pension liability of \$38,351,408 for the Water and Wastewater Utility and \$2,237,204 for the Municipal Drainage Utility. At February 28, 2018, EPWater reported a net pension liability for its proportionate share of the CERT's net pension liability of \$37,581,946 for the Water and Wastewater Utility and \$2,189,770 for the Municipal Drainage Utility. EPWater's net pension liability reported at February 28, 2019 was measured at August 31, 2018. EPWater's net pension liability reported at February 28, 2018 was measured at August 31, 2017.



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**18. PENSION AND RETIREMENT PLAN (Continued)**

EPWater's proportion of the net pension liability was based on EPWater's contributions to the pension plan relative to the contributions of the City to the plan for the period from September 1, 2017 through August 31, 2018. At August 31, 2018 and August 31, 2017, EPWater's proportion of the collective net pension liability was 19.90 percent.

For the years ended February 28, 2019 and 2018, EPWater recognized pension expense as measured in accordance with GASB Statement No. 68, of \$5,049,735 and \$4,998,067, respectively, for the Water and Wastewater Utility, and \$286,850, and \$285,217, respectively, for the Municipal Drainage Utility.

At February 28, 2019 and 2018, EPWater reported its proportionate share of the deferred outflows of resources and deferred inflows of resources related to the CERT from the following sources:

	<b>2019 - Water and Wastewater Utility</b>		<b>2019 - Municipal Drainage Utility</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual pension experience	\$ 2,643,059	\$ 1,597,238	\$ 154,220	\$ 112,812
Changes in assumptions	2,640,453	-	186,495	-
Net difference between projected and actual earnings on pension assets	-	51,697	33,845	-
Changes in proportionate share	503,765	232,280	79,412	318,033
Employer contributions subsequent to the measurement date	2,574,449	-	153,843	-
<b>Total</b>	<b>\$ 8,361,726</b>	<b>\$ 1,881,215</b>	<b>\$ 607,815</b>	<b>\$ 430,845</b>
	<b>2018 - Water and Wastewater Utility</b>		<b>2018 - Municipal Drainage Utility</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual pension experience	\$ 183,778	\$ 2,460,610	\$ 11,688	\$ 173,792
Changes in assumptions	4,067,725	-	287,303	-
Net difference between projected and actual earnings on pension assets	1,396,917	-	138,501	-
Changes in proportionate share	524,567	357,836	113,867	383,695
Employer contributions subsequent to the measurement date	2,412,714	-	129,506	-
<b>Total</b>	<b>\$ 8,585,701</b>	<b>\$ 2,818,446</b>	<b>\$ 680,865</b>	<b>\$ 557,487</b>

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**18. PENSION AND RETIREMENT PLAN (Continued)**

For the year ended February 28, 2019, EPWater reported \$2,574,449 for the Water and Wastewater Utility and \$153,843 for the Municipal Drainage Utility as deferred outflows of resources related to pensions resulting from EPWater contributions subsequent to the measurement date and prior to year-end. This amount will be recognized as a reduction of the net pension liability for the year ending February 28, 2020.

For the year ended February 28, 2018, EPWater reported \$2,412,714 for the Water and Wastewater Utility and \$129,506 for the Municipal Drainage Utility as deferred outflows of resources related to pensions resulting from EPWater contributions subsequent to the measurement date and prior to year-end. This amount was recognized as a reduction of the net pension liability for the year ended February 28, 2019.

For the year ended February 28, 2019, the amount recognized as pension expense for the deferred outflows and inflows related to pensions was \$1,003,650 for the Water and Wastewater Utility and \$50,824 for the Municipal Drainage Utility. For the year ended February 28, 2018, the amount recognized as pension expense for the deferred outflows and inflows related to pensions was \$832,692 for the Water and Wastewater Utility and \$42,515 for the Municipal Drainage Utility.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending February	Water and Wastewater Utility	Municipal Drainage Utility
2020	\$ 3,070,859	\$ 181,841
2021	315,490	(11,769)
2022	(486,894)	(101,845)
2023	268,285	(57,843)
2024	503,862	27,727
Thereafter	234,460	(14,984)
Total	\$ 3,906,062	\$ 23,127

Payable to the Pension Plan: At February 28, 2019 and 2018, EPWater reported a payable, including accruals where applicable, of \$436,207 for the Water and Wastewater Utility and \$25,586 for the Municipal Drainage Utility and \$367,343 for the Water and Wastewater Utility and \$18,765 for the Municipal Drainage Utility, respectively, for the outstanding amount of contributions to the pension plan required for each fiscal year.

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**19. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Plan Description - EP Water through the City of El Paso offers its employees a single employer defined healthcare plan with OPEB benefits for retirees. The City sponsors and administers the informal plan. Texas statute provides that retirees from a municipality with a population of 25,000 or more and who receive retirement benefits from a municipal retirement plan are entitled to purchase continued health benefits coverage for the retiree and the retiree's dependents unless the retiree is eligible for group health benefits coverage through another employer. The State of Texas has the authority to establish and amend the requirements of this statute. The City does not issue stand-alone financial statements of the healthcare plan but all required information is presented in this report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided - The contribution requirements of plan members are established by City ordinance and may be amended as needed. Retiree coverage for health care benefits for retirees under age 65 is the same as the coverage provided to active City employees. Retirees over age 65 are covered through a Medicare Advantage Plan. Retirees pay premiums ranging from \$135 per month to \$2,237 per month depending on the coverage elected. The cost of retiree health care benefits in the form of a share of the premiums is recognized on a pay-as-you go financing method and is recorded as an expense as liabilities are incurred. Retirees contributed approximately 51% of the total current year cost.

Employees Covered by Benefit Terms - At February 28, 2019, the following employees were covered by the benefit terms:

	Water and Wastewater Utility	Municipal Drainage Utility
Inactive employees or beneficiaries currently receiving benefits	132	2
Active employees	792	62
Total	924	64

Total OPEB Liability - The EPWater's total OPEB liability of \$19,828,145 is based on an actuarial valuation performed as of January 1, 2019. Update procedures were used to roll forward the total OPEB liability to the measurement date of February 28, 2019.

Actuarial assumptions and other inputs - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial assumptions for OPEB are based on the experience study performed in 2016 for the pension plan. OPEB specific assumptions, such as healthcare trend rates and plan participation, are reviewed during each full actuarial valuation.

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**19. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

The EPWater's total OPEB liability based on the actuarial valuation as of January 1, 2019 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	3.70% as of February 28, 2019
Inflation	2.50%
Salary Increases	0.00% to 1.50%, not including wage inflation of 3.00%
Demographic Assumptions	The demographic assumptions are the same as those used in the City of El Paso Employees Retirement Trust actuarial valuation as of September 1, 2018.
Mortality	For healthy retirees, the gender-distinct RP-2014 Employee Mortality Tables with Blue Collar Adjustment projected to the year 2030 with Scale BB are used. No additional provision is made for future improvements in mortality after the measurement date other than the margins described above. For disabled retirees, the gender-distinct RP-2014 Disabled Retiree Mortality Tables are used. No provision is made for future improvements in mortality after the measurement date.
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.75% after 13 years. The ultimate trend rate was increased by 0.50% to reflect the anticipated costs of the Cadillac Tax.
Participation Rates	35% for eligible retirees between the ages of 50 and 65; 40% for eligible retirees with age greater than 65; 0% for eligible retirees with age less than 50. 45% of retirees were assumed to have 2-person coverage.

The discount rate at February 28, 2019 is based on the Fidelity 20-Year Municipal GO AA Index. The discount rate was 3.72% as of February 28, 2018.

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**19. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Changes in the Total OPEB Liability:

	Water and Wastewater Utility	Municipal Drainage Utility
Balance at March 1, 2018	\$ 17,148,426	\$ 1,337,361
Changes for the year:		
Service cost	1,009,932	78,762
Interest	648,110	50,544
Changes of assumptions	49,392	3,852
Benefit payments	(462,189)	(36,045)
Net changes	1,245,245	97,113
Balance at February 28, 2019	<u>\$ 18,393,671</u>	<u>\$ 1,434,474</u>

Changes of assumptions reflect a change in the discount rate from 3.72% as of February 28, 2018 to 3.70% as of February 28, 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of EPWater by utility, calculated using the discount rate of 3.70%, as well as what EPWater's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.7%)	Discount Rate (3.7%)	1% Increase (4.7%)
<b>02/28/2019</b>			
Water and Wastewater Utility			
Total OPEB Liability	<u>\$ 21,152,501</u>	<u>\$ 18,393,671</u>	<u>\$ 16,150,849</u>
<b>02/28/2019</b>			
Municipal Drainage Utility			
Total OPEB Liability	<u>\$ 1,649,629</u>	<u>\$ 1,434,474</u>	<u>\$ 1,259,563</u>

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**19. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of EPWater by utility, calculated using the assumed trend rates, as well as what EPWater's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

		Current Healthcare Cost Trend Rate Assumption	
<b>02/28/2019</b>	1% Decrease		1% Increase
Water and Wastewater Utility			
Total OPEB Liability	\$ 15,770,802	\$ 18,393,671	\$ 21,718,159

		Current Healthcare Cost Trend Rate Assumption	
<b>02/28/2019</b>	1% Decrease		1% Increase
Municipal Drainage Utility			
Total OPEB Liability	\$ 1,229,924	\$ 1,434,474	\$ 1,693,743

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the fiscal year ended February 28, 2019, EPWater recognized OPEB expense of \$1,663,346 and \$129,720 for Water and Wastewater Utility and Municipal Drainage Utility, respectively. At February 28, 2019, EPWater reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Water and Wastewater Utility		Municipal Drainage Utility	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Changes in assumptions	44,088	-	3,438	-
Total	\$ 44,088	\$ -	\$ 3,438	\$ -

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**19. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending February 28,	Water and Wastewater Utility	Municipal Drainage Utility
2020	\$ 5,304	\$ 414
2021	5,304	414
2022	5,304	414
2023	5,304	414
2024	5,304	414
Thereafter	17,568	1,368
Total	<u>\$ 44,088</u>	<u>\$ 3,438</u>

**20. OTHER OPEB DISCLOSURES**

Because EPWater implemented GASB Statement No. 75 effective March 1, 2018, the following post-employment benefit plan disclosures are presented for the EPWater's OPEB plan for the year ended February 28, 2018 in accordance GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

The contribution requirements of plan members are established by City ordinance and may be amended as needed. Retiree coverage is the same as the coverage provided to active City employees and for retirees under 65. Retirees over 65 are covered through a Medicare Advantage Plan. Retirees pay premiums ranging from \$101 per month to \$2,201 per month depending on the coverage elected. The cost of retiree health care benefits is recognized on a pay-as-you-go financing method and is recorded as an expense as liabilities are incurred. There were 834 retirees (including the City and EPWater) covered under this plan at August 31, 2017. Dependent coverage was provided for 179 of the retirees. Total benefits (including the City and EPWater) paid for retirees during the year ended August 31, 2017 was approximately \$9,939,924. For the year ended August 31, 2017, retirees contributed \$4,681,165 or 47% of the total current year cost.

**Funding Policy**

The City's adopted budget policy maintains that retirees must pay 45% of the cost of premiums. Retirees are responsible for the full cost of coverage for their dependents who participate in the plan. The City employs a pay-as-you-go method and adjusts the rates annually as needed. EPWater self-funds its benefits plan that is offered to its employees and pays premiums to a fully insured plan for its retirees.

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**20. OTHER OPEB DISCLOSURES (Continued)**

**Annual OPEB costs and Net OPEB Obligation**

EPWater's annual other post-employment benefit (OPEB) expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year ended February 28, 2018, the amount actually contributed to the plan, and changes in the net OPEB obligation.

<b>February 28, 2018</b>	<b>Water and Wastewater Utility</b>	<b>Municipal Drainage Utility</b>
Annual Required Contribution	\$ 1,310,092	\$ 79,524
Interest on Net OPEB Obligation	379,590	16,611
Adjustment to Annual Required Contribution	<u>(369,784)</u>	<u>(16,182)</u>
Annual OPEB Cost	1,319,898	79,953
Less Contributions Made	<u>(498,911)</u>	<u>(8,290)</u>
Increase in Net OPEB Obligation	820,987	71,663
Net OPEB Obligation - Beginning of year	<u>9,489,755</u>	<u>415,276</u>
Net OPEB Obligation - End of year	<u><u>\$ 10,310,742</u></u>	<u><u>\$ 486,939</u></u>

The Water and Wastewater Utility's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending February 28, 2018 and the preceding two fiscal years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2018	\$ 1,319,898	\$ 498,911	37.80%	\$ 10,310,742
2017	1,280,890	458,996	35.83%	9,489,755
2016	1,420,265	442,332	31.14%	8,667,861



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**20. OTHER OPEB DISCLOSURES (Continued)**

The Municipal Drainage Utility's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending February 28, 2018 and the preceding two fiscal years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2018	\$ 79,953	\$ 8,290	10.37%	\$ 486,939
2017	77,564	6,785	8.75%	415,276
2016	82,669	6,785	8.21%	344,497

Management feels that the contributions made during the year to other post-employment benefits will offset any claims paid during the year. Therefore, the entire liability is estimated to be long term and recorded as such.

**Funded Status and Funding Progress**

As of January 1, 2017, the most recent actuarial valuation date, the plan was not funded as shown in the table below:

	Water and Wastewater Utility	Municipal Drainage Utility
Actuarial Accrued Liability (AAL)	\$ 15,218,444	\$ 730,205
Actuarial Value of Plan Assets	-	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 15,218,444</u>	<u>\$ 730,205</u>
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll	\$ 31,496,593	\$ 2,251,480
Unfunded actuarial accrued liability as a percentage of covered payroll	48.32%	32.43%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of EPWater's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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**20. OTHER OPEB DISCLOSURES (Continued)**

**Actuarial Methods and Assumptions**

Projections of health benefits are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant method and assumptions used for this fiscal year valuation were as follows:

*Actuarial Methods and Assumptions*

Actuarial Valuation Date	January 1, 2017
Actuarial Cost Method	Individual Entry Age Normal Cost Method
Amortization Method	Level as a percentage of employee payroll
Amortization Period	30 year, open amortization
Inflation Rate	2.5% per annum
Investment Rate of Return	4% net of expenses
Payroll Growth	3% per annum
Pre-65 healthcare cost trend rate	Initial rate of 7.5% declining to an ultimate rate of 4.75% after 13 years
Post-65 healthcare cost trend rate	Initial rate of 5.7% declining to an ultimate rate of 4.25% after 15 years

**21. DEFERRED COMPENSATION**

The EPWater through the City of El Paso offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457.

The plan, available to all EPWater employees, permits them to defer a portion of their salaries until future years. EPWater does not make any contributions to the plan. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death. The investments are managed by an outside administrator and investment options are made by participants.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants.

In management's opinion, EPWater has no liability for losses under the Plan. However, the City of El Paso and EPWater have the duty of due care that would be required of an ordinary, prudent fiduciary.

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**22. LEASING ARRANGEMENTS WITH EPWATER AS LESSOR**

EPWater leases real properties under various long-term lease agreements under the operating method of accounting for leases. Minimum future rentals to be received on non-cancelable leases as of February 28, 2019, for each of the next five years and in the aggregate are:

Water and Wastewater Utility

Year ended February	Amount
2020	\$ 3,104,056
2021	3,039,651
2022	2,795,018
2023	2,705,441
2024	2,403,356
2025 - 2029	8,326,403
2030 - 2034	2,099,227
2035 - 2039	77,333
2040 - 2044	1,320
2045 - 2049	1,320
2050 - 2054	1,320
2055 - 2059	1,122
Total minimum future rentals	<u>\$ 24,555,567</u>

Municipal Drainage Utility

Year ended February	Amount
2020	\$ 25,079
2021	24,703
2022	10,592
2023	9,342
2024	9,342
2025 - 2029	41,785
2030 - 2034	45,600
2035 - 2039	3,600
2040	120
Total minimum future rentals	<u>\$ 170,163</u>

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**23. LEASING ARRANGEMENTS WITH EPWATER AS LESSEE**

EPWater leases buildings, land, computer equipment, uniforms, golf carts, and copiers for the Water and Wastewater Utility and the Municipal Drainage Utility under various long-term lease agreements which are recognized using the operating method of accounting for leases. Minimum future payments as of February 28, 2019 are as follows:

Water and Wastewater Utility

Year ended February	Amount
2020	\$ 1,232,912
2021	803,463
2022	450,332
2023	442,526
2024	436,950
2025 - 2029	2,197,148
2030 - 2034	2,212,565
2035 - 2039	2,229,943
2040 - 2044	2,249,560
2045 - 2049	2,121,414
2050 - 2054	2,047,500
2055 - 2059	2,047,500
2060	102,375
	<u>\$ 18,574,188</u>

Rental expense for the years ended February 28, 2019 and 2018 was \$1,527,236 and \$1,210,590, respectively.

Municipal Drainage Utility:

Year ended February	Amount
2020	\$ 16,099
2021	11,885
	<u>\$ 27,984</u>

Rental expense for the years ended February 28, 2019 and 2018 was \$22,114 and \$24,907, respectively.

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**24. WHOLESALE WATER SUPPLY AND WASTEWATER TREATMENT CONTRACTS**

EPWater has entered into various wholesale water supply and wastewater treatment contracts to supply water and provide wastewater treatment to several Municipal Utility Districts and other entities which provide retail service to their customers. The contracts vary in length from 5 years to 20 years with renewal options available with the consent of both parties. The wholesale rates are updated annually based on cost of service including specific cost credits or offsets to specific entities due to grant proceeds related to specific water and wastewater service areas.

The following is a summary of wholesale water and wastewater rates to each entity served by EPWater:

<u>Name of Entity</u>	<u>Water Rate</u>	<u>Wastewater Rate</u>
Lower Valley Water District	\$1.12 per ccf	\$1.27 per ccf
County - East Montana	\$1.88 per ccf	N/A
Haciendas Del Norte WID	\$1.70 per ccf	N/A
Gaslight Square MHE	\$2.78 per ccf	\$1.95 per ccf
Paseo del Este MUD	\$2.67 per ccf	\$2.23 per ccf
(includes fixed base differential rate of \$0.26 for water and \$0.33 for wastewater)		
Fort Bliss	\$1.18 per ccf	\$1.95 per ccf
County - Mayfair/Nuway and Schuman	\$2.30 per ccf	N/A
County - Colonia Revolucion	\$3.60 per ccf	N/A

Transactions with these entities are summarized below:

	<u>2019</u>	<u>2018</u>
Water Sales	<u>\$ 6,896,992</u>	<u>\$ 6,063,979</u>
Wastewater Services	<u>\$ 4,555,204</u>	<u>\$ 4,151,958</u>

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**25. SURFACE WATER CONTRACTS**

The EPWater purchases all its Rio Grande Project surface water from the El Paso County Water Improvement District #1 (District) through various contracts, briefly described below, among the United States Department of Interior-Bureau of Reclamation, the Lower Valley Water District (LVWD), and the City of El Paso, through EPWater.

In a full allocation year, EPWater is currently entitled to receive approximately 27,992.51 acre feet (AF) of District water under two contracts titled the "1941 Contract" and the "1962 Contract". The 1941 Contract authorizes EPWater to purchase up to 2,000 acres of water rights land and to receive the water appurtenant to such land. The 1962 Contract authorizes EPWater to lease the water rights from residential land tracts inside the city limits and to receive the annual water allotment up to a maximum of 3.50 AF per acre. Under these two contracts, EPWater currently receives water based on its full land purchase authorization of 2,000 acres and 5,997.86 acres of leased water rights, whose terms range from 25 years to 75 years. During calendar year 2018, the cost of the water purchased from the District for the water associated with the land owned was composed of two parts; a land assessment fee of \$25 per acre, plus a water assessment fee of \$20 per AF. These two charges plus a one-time administrative fee of \$100 and an account service charge of \$12 per lease also applies to the water acquired through leases. EPWater also receives water rights associated with land owned and leases on 3,830.77 acres obtained within the LVWD. During a full allocation year, these LVWD water rights are equivalent to 15,323.08 AF worth of raw surface water.

In April of 2001, EPWater executed a contract titled "2001 Implementing Third Party Contract" (ITPC) which allows EPWater to purchase up to 28,116 AF of District water, and as little as zero AF, based on the District's annual water allotment. EPWater currently owns a total 3,132.60 acres of water rights land. Under the terms of the ITPC (as amended March 2010), EPWater pays \$15 per AF in the initial year of the contract for water allotted to EPWater owned acreage in excess of 2,000 acres, up to a 2,250 acre maximum. This price is adjusted annually by the "Consumer Price Index-All Urban Consumers, All Items". For all other water made available by the District under this contract, EPWater pays \$193.50 per AF for the calendar year commencing January 1, 2001, escalating to \$260 per AF for the calendar year commencing January 1, 2010. In March of 2010, the PSB and the District executed a First Amendment to the ITPC in which the parties agreed to increase said price by the CPI starting on January 1, 2013, with the price for the 2011 and 2012 calendar years set a \$260 per AF. This amendment also increased the quantity of water allotted pursuant to PSB owned acreage in excess of 3,000 acres to 3,250 acres.

Also under the terms of the ITPC, in any year when the Directors of the District determine that the annual water allotment is two AF or greater, then for each AF of usable sewage effluent discharged by EPWater from the Haskell R. Street Wastewater Treatment Plant into the American Canal, the District allows the City a credit against any charges of the District equal to the current year's price per AF multiplied by one-half. The maximum allowable credit for usable sewage effluent for any given year is 15,000 AF.

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**25. SURFACE WATER CONTRACTS (Continued)**

In addition to the price of District water, EPWater pays the federal revenue component on all District water delivered to EPWater. This federal revenue component is \$5 per AF or 5% of current year's contract price of the water, whichever is greater. In calendar year 2018, EPWater received an allotment of 3.50 AF per acre of surface water and treated 49,412.86 AF of this water for distribution to its customers.

This note is intended to summarize major components of the contracts; however, it is recommended that the contracts be reviewed, in their entirety, by interested parties.

**26. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

Through the ordinary course of its operations, EPWater becomes subject to various claims and litigation. As of the date of these financial statements, EPWater was named in various legal actions. To the extent the outcome of such litigation is determined to result in probable loss to the EPWater, such loss is accrued in the financial statements. However, as of February 28, 2019, no amounts have been accrued because legal counsel has not determined that the litigation will result in a probable loss to EPWater since the outcome cannot be determined at this time. Management and legal counsel are of the opinion that settlement of these claims and pending litigation will not have a materially adverse effect on EPWater's financial statements.

EPWater has received federal and state financial assistance for specific purposes that are subject to review and audit by the grantor agencies. Although management believes compliance with grant guidelines is adhered to, grantor audits could result in requests for reimbursement of expenditures determined to be disallowed. Management believes such disallowances, if any, will be immaterial.

EPWater has ongoing construction projects under non-cancelable contracts. At February 28, 2019, the Water and Wastewater Utility had appropriations and estimated commitments for services yet to be performed that totaled \$171,770,104. At February 28, 2019, the Municipal Drainage Utility had appropriations and estimated commitments for services yet to be performed totaling \$23,586,071.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
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**27. RELATED PARTY TRANSACTIONS WITH CITY OF EL PASO**

From time to time, EPWater may enter into transactions with related parties through the normal course of business. If a Board member has a conflict of interest, proper documentation is completed and he/she is required to abstain from any discussion or voting regarding the matter.

The Public Service Board - El Paso Water Utilities makes payments to the City of El Paso based upon a percentage of water sales. In addition, EPWater acts as a billing and collecting agent for environmental services for the City. The following is a summary of those transactions:

	<u>2019</u>	<u>2018</u>
Revenues from City:		
Water and Wastewater Sales	\$ 6,323,854	\$ 5,402,321
Billing and Collecting Agent fees	916,255	906,351
Drainage fees	473,239	447,732
Expenses to City:		
10% of Water Sales	14,582,830	13,551,708
5% on gain on sale of land	47,808	244
Interest paid on garbage collection fees	114,176	51,076
Franchise fee	3,588,827	3,584,130
Receivable:		
Accounts Receivable from City	9,347,710	9,240,157
Payable:		
Garbage collections fees payable to City	6,205,890	5,182,878
10% of water sales payable to City	844,524	797,497
Franchise fee payable to City	309,540	303,988
Property and health insurance payable to City	315,300	43,218
City projects and other expenses payable to City	2,944,531	360,956

**28. FRANCHISE FEE DUE TO THE CITY OF EL PASO**

Effective September 1, 2014, City Council established a Franchise fee to be paid by EPWater to compensate the City of El Paso for the use of city streets and rights of way for utility lines and wear and tear on City streets in a total amount of Three Million Five Hundred Fifty Thousand (\$3,550,000). Effective September 1, 2016, City Council renewed the fee in the same amount and the fee is charged to all residential, non-residential, and standby fire protection accounts based on meter size. For fiscal year ended February 28, 2019, \$3,588,827 has been billed of which \$3,279,287 has been paid to the City of El Paso. For fiscal year ended February 28, 2018, \$3,584,130 had been billed of which \$3,280,142 had been paid to the City of El Paso.

**29. RESTRICTED NET POSITION**

Amounts have been restricted for construction projects and for payment of bonded debt.



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**30. NEW ACCOUNTING PRONOUNCEMENTS**

EPWater has not completed the process of evaluating the impact on its financial position that will result from adopting Governmental Accounting Standards Board (GASB) Statements No. 83, *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018, No. 87, *Leases*, effective for periods beginning after December 15, 2019, No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018, and No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019. GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. GASB Statement No. 88 improves disclosures related to debt, including direct borrowings and direct placements of debt separately from other debt. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

**31. PRIOR PERIOD ADJUSTMENT**

Due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*, EPWater adjusted its beginning net position for both the Water and Wastewater Utility and the Municipal Drainage Utility to properly reflect the total OPEB liability and deferred outflow of resources as prescribed by this accounting standard. This adjustment reduced the beginning fund net position of the Water and Wastewater Utility at March 1, 2019 by \$6,837,684 and of the Municipal Drainage Utility by \$850,422 for a total reduction in the beginning net position of \$7,688,106. Sufficient data was not available to restate the financial statements for the year ended February 28, 2018, therefore, as permitted by GASB Statement No. 75, only the financial statement information for the year ended February 28, 2019 reflects the requirements of the new accounting standard.

**32. SUBSEQUENT EVENTS**

On April 23, 2019, the Public Service Board - El Paso Water Utilities through the Texas Water Development Board closed on \$1,415,000 in Water and Sewer System Revenue Bonds, Series 2019 with an average interest rate of 3.04%, and also received a \$11,450,000 Texas Water Development Board Economically Distressed Areas Program Grant (G1000915) to fund a wastewater project in East Montana.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# REQUIRED SUPPLEMENTARY INFORMATION

## PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES A COMPONENT UNIT OF THE CITY OF EL PASO

### Schedule of EPWater's Proportionate Share of the Net Pension Liability - City of El Paso Employees Retirement Trust

2015 through 2019

	September 1, 2017 - August 31, 2018	September 1, 2016 - August 31, 2017	September 1, 2015 - August 31, 2016	September 1, 2014 - August 31, 2015	September 1, 2013 - August 31, 2014
<b>WATER AND WASTEWATER UTILITY</b>					
Water and Wastewater Utility Proportion of the net pension liability	18.80%	18.80%	18.42%	18.70%	18.70%
Water and Wastewater Utility Proportionate Share of the net pension liability	\$ 38,351,408	\$ 37,581,946	\$ 41,023,517	\$ 36,549,779	\$ 23,807,227
Water and Wastewater Utility covered payroll	35,663,788	31,819,525	30,668,420	30,351,808	30,170,368
Water and Wastewater Utility proportionate share of the net pension liability as a percentage of its covered payroll	107.54%	118.11%	133.76%	120.42%	78.91%
Plan fiduciary net position as a percentage of the total pension liability	80.09%	79.52%	76.46%	78.22%	85.26%

	September 1, 2017 - August 31, 2018	September 1, 2016 - August 31, 2017	September 1, 2015 - August 31, 2016	September 1, 2014 - August 31, 2015	September 1, 2013 - August 31, 2014
<b>MUNICIPAL DRAINAGE UTILITY</b>					
Municipal Drainage Utility Proportion of the net pension liability	1.10%	1.10%	1.30%	1.20%	1.20%
Municipal Drainage Utility Proportionate Share of the net pension liability	\$ 2,237,205	\$ 2,189,770	\$ 2,897,485	\$ 2,385,949	\$ 1,508,877
Municipal Drainage Utility covered payroll	1,991,054	2,111,541	2,139,251	1,984,729	1,872,526
Municipal Drainage Utility proportionate share of the net pension liability as a percentage of its covered payroll	112.36%	103.70%	135.44%	120.22%	80.58%
Plan fiduciary net position as a percentage of the total pension liability	80.09%	79.52%	76.46%	78.22%	85.26%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be presented for the Plan's measurement year (September 1<sup>st</sup>- August 31<sup>st</sup>) as opposed to EPWater's fiscal year.

Note: Only five years of data are presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedule should not include information that is not measured in accordance with the requirements of this Statement."

# REQUIRED SUPPLEMENTARY INFORMATION

## PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES A COMPONENT UNIT OF THE CITY OF EL PASO

### Schedule of EPWater's Contributions - City of El Paso Employees Retirement Trust

2015 through 2019\*

WATER AND WASTEWATER UTILITY	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Statutorily required Water and Wastewater Utility contribution	\$ 4,993,530	\$ 4,656,649	\$ 4,349,696	\$ 4,298,584	\$ 4,175,866
Contributions in relation to the statutorily required contribution	4,993,530	4,656,649	4,349,696	4,298,584	4,175,866
Contribution deficiency (excess)	-	-	-	-	-
Water and Wastewater Utility covered payroll	35,239,408	33,036,310	30,853,310	30,595,084	30,421,325
Contributions as a percentage of covered payroll	14.17%	14.10%	14.10%	14.05%	13.73%

MUNICIPAL DRAINAGE UTILITY	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Statutorily required Municipal Drainage Utility contribution	\$ 293,007	\$ 267,945	\$ 320,122	\$ 292,582	\$ 264,695
Contributions in relation to the statutorily required contribution	293,007	267,945	320,122	292,582	264,695
Contribution deficiency (excess)	-	-	-	-	-
Municipal Drainage Utility covered payroll	2,055,806	1,924,892	2,179,051	2,082,429	1,927,762
Contributions as a percentage of covered payroll	14.25%	13.92%	14.69%	14.05%	13.73%

\*Note: GASB 68, Paragraph 81, requires that the data in this schedule be presented for EPWater's respective fiscal year of March 1 through the last day of February as opposed to the measurement year.

Note: Only five years of data are presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedule should not include information that is not measured in accordance with the requirements of this Statement."

Note: The amounts listed above are the actual employer contributions. The actuarially determined contributions required to be disclosed under GASB 68 were not determined since the City and Member contribution rates are established by ordinance.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
A COMPONENT UNIT OF THE CITY OF EL PASO**

**Notes to Pension Required Supplementary Information Schedules -  
City of El Paso Employees Retirement Trust**

*Changes of benefit terms*

There were no changes of benefit terms that affected the measurement of the total pension liability since the prior measurement date.

*Changes of assumptions*

There were no changes in the actuarial assumption or methods since the previous valuation.

**Methods and Assumptions Used to Determine Contribution Rates:**

	2018	2017	2016	2015	2014
Actuarial Cost Method	Entry-age - normal-level percentage of pay	Entry-age - normal-level percentage of pay	Entry-age - normal-level percentage of pay	Entry age normal - normal-level percentage of pay	Entry age normal - normal-level percentage of pay
Amortization Method	Level Percentage of Payroll, Open	Level Percentage of Payroll, Open	Level Percentage of Payroll, Open	Level Percentage of Payroll, Open	Level Percentage of Payroll, Open
Remaining Amortization Period	14 years	14 years	17 years	17 years	11 years
Asset Valuation Method	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value
Inflation	3.00%	3.00%	3.00%	3.50%	3.50%
Salary Increases	3.0%, average, inflation included	3.0%, average, inflation included	3.0%, average, inflation included	4.00% to 5.7%, including inflation	4.00% to 5.7%, including inflation
Investment Rate of Return	7.5%	7.5%	7.5%	7.5%	7.5%
Retirement Age	Experience-based table of rates that are specific to the CERT plan of benefits. Last updated for the 2016 valuation.	Experience-based table of rates that are specific to the CEPF plan of benefits. Last updated for the 2016 valuation.	Experience-based table of rates that are specific to the CEPF plan of benefits. Last updated for the 2016 valuation.	Experience-based table of rates that are specific to the CEPF plan of benefits. Last updated for the 2011 valuation.	Experience-based table of rates that are specific to the CEPF plan of benefits. Last updated for the 2011 valuation.
Mortality	RP-2014 Table with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Tables for Disabled Lives.	RP-2014 Table with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Tables for Disabled Lives.	RP-2014 Table with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Tables for Disabled Lives.	RP2000 Combined Mortality Table set forward two years projected to 2017 with Scale AA forecasts of mortality improvement, with separate rates for males and females.	RP2000 Combined Mortality Table set forward two years projected to 2017 with Scale AA forecasts of mortality improvement, with separate rates for males and females.

Note: GASB 68, Paragraph 81 requires that the information on this schedule be presented for the Plan's measurement year (September 1<sup>st</sup>- August 31<sup>st</sup>) as opposed to EPWater's fiscal year.

As of April 2018, the plan name formally changed from El Paso City Employees' Pension Fund (CEPF) to City of El Paso Employees Retirement Trust (CERT).



el paso  
**WATER**

**REQUIRED SUPPLEMENTARY INFORMATION**

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**Schedule of Changes in the EPWater's Total OPEB Liability and Related Ratios (GASB 75)**

February 28, 2019

	<u>2019</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 1,009,932
Interest	648,110
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	49,392
Benefit payments	<u>(462,189)</u>
<b>Net change in total OPEB liability</b>	1,245,245
<b>Total OPEB liability - beginning</b>	<u>17,148,426</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 18,393,671</u></u>
<b>Covered employee payroll</b>	\$ 36,499,902
<b>Total OPEB liability as a percentage of covered employee payroll</b>	50.39%

**Notes to Schedule:**

Changes of assumptions reflect a change in the discount rate from 3.72% as of February 28, 2018 to 3.70% as of February 28, 2019.

Only one year of data is presented in accordance with GASB 75, Paragraph 245. "The information for all years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In those cases, during the transition period, that information should be presented for as many years as are available. The schedule should not include information that is not measured in accordance with the requirements of this Statement."

**REQUIRED SUPPLEMENTARY INFORMATION**

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**Schedule of Changes in the EPWater's Total OPEB Liability and Related Ratios (GASB 75)**

February 28, 2019

	<u>2019</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 78,762
Interest	50,544
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	3,852
Benefit payments	<u>(36,045)</u>
<b>Net change in total OPEB liability</b>	97,113
<b>Total OPEB liability - beginning</b>	<u>1,337,361</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 1,434,474</u></u>
<b>Covered employee payroll</b>	\$ 2,153,701
<b>Total OPEB liability as a percentage of covered employee payroll</b>	66.61%

**Notes to Schedule:**

Changes of assumptions reflect a change in the discount rate from 3.72% as of February 28, 2018 to 3.70% as of February 28, 2019.

Only one year of data is presented in accordance with GASB 75, Paragraph 245. "The information for all years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In those cases, during the transition period, that information should be presented for as many years as are available. The schedule should not include information that is not measured in accordance with the requirements of this Statement."



**REQUIRED SUPPLEMENTARY INFORMATION**

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**Other Post-Employment Benefit Plan (GASB 45)  
Schedule of Funding Progress**

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Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded AAL as a Percent of Covered Payroll (4)/(5)
01/01/2017	\$ -	\$15,218,444	0.00%	\$15,218,444	\$31,496,593	48.32%
01/01/2015	-	14,019,879	0.00	14,019,879	30,374,930	46.16
01/01/2013	-	13,411,767	0.00	13,411,767	29,165,415	45.99

**Other Post-Employment Benefits Plan  
Schedule of Employer Contributions**

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Fiscal Year	(1) Actual Contribution	(2) Annual Required Contribution	(3) Percent Contributed (1)/(2)
2018	\$498,911	\$1,310,092	38.08%
2017	458,996	1,271,934	36.09
2016	442,332	1,394,827	31.71

**REQUIRED SUPPLEMENTARY INFORMATION**

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**Other Post-Employment Benefit Plan (GASB 45)  
Schedule of Funding Progress**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded AAL as a Percent of Covered Payroll (4)/(5)
01/01/2017	\$ -	\$730,205	0.00%	\$730,205	\$2,251,480	32.43%
01/01/2015	-	604,874	0.00	604,874	2,297,528	26.33
01/01/2013	-	372,081	0.00	372,081	1,653,481	22.50

**Other Post-Employment Benefits Plan  
Schedule of Employer Contributions**

Fiscal Year	(1) Actual Contribution	(2) Annual Required Contribution	(3) Percent Contributed (1)/(2)
2018	\$8,290	\$79,524	10.42%
2017	6,785	77,208	8.79
2016	6,785	81,780	8.30

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
A COMPONENT UNIT OF THE CITY OF EL PASO**

**NOTES TO OPEB REQUIRED SUPPLEMENTARY  
INFORMATION (GASB 45)**

February 28, 2018

*Changes of Assumption/Method*

1. In anticipation of GASB 75, the actuarial cost method was changed from Projected Unit Credit to Individual Entry Age. This change increased the OPEB liability by approximately 5.00%.
2. The inflation rate assumption was lowered from 3.00% to 2.50%. This change affected the discount rate assumption and the ultimate trend assumption.
3. The discount rate for the unfunded scenario was decreased from 4.50% to 4.00%. This change increased the ARC and associated liabilities. The discount rate for the funding scenario was decreased from 7.50% to 7.00%.
4. The trend rates were reset to better reflect the plan's anticipated experience and the new inflation assumption. This change lowered the ARC and associated liabilities.
5. Mortality and other demographic assumptions have been updated to match those used in the September 1, 2016 El Paso City Employees' Pension Fund valuation.
6. The tables used to model the impact of aging on the underlying claims were updated based on the Society of Actuaries' 2013 Study "Health Care Costs – From Birth to Death".

## **SUPPLEMENTARY SCHEDULES**

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**STATEMENTS OF NET POSITION**

February 28, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 29,858,943	\$ 23,035,090
Investments	2,975,082	9,494,521
Accounts receivable - customers	25,310,387	22,582,767
Accounts receivable - other	1,916,665	942,748
Leased property investment costs	373,137	-
Accrued interest receivable	191,388	125,966
Inventory - materials and supplies	2,284,829	2,065,782
Other current assets	570,794	1,660,155
Prepaid expenses	1,970,076	1,967,549
Due from Municipal Drainage Utility	46,473	28,551
Restricted current assets		
Restricted for bond requirements		
Cash and cash equivalents	67,076,517	51,349,773
Investments	26,502,646	33,916,717
Restricted for construction and improvements		
Cash and cash equivalents	98,648,673	187,966,375
Investments	14,669,062	12,000,000
Accounts receivable government grants	672,730	859,804
Notes receivable	26,829	34,325
Total current assets	<u>273,094,231</u>	<u>348,030,123</u>
Noncurrent assets		
Accounts receivable - City of El Paso	9,225,042	9,225,042
Leased property investment costs	3,358,229	-
Restricted noncurrent assets		
Restricted for bond requirements		
Investments	625,581	-
Capital assets		
Water and Wastewater Utility capital assets	2,255,241,368	2,207,643,917
Land and right of way	278,966,362	224,302,145
Construction work in progress	182,300,846	86,353,500
Less accumulated depreciation	(1,088,248,936)	(1,025,019,767)
Total capital assets (net of accumulated depreciation)	<u>1,628,259,640</u>	<u>1,493,279,795</u>
Total noncurrent assets	<u>1,641,468,492</u>	<u>1,502,504,837</u>
Total assets	<u>1,914,562,723</u>	<u>1,850,534,960</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on bond refunding	4,055,506	4,661,357
Deferred pension contributions	2,574,449	2,412,714
Difference in projected and actual earnings on pension assets	-	1,396,917
Difference in expected and actual pension experience	2,643,059	183,778
Change in assumptions pension	2,640,453	4,067,725
Change in proportionate share pension	503,765	524,567
Change in assumptions OPEB	44,088	-
Total deferred outflows of resources	<u>12,461,320</u>	<u>13,247,058</u>
Total assets and deferred outflows of resources	<u>\$ 1,927,024,043</u>	<u>\$ 1,863,782,018</u>

	2019	2018
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 3,588,935	\$ 3,882,318
Environmental Services collections and other payments due to City of El Paso	7,359,963	6,284,363
Customer deposits	10,722,705	10,214,425
Accrued vacation payable	1,936,844	1,898,673
Accrued payroll and benefits	2,601,156	2,159,375
Unearned revenue on land leases	787,498	629,855
Other current liabilities	183,782	520,262
Self-insurance workers' compensation and health claims	238,627	517,178
Other governments payable - current	161,396	154,307
Current liabilities payable from restricted assets		
Revenue bonds payables and unamortized premium: net of discounts	46,926,791	41,753,423
Accrued interest on long term debt	13,611,590	13,307,015
Accounts payable	23,831,539	13,584,952
Land notes payable	-	914,885
Land notes interest payable	-	12,397
Customer advances for construction	1,233,190	3,339,608
Retainage payable on construction contracts	3,433,985	1,891,699
Total current liabilities	<u>116,618,001</u>	<u>101,064,735</u>
Noncurrent liabilities		
Revenue bonds payables and unamortized premiums net of discounts	760,734,062	777,323,497
Other governments payable	1,892,725	2,054,121
Commercial paper notes	15,000,000	10,000,000
Other Post-Employment Benefits	-	10,310,742
Total OPEB Liability	18,393,671	-
Net Pension Liability	38,351,408	37,581,946
Accrued vacation payable	1,367,997	1,167,053
Self-insurance workers' compensation claims	661,402	451,432
Total noncurrent liabilities	<u>836,401,265</u>	<u>838,888,791</u>
Total liabilities	<u>953,019,266</u>	<u>939,953,526</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Gains on bond refunding	354,002	386,154
Difference in projected and actual earning on pension assets	51,697	-
Difference in expected and actual pension experience	1,597,238	2,460,610
Change in proportionate share pension	232,280	357,836
Total deferred inflows of resources	<u>2,235,217</u>	<u>3,204,600</u>
<b>NET POSITION</b>		
Restricted		
Restricted for debt service	80,593,154	71,959,475
Restricted for construction and improvements	28,418,448	32,763,350
Total restricted	<u>109,011,602</u>	<u>104,722,825</u>
Net investment in capital assets	865,579,492	817,962,873
Unrestricted	(2,821,534)	(2,061,806)
Total net position	<u>971,769,560</u>	<u>920,623,892</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,927,024,043</u>	<u>\$ 1,863,782,018</u>

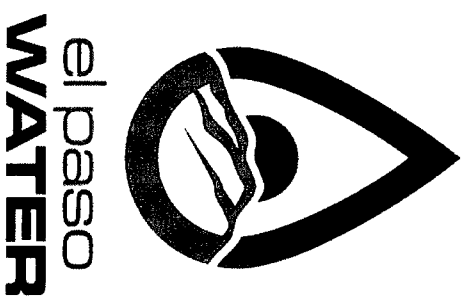
**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION**

For the Years Ended February 28, 2019 and 2018

	2019	2018
Operating revenues:		
Water	\$ 123,904,158	\$ 115,534,990
Water supply replacement charge	29,146,782	26,877,670
Reclaimed water	4,299,939	3,502,798
Wastewater	83,943,118	76,001,732
Customer connection fees	5,904,711	5,400,322
Billing fees - City Environmental Services	641,378	634,446
Rent revenue	3,158,095	2,041,465
City of El Paso Franchise fee	3,588,827	3,584,130
Farm operations revenue	-	7,295,255
Other operating revenue	1,349,760	1,238,416
Total operating revenues	<u>255,936,768</u>	<u>242,111,224</u>
Operating expenses:		
Operations and maintenance - water & reclaimed water	49,304,582	45,569,242
Operations and maintenance - wastewater	25,436,858	23,843,214
General, administrative and engineering expenses	25,718,114	23,597,684
Farm operations expenses	-	5,712,023
Other operating expenses	1,679,657	1,763,632
Other Post-Employment Benefits	1,663,346	820,987
Pension expense	5,049,735	4,998,067
Depreciation	65,321,686	62,997,545
Payment to City of El Paso Franchise fee	3,588,827	3,584,130
Payment to City of El Paso per bond covenants	14,630,638	13,551,952
Total operating expenses	<u>192,393,443</u>	<u>186,438,476</u>
Operating income	<u>63,543,325</u>	<u>55,672,748</u>
Nonoperating revenues (expenses):		
Interest earnings and net change in fair value of investments	4,978,549	2,450,878
IRS tax credit for Build America Bonds	-	121,044
Gain on land assets converted by sale	1,090,824	4,885
Gain on sale of miscellaneous assets	356,577	342,691
Other nonoperating expenses	(584,040)	(1,107,652)
Interest on long term debt	(22,986,519)	(22,035,064)
Total nonoperating expenses	<u>(17,144,609)</u>	<u>(20,223,218)</u>
Increase in net position, before capital contributions	<u>46,398,716</u>	<u>35,449,530</u>
Federal grant contributions	1,957,033	2,202,247
Capital and non-federal grant contributions	9,627,603	6,863,177
Total contributions	<u>11,584,636</u>	<u>9,065,424</u>
Change in net position	<u>57,983,352</u>	<u>44,514,954</u>
Total net position - beginning	920,623,892	876,108,938
Prior period adjustment	(6,837,684)	-
Total net position - ending	<u>\$ 971,769,560</u>	<u>\$ 920,623,892</u>





**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**STATEMENTS OF CASH FLOWS**

For the Years Ended February 28, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 249,295,823	\$ 236,352,475
Cash received from Municipal Drainage Utility	1,476,147	707,256
Environmental Services fees collected for the City of El Paso	68,381,801	62,126,863
Franchise fees collected	3,588,827	3,577,539
Cash payments to suppliers for goods and services	(65,438,828)	(65,046,146)
Cash payments to employees for services	(42,617,681)	(39,910,147)
Environmental Services fees paid to the City of El Paso	(67,358,779)	(62,078,920)
Payments to City of El Paso per bond covenants	(14,583,611)	(13,462,791)
Payments to City of El Paso Franchise fees	(3,583,276)	(3,571,065)
Cash payments to Municipal Drainage Utility	(157,670)	(152,823)
Net cash provided by operating activities	<u>129,002,753</u>	<u>118,542,241</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from:		
Revenue bonds	26,670,000	133,880,000
Premiums received on revenue bonds	3,697,917	12,068,682
Commercial paper	35,000,000	15,500,000
Cash receipts from grants	2,269,668	2,001,206
Acquisition and construction from capital grants	(2,082,591)	(2,291,652)
Acquisition and construction of capital assets net of disposals	(182,920,114)	(116,030,172)
Refunding revenue bonds	-	(15,460,000)
Refunding commercial paper	(30,000,000)	(28,000,000)
Principal payments on revenue bonds	(37,370,000)	(34,425,000)
Interest and fees on revenue bonds and commercial paper	(26,998,230)	(25,744,374)
Principal payments on land notes payable	(914,885)	(871,337)
IRS tax credit on Build America Bonds	-	121,044
Interest payments on notes and other long term debt	(121,016)	(140,868)
Proceeds from sale of assets net of related expenses	1,447,400	347,575
Net cash used by capital and related financing activities	<u>(211,321,851)</u>	<u>(59,044,896)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the sale and maturities of investment securities	169,483,814	100,159,972
Purchase of investment securities	(158,854,190)	(112,539,247)
Interest received on investment securities	4,922,369	2,646,029
Net cash provided (used) by investing activities	<u>15,551,993</u>	<u>(9,733,246)</u>
Net increase (decrease) in cash and cash equivalents	(66,767,105)	49,764,099
Cash and cash equivalents:		
Beginning of year	262,351,238	212,587,139
End of year	<u>\$ 195,584,133</u>	<u>\$ 262,351,238</u>

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**STATEMENTS OF CASH FLOWS**

For the Years Ended February 28, 2019 and 2018

	2019	2018
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 63,543,325	\$ 55,672,748
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	65,321,686	62,997,545
(Increase) decrease in assets and deferred outflows:		
Accounts receivable	(3,694,041)	(2,741,532)
Inventory	(219,047)	(330,308)
Prepaid expenses	(2,527)	48,130
Other current assets	1,089,361	(117,046)
Due from Municipal Drainage Utility	(17,922)	(28,551)
Deferred outflow-Pension contributions	(161,735)	(203,704)
Deferred outflow-Difference in projected and actual earnings on pension assets	1,396,917	3,892,902
Deferred outflow-Difference in expected and actual pension experience	(2,459,281)	180,013
Deferred outflow-Change in assumptions pension	1,427,272	1,427,272
Deferred outflow-Change in proportionate share pension	20,802	(524,567)
Deferred outflow-Change in assumptions OPEB	(44,088)	-
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable	(293,383)	1,217,499
Other current liabilities	1,405,622	726,617
Due to Municipal Drainage Utility	-	(223,588)
Accrued vacation payable	239,115	110,034
Accrued payroll and benefits	441,781	115,007
Other Post-Employment Benefits	(10,310,742)	820,987
Total OPEB Liability	11,555,988	-
Net Pension Liability	769,462	(3,441,571)
Deferred inflows-Difference in projected and actual earnings on pension assets	51,697	-
Deferred inflows-Difference in expected and actual pension experience	(863,372)	(863,372)
Deferred inflows-Change in proportionate share pension	(125,556)	(125,556)
Self-insurance claims	(68,581)	(66,718)
Net cash provided by operating activities	<u>\$ 129,002,753</u>	<u>\$ 118,542,241</u>
Noncash investing, capital, and financing activities:		
Contribution in aid of construction	\$ 9,502,042	\$ 6,773,772
Increase (decrease) in accounts receivable capital grants	(187,074)	290,446
Change in fair value of investments	9,242	(4,226)
	<u>\$ 9,324,210</u>	<u>\$ 7,059,992</u>

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY**

**OPERATING REVENUES**

For the Years Ended February 28, 2019 and 2018

	2019	2018
Water & reclaimed water revenue		
Metered sales to general customers	\$ 104,914,133	\$ 98,881,541
Metered sales to City of El Paso	5,759,949	4,871,245
Metered sales to Lower Valley Water District	3,046,502	2,887,827
Metered sales to Mayfair/Nuway	92,312	89,528
Metered sales to El Paso County East Montana	718,420	629,495
Metered sales to Haciendas Del Norte	121,094	106,741
Metered sales to Gaslight Square	49,728	46,409
Metered sales to Paseo Del Este	2,204,532	1,677,123
Metered sales to Fort Bliss	643,996	613,724
Metered sales to Colonia Revolucion	20,408	13,131
Reclaimed water sales	4,299,939	3,502,798
Private fire protection	1,146,843	1,008,752
El Paso Electric Company - Newman Plant special rate	290,516	216,717
Outside city charges	2,264,920	1,903,062
New account set up fee	680,315	695,123
Service reinstallation and other fees	1,950,490	1,894,572
Total water & reclaimed water revenue	128,204,097	119,037,788
Water supply replacement charge	29,146,782	26,877,670
Total water revenue	157,350,879	145,915,458
Wastewater revenue		
General customers	77,946,757	70,819,354
City of El Paso	563,905	531,076
Lower Valley Water District	1,387,021	1,116,663
Gaslight Square	27,447	31,537
Paseo Del Este	1,087,025	724,861
Fort Bliss	2,053,712	2,278,898
Industrial sewer surcharge	877,251	499,343
Total wastewater revenue	83,943,118	76,001,732
Other operating revenue		
Customer connection fees	5,904,711	5,400,322
City of El Paso Franchise fee	3,588,827	3,584,130
Property rentals	3,158,095	2,041,465
Billing fees - City Environmental Services	641,378	634,446
Farm operations revenue	-	7,295,255
Other operating revenue	1,349,760	1,238,416
Total other operating revenue	14,642,771	20,194,034
Total operating revenue	\$ 255,936,768	\$ 242,111,224

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY**

**OPERATING EXPENSES**

For the Years Ended February 28, 2019 and 2018

	2019	2018
Water & Reclaimed Water Divisions		
Supply	\$ 11,890,090	\$ 11,873,013
Treatment	25,861,322	22,930,398
Distribution	10,971,780	10,306,069
Reclaimed Water System	581,390	459,762
Total water & reclaimed water divisions	<u>49,304,582</u>	<u>45,569,242</u>
Wastewater Division		
Treatment	17,001,652	15,697,797
Lift stations	2,472,548	2,340,939
Collection lines	3,846,744	3,777,244
Sludge processing	2,115,914	2,027,234
Total wastewater division	<u>25,436,858</u>	<u>23,843,214</u>
General and administrative	<u>25,718,114</u>	<u>23,597,684</u>
Other operating expenses		
Depreciation	65,321,686	62,997,545
Other operating expenses	1,679,657	1,763,632
Farm operations expenses	-	5,712,023
Other Post-Employment Benefits	1,663,346	820,987
Pension expense	5,049,735	4,998,067
Payment to City of El Paso Franchise fee	3,588,827	3,584,130
Payment to City of El Paso per bond covenants	14,630,638	13,551,952
Total other operating expenses	<u>91,933,889</u>	<u>93,428,336</u>
Total operating expenses	<u><u>\$ 192,393,443</u></u>	<u><u>\$ 186,438,476</u></u>

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY**

**NET OPERATING REVENUE - WATER & RECLAIMED WATER**

For the Years Ended February 28, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenue - water and reclaimed water	<u>\$ 128,204,097</u>	<u>\$ 119,037,788</u>
Operating revenue deductions		
Operating expenses	49,304,582	45,569,242
General and administrative	<u>16,919,266</u>	<u>15,531,420</u>
Total operating expense deductions	<u>66,223,848</u>	<u>61,100,662</u>
Net operating revenue - water and reclaimed water	<u>\$ 61,980,249</u>	<u>\$ 57,937,126</u>

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY**

**NET OPERATING REVENUE - WASTEWATER**

For the Years Ended February 28, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenue - wastewater	<u>\$ 83,943,118</u>	<u>\$ 76,001,732</u>
Operating revenue deductions		
Operating expenses	25,436,858	23,843,214
General and administrative	<u>8,798,848</u>	<u>8,066,264</u>
Total operating expense deductions	<u>34,235,706</u>	<u>31,909,478</u>
Net operating revenue - wastewater	<u>\$ 49,707,412</u>	<u>\$ 44,092,254</u>

**PUBLIC SERVICE BOARD - EL PASO WATER**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

ACCOUNTS RECEIVABLE GOVERNMENT GRANTS-OTHER ACCOUNTS RECEIVABLE

February 28, 2019 and 2018

ACCOUNTS RECEIVABLE-GOVERNMENT GRANTS

<u>Government Grant Projects</u>	<u>2019</u>	<u>2018</u>
<u>Federal Grants</u>		
North Central Reclaimed -EPA#XP96638401	\$ 547,169	\$ 571,700
CERRO Process Water Recovery from RO Concentrate Wells USBR #R14AP00086	-	64,127
Aquifer Storage and Recovery - USBR R17AP00323	-	144,900
<u>Non Federal Grants</u>		
Agricultural Water Conservation Fund Demonstration Grant - TWDB Project#1813582260	125,561	-
Montana Vista Collector - TWDB Project #10438 G1000480	-	79,077
 TOTALS	 <u>\$ 672,730</u>	 <u>\$ 859,804</u>

OTHER ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Charges to contractors and job damages	\$ 687,053	\$ 802,962
Local and State Governments	40,412	53,925
Lease revenue receivables	<u>1,189,200</u>	<u>85,861</u>
 TOTALS	 <u>\$ 1,916,665</u>	 <u>\$ 942,748</u>

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**CHANGES IN REVENUE BONDS PAYABLE**

For the Years Ended February 28, 2019 and 2018

<u>Bond Series</u>	Bonds payable February 28, 2018	Additions	Retirements	Bonds payable February 28, 2019
2003A Revenue Series	\$ 350,000	\$ -	\$ 50,000	\$ 300,000
2008A CWSRF Series	800,000	-	800,000	-
2008B CWSRF Series	1,260,000	-	1,260,000	-
2008C Refunding Series	1,785,000	-	1,785,000	-
2010 Refunding Series	11,915,000	-	1,455,000	10,460,000
2010A Refunding Series	31,805,000	-	1,035,000	30,770,000
2011 Refunding Series	12,940,000	-	3,400,000	9,540,000
2012 Refunding Series	45,850,000	-	3,245,000	42,605,000
2012A Refunding & Improvement	59,925,000	-	5,125,000	54,800,000
2014 Refunding Series	60,570,000	-	1,835,000	58,735,000
2015 Refunding Series	112,415,000	-	9,820,000	102,595,000
2015A Revenue Series	17,060,000	-	640,000	16,420,000
2015B Revenue Series	45,395,000	-	2,210,000	43,185,000
2015C Refunding Series	45,590,000	-	1,805,000	43,785,000
2016 Refunding & Improvement	68,670,000	-	1,425,000	67,245,000
2016A Revenue Series	99,500,000	-	500,000	99,000,000
2017 Refunding & Improvement	83,880,000	-	730,000	83,150,000
2017A Revenue Series	50,000,000	-	250,000	49,750,000
2018 Refunding Series	-	26,670,000	-	26,670,000
<b>TOTALS</b>	<b>\$ 749,710,000</b>	<b>\$ 26,670,000</b>	<b>\$ 37,370,000</b>	<b>\$ 739,010,000</b>



**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**SUMMARY STATEMENT OF DEBT SERVICE REQUIREMENTS**  
**PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY**

February 28, 2019

	Interest				
	-----				
Calendar	Payment Due			Principal	Total Net
Year	March 1	September 1	Total	Due March 1	Requirements
2019	\$ 13,327,343	\$ 13,484,344	\$ 26,811,687	\$ 42,360,000	\$ 69,171,687
2020	13,213,940	12,392,678	25,606,618	43,500,000	69,106,618
2021	12,392,678	11,588,839	23,981,517	42,940,000	66,921,517
2022	11,588,839	10,685,732	22,274,571	44,815,000	67,089,571
2023	10,685,732	9,730,821	20,416,553	46,525,000	66,941,553
2024	9,730,821	8,757,474	18,488,295	48,360,000	66,848,295
2025	8,757,474	7,753,498	16,510,972	48,935,000	65,445,972
2026	7,753,498	6,778,358	14,531,856	50,505,000	65,036,856
2027	6,778,358	5,781,009	12,559,367	49,770,000	62,329,367
2028	5,781,009	4,925,117	10,706,126	44,770,000	55,476,126
2029	4,925,117	4,141,601	9,066,718	41,515,000	50,581,718
2030	4,141,601	3,442,707	7,584,308	37,440,000	45,024,308
2031	3,442,707	2,795,637	6,238,344	35,020,000	41,258,344
2032	2,795,637	2,294,964	5,090,601	30,755,000	35,845,601
2033	2,294,964	1,749,079	4,044,043	31,565,000	35,609,043
2034	1,749,079	1,241,242	2,990,321	29,560,000	32,550,321
2035	1,241,242	772,625	2,013,867	28,200,000	30,213,867
2036	772,625	444,175	1,216,800	20,380,000	21,596,800
2037	444,175	179,850	624,025	13,800,000	14,424,025
2038	179,850	35,750	215,600	6,865,000	7,080,600
2039	35,750	-	35,750	1,430,000	1,465,750
	<u>\$ 122,032,439</u>	<u>\$ 108,975,500</u>	<u>\$ 231,007,939</u>	<u>\$ 739,010,000</u>	<u>\$ 970,017,939</u>

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2018 REVENUE REFUNDING BONDS**  
**UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		----- Payment Due				
		March 1	September 1	Total		
2019	5.00%	\$ -	\$ 937,154	\$ 937,154	\$ -	\$ 937,154
2020	5.00	666,750	666,750	1,333,500	-	1,333,500
2021	5.00	666,750	666,750	1,333,500	-	1,333,500
2022	5.00	666,750	666,750	1,333,500	-	1,333,500
2023	5.00	666,750	666,750	1,333,500	-	1,333,500
2024	5.00	666,750	666,750	1,333,500	-	1,333,500
2025	5.00	666,750	614,750	1,281,500	2,080,000	3,361,500
2026	5.00	614,750	560,000	1,174,750	2,190,000	3,364,750
2027	5.00	560,000	502,500	1,062,500	2,300,000	3,362,500
2028	5.00	502,500	442,125	944,625	2,415,000	3,359,625
2029	5.00	442,125	378,750	820,875	2,535,000	3,355,875
2030	5.00	378,750	312,250	691,000	2,660,000	3,351,000
2031	5.00	312,250	242,500	554,750	2,790,000	3,344,750
2032	5.00	242,500	217,125	459,625	1,015,000	1,474,625
2033	5.00	217,125	190,375	407,500	1,070,000	1,477,500
2034	5.00	190,375	162,375	352,750	1,120,000	1,472,750
2035	5.00	162,375	133,000	295,375	1,175,000	1,470,375
2036	5.00	133,000	102,125	235,125	1,235,000	1,470,125
2037	5.00	102,125	69,750	171,875	1,295,000	1,466,875
2038	5.00	69,750	35,750	105,500	1,360,000	1,465,500
2039	5.00	35,750	-	35,750	1,430,000	1,465,750
		\$ 7,963,875	\$ 8,234,279	\$ 16,198,154	\$ 26,670,000	\$ 42,868,154

Bonds dated: December 1, 2018

Original issue: \$26,670,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2029 may be redeemed on March 1, 2028 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2017A TWDB SWIFT REVENUE BONDS**  
**UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest				Principal Due March 1	Total Requirements
		Payment Due					
		March 1	September 1	Total			
2019	0.63%	\$ 436,788	\$ 436,000	\$ 872,788	\$ 250,000	\$ 1,122,788	
2020	0.70	436,000	432,500	868,500	1,000,000	1,868,500	
2021	0.78	432,500	428,600	861,100	1,000,000	1,861,100	
2022	0.90	428,600	424,100	852,700	1,000,000	1,852,700	
2023	1.01	424,100	411,475	835,575	2,500,000	3,335,575	
2024	1.10	411,475	397,725	809,200	2,500,000	3,309,200	
2025	1.21	397,725	382,600	780,325	2,500,000	3,280,325	
2026	1.29	382,600	366,475	749,075	2,500,000	3,249,075	
2027	1.37	366,475	349,350	715,825	2,500,000	3,215,825	
2028	1.51	349,350	330,475	679,825	2,500,000	3,179,825	
2029	1.68	330,475	309,475	639,950	2,500,000	3,139,950	
2030	1.83	309,475	282,025	591,500	3,000,000	3,591,500	
2031	1.98	282,025	252,325	534,350	3,000,000	3,534,350	
2032	2.06	252,325	216,275	468,600	3,500,000	3,968,600	
2033	2.13	216,275	179,000	395,275	3,500,000	3,895,275	
2034	2.18	179,000	135,400	314,400	4,000,000	4,314,400	
2035	2.22	135,400	91,000	226,400	4,000,000	4,226,400	
2036	2.26	91,000	45,800	136,800	4,000,000	4,136,800	
2037	2.29	45,800	-	45,800	4,000,000	4,045,800	
		\$ 5,907,388	\$ 5,470,600	\$ 11,377,988	\$ 49,750,000	\$ 61,127,988	

Bonds dated: November 14, 2017

Original issue: \$50,000,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2028 may be redeemed on March 1, 2027 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**

**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2017 REVENUE REFUNDING AND IMPROVEMENT BONDS  
UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		-----				
		Payment Due		Total		
		March 1	September 1			
2019	3.00%	\$ 1,841,425	\$ 1,791,550	\$ 3,632,975	\$ 3,325,000	\$ 6,957,975
2020	4.00	1,791,550	1,722,750	3,514,300	3,440,000	6,954,300
2021	4.00	1,722,750	1,707,250	3,430,000	775,000	4,205,000
2022	4.00	1,707,250	1,672,550	3,379,800	1,735,000	5,114,800
2023	5.00	1,672,550	1,579,675	3,252,225	3,715,000	6,967,225
2024	5.00	1,579,675	1,506,675	3,086,350	2,920,000	6,006,350
2025	5.00	1,506,675	1,404,800	2,911,475	4,075,000	6,986,475
2026	5.00	1,404,800	1,297,300	2,702,100	4,300,000	7,002,100
2027	5.00	1,297,300	1,184,050	2,481,350	4,530,000	7,011,350
2028	5.00	1,184,050	1,064,800	2,248,850	4,770,000	7,018,850
2029	5.00	1,064,800	939,175	2,003,975	5,025,000	7,028,975
2030	5.00	939,175	806,800	1,745,975	5,295,000	7,040,975
2031	5.00	806,800	697,300	1,504,100	4,380,000	5,884,100
2032	4.00	697,300	605,300	1,302,600	4,600,000	5,902,600
2033	4.00	605,300	509,700	1,115,000	4,780,000	5,895,000
2034	4.00	509,700	415,600	925,300	4,705,000	5,630,300
2035	4.00	415,600	317,800	733,400	4,890,000	5,623,400
2036	4.00	317,800	216,000	533,800	5,090,000	5,623,800
2037	4.00	216,000	110,100	326,100	5,295,000	5,621,100
2038	4.00	110,100	-	110,100	5,505,000	5,615,100
		\$ 21,390,600	\$ 19,549,175	\$ 40,939,775	\$ 83,150,000	\$ 124,089,775

Bonds dated: October 1, 2017

Original issue: \$83,880,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2028 may be redeemed on March 1, 2027 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2016A TWDB SWIFT REVENUE BONDS**  
**UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		----- Payment Due				
		March 1	September 1	Total		
2019	0.64%	\$ 762,110	\$ 755,710	\$ 1,517,820	\$ 2,000,000	\$ 3,517,820
2020	0.71	755,710	748,610	1,504,320	2,000,000	3,504,320
2021	0.76	748,610	741,010	1,489,620	2,000,000	3,489,620
2022	0.83	741,010	720,260	1,461,270	5,000,000	6,461,270
2023	0.92	720,260	697,260	1,417,520	5,000,000	6,417,520
2024	1.01	697,260	666,960	1,364,220	6,000,000	7,364,220
2025	1.08	666,960	634,560	1,301,520	6,000,000	7,301,520
2026	1.15	634,560	598,910	1,233,470	6,200,000	7,433,470
2027	1.31	598,910	558,300	1,157,210	6,200,000	7,357,210
2028	1.41	558,300	514,590	1,072,890	6,200,000	7,272,890
2029	1.68	514,590	462,510	977,100	6,200,000	7,177,100
2030	1.82	462,510	404,270	866,780	6,400,000	7,266,780
2031	1.91	404,270	343,150	747,420	6,400,000	7,147,420
2032	1.95	343,150	278,800	621,950	6,600,000	7,221,950
2033	2.00	278,800	212,800	491,600	6,600,000	7,091,600
2034	2.11	212,800	143,170	355,970	6,600,000	6,955,970
2035	2.09	143,170	74,200	217,370	6,600,000	6,817,370
2036	2.12	74,200	-	74,200	7,000,000	7,074,200
		\$ 9,317,180	\$ 8,555,070	\$ 17,872,250	\$ 99,000,000	\$ 116,872,250

Bonds dated: November 15, 2016

Original issue: \$100,000,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2027 may be redeemed on March 1, 2026 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2016 REVENUE REFUNDING AND IMPROVEMENT BONDS  
UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		-----				
		Payment Due		Total		
		March 1	September 1			
2019	4.00%	\$ 1,508,325	\$ 1,442,325	\$ 2,950,650	\$ 3,300,000	\$ 6,250,650
2020	4.00	1,442,325	1,373,425	2,815,750	3,445,000	6,260,750
2021	3.11	1,373,425	1,317,575	2,691,000	3,595,000	6,286,000
2022	4.00	1,317,575	1,243,575	2,561,150	3,700,000	6,261,150
2023	5.00	1,243,575	1,147,075	2,390,650	3,860,000	6,250,650
2024	5.00	1,147,075	1,045,700	2,192,775	4,055,000	6,247,775
2025	5.00	1,045,700	939,325	1,985,025	4,255,000	6,240,025
2026	5.00	939,325	827,700	1,767,025	4,465,000	6,232,025
2027	5.00	827,700	710,825	1,538,525	4,675,000	6,213,525
2028	4.00	710,825	612,825	1,323,650	4,900,000	6,223,650
2029	4.00	612,825	511,125	1,123,950	5,085,000	6,208,950
2030	4.00	511,125	464,225	975,350	2,345,000	3,320,350
2031	4.00	464,225	415,425	879,650	2,440,000	3,319,650
2032	4.00	415,425	364,625	780,050	2,540,000	3,320,050
2033	5.00	364,625	298,625	663,250	2,640,000	3,303,250
2034	5.00	298,625	229,375	528,000	2,770,000	3,298,000
2035	5.00	229,375	156,625	386,000	2,910,000	3,296,000
2036	5.00	156,625	80,250	236,875	3,055,000	3,291,875
2037	5.00	80,250	-	80,250	3,210,000	3,290,250
		\$ 14,688,950	\$ 13,180,625	\$ 27,869,575	\$ 67,245,000	\$ 95,114,575

Bonds dated: July 15, 2016

Original issue: \$68,670,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2028 may be redeemed on March 1, 2027 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2015C REVENUE REFUNDING BONDS**  
**UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		Payment Due				
		March 1	September 1	Total		
2019	5.00%	\$ 1,020,713	\$ 973,213	\$ 1,993,926	\$ 1,900,000	\$ 3,893,926
2020	5.00	973,213	923,213	1,896,426	2,000,000	3,896,426
2021	5.00	923,213	870,588	1,793,801	2,105,000	3,898,801
2022	5.00	870,588	815,463	1,686,051	2,205,000	3,891,051
2023	5.00	815,463	757,338	1,572,801	2,325,000	3,897,801
2024	3.97	757,338	709,088	1,466,426	2,430,000	3,896,426
2025	5.00	709,088	645,463	1,354,551	2,545,000	3,899,551
2026	4.00	645,463	592,263	1,237,726	2,660,000	3,897,726
2027	4.00	592,263	537,063	1,129,326	2,760,000	3,889,326
2028	5.00	537,063	464,688	1,001,751	2,895,000	3,896,751
2029	5.00	464,688	388,813	853,501	3,035,000	3,888,501
2030	5.00	388,813	308,813	697,626	3,200,000	3,897,626
2031	4.50	308,813	247,500	556,313	2,725,000	3,281,313
2032	4.50	247,500	183,488	430,988	2,845,000	3,275,988
2033	4.50	183,488	116,438	299,926	2,980,000	3,279,926
2034	4.50	116,438	59,513	175,951	2,530,000	2,705,951
2035	4.50	59,513	-	59,513	2,645,000	2,704,513
		<u>\$ 9,613,658</u>	<u>\$ 8,592,945</u>	<u>\$ 18,206,603</u>	<u>\$ 43,785,000</u>	<u>\$ 61,991,603</u>

Bonds dated: November 01, 2015

Original issue: \$48,565,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2026 may be redeemed on March 1, 2025 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
A COMPONENT UNIT OF THE CITY OF EL PASO

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2015B REVENUE BONDS  
UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		-----				
		Payment Due		Total		
		March 1	September 1			
2019	0.72%	\$ 384,169	\$ 376,141	\$ 760,310	\$ 2,230,000	\$ 2,990,310
2020	0.87	376,141	366,354	742,495	2,250,000	2,992,495
2021	1.01	366,354	354,865	721,219	2,275,000	2,996,219
2022	1.16	354,865	341,496	696,361	2,305,000	3,001,361
2023	1.30	341,496	326,319	667,815	2,335,000	3,002,815
2024	1.39	326,319	309,847	636,166	2,370,000	3,006,166
2025	1.47	309,847	292,134	601,981	2,410,000	3,011,981
2026	1.64	292,134	272,044	564,178	2,450,000	3,014,178
2027	1.81	272,044	249,464	521,508	2,495,000	3,016,508
2028	1.96	249,464	224,523	473,987	2,545,000	3,018,987
2029	2.10	224,523	197,275	421,798	2,595,000	3,016,798
2030	2.20	197,275	168,070	365,345	2,655,000	3,020,345
2031	2.28	168,070	137,062	305,132	2,720,000	3,025,132
2032	2.32	137,062	104,756	241,818	2,785,000	3,026,818
2033	2.37	104,756	70,984	175,740	2,850,000	3,025,740
2034	2.39	70,984	36,090	107,074	2,920,000	3,027,074
2035	2.41	36,090	-	36,090	2,995,000	3,031,090
		<u>\$ 4,211,593</u>	<u>\$ 3,827,424</u>	<u>\$ 8,039,017</u>	<u>\$ 43,185,000</u>	<u>\$ 51,224,017</u>

Bonds dated: November 01, 2015

Original issue: \$50,000,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2027 may be redeemed on March 1, 2026 or any interest payment date thereafter.



**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2015A REVENUE BONDS**  
**UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		----- Payment Due				
		March 1	September 1	Total		
2019	4.00%	\$ 361,253	\$ 347,853	\$ 709,106	\$ 670,000	\$ 1,379,106
2020	4.00	347,853	333,953	681,806	695,000	1,376,806
2021	5.00	333,953	315,828	649,781	725,000	1,374,781
2022	5.00	315,828	296,828	612,656	760,000	1,372,656
2023	5.00	296,828	276,953	573,781	795,000	1,368,781
2024	5.00	276,953	256,078	533,031	835,000	1,368,031
2025	5.00	256,078	234,078	490,156	880,000	1,370,156
2026	3.00	234,078	220,203	454,281	925,000	1,379,281
2027	4.00	220,203	201,203	421,406	950,000	1,371,406
2028	4.00	201,203	181,403	382,606	990,000	1,372,606
2029	4.00	181,403	160,803	342,206	1,030,000	1,372,206
2030	4.25	160,803	138,066	298,869	1,070,000	1,368,869
2031	4.38	138,066	113,675	251,741	1,115,000	1,366,741
2032	4.50	113,675	87,463	201,138	1,165,000	1,366,138
2033	4.50	87,463	60,125	147,588	1,215,000	1,362,588
2034	4.63	60,125	30,756	90,881	1,270,000	1,360,881
2035	4.63	30,756	-	30,756	1,330,000	1,360,756
		<u>\$ 3,616,521</u>	<u>\$ 3,255,268</u>	<u>\$ 6,871,789</u>	<u>\$ 16,420,000</u>	<u>\$ 23,291,789</u>

Bonds dated: July 01, 2015

Original issue: \$18,600,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2026 may be  
redeemed on March 1, 2025 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2015 REVENUE REFUNDING BONDS**  
**UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		-----				
		Payment Due		Total		
		March 1	September 1			
2019	4.00%	\$ 2,315,906	\$ 2,073,906	\$ 4,389,812	\$ 12,100,000	\$ 16,489,812
2020	4.00	2,073,906	1,943,006	4,016,912	6,545,000	10,561,912
2021	4.00	1,943,006	1,762,806	3,705,812	9,010,000	12,715,812
2022	5.00	1,762,806	1,554,056	3,316,862	8,350,000	11,666,862
2023	5.00	1,554,056	1,334,681	2,888,737	8,775,000	11,663,737
2024	5.00	1,334,681	1,104,306	2,438,987	9,215,000	11,653,987
2025	5.00	1,104,306	862,306	1,966,612	9,680,000	11,646,612
2026	5.00	862,306	607,931	1,470,237	10,175,000	11,645,237
2027	5.00	607,931	405,431	1,013,362	8,100,000	9,113,362
2028	4.00	405,431	300,731	706,162	5,235,000	5,941,162
2029	4.00	300,731	191,731	492,462	5,450,000	5,942,462
2030	3.25	191,731	153,138	344,869	2,375,000	2,719,869
2031	3.25	153,138	130,306	283,444	1,405,000	1,688,444
2032	3.38	130,306	105,838	236,144	1,450,000	1,686,144
2033	5.00	105,838	68,338	174,176	1,500,000	1,674,176
2034	5.00	68,338	28,963	97,301	1,575,000	1,672,301
2035	3.50	28,963	-	28,963	1,655,000	1,683,963
		\$ 14,943,380	\$ 12,627,474	\$ 27,570,854	\$ 102,595,000	\$ 130,165,854

Bonds dated: December 01, 2014

Original issue: \$131,650,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2025 may be  
redeemed on March 1, 2024 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**

**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2014 REVENUE REFUNDING BONDS  
UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		-----				
		Payment Due				
		March 1	September 1	Total		
2019	5.00%	\$ 1,439,819	\$ 1,391,819	\$ 2,831,638	\$ 1,920,000	\$ 4,751,638
2020	5.00	1,391,819	1,341,444	2,733,263	2,015,000	4,748,263
2021	5.00	1,341,444	1,248,694	2,590,138	3,710,000	6,300,138
2022	5.00	1,248,694	1,125,069	2,373,763	4,945,000	7,318,763
2023	5.00	1,125,069	1,034,444	2,159,513	3,625,000	5,784,513
2024	5.00	1,034,444	939,319	1,973,763	3,805,000	5,778,763
2025	5.00	939,319	839,069	1,778,388	4,010,000	5,788,388
2026	5.00	839,069	733,819	1,572,888	4,210,000	5,782,888
2027	5.00	733,819	623,194	1,357,013	4,425,000	5,782,013
2028	5.00	623,194	506,694	1,129,888	4,660,000	5,789,888
2029	5.00	506,694	384,444	891,138	4,890,000	5,781,138
2030	5.00	384,444	255,819	640,263	5,145,000	5,785,263
2031	5.00	255,819	120,694	376,513	5,405,000	5,781,513
2032	4.00	120,694	82,494	203,188	1,910,000	2,113,188
2033	4.00	82,494	42,694	125,188	1,990,000	2,115,188
2034	4.13	42,694	-	42,694	2,070,000	2,112,694
		\$ 12,109,529	\$ 10,669,710	\$ 22,779,239	\$ 58,735,000	\$ 81,514,239

Bonds dated: January 15, 2014

Original issue: \$64,900,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2025 may be  
redeemed on March 1, 2024 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**

**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2012A REVENUE REFUNDING AND IMPROVEMENT BONDS  
UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		-----				
		Payment Due				
		March 1	September 1	Total		
2019	4.00%	\$ 1,180,713	\$ 1,074,913	\$ 2,255,626	\$ 5,290,000	\$ 7,545,626
2020	4.00	1,074,913	964,813	2,039,726	5,505,000	7,544,726
2021	3.44	964,813	865,813	1,830,626	5,750,000	7,580,626
2022	5.00	865,813	716,063	1,581,876	5,990,000	7,571,876
2023	5.00	716,063	558,938	1,275,001	6,285,000	7,560,001
2024	5.00	558,938	394,563	953,501	6,575,000	7,528,501
2025	5.00	394,563	336,313	730,876	2,330,000	3,060,876
2026	5.00	336,313	289,688	626,001	1,865,000	2,491,001
2027	2.50	289,688	265,500	555,188	1,935,000	2,490,188
2028	4.00	265,500	225,500	491,000	2,000,000	2,491,000
2029	4.00	225,500	183,900	409,400	2,080,000	2,489,400
2030	4.00	183,900	140,700	324,600	2,160,000	2,484,600
2031	4.00	140,700	95,700	236,400	2,250,000	2,486,400
2032	4.00	95,700	48,800	144,500	2,345,000	2,489,500
2033	4.00	48,800	-	48,800	2,440,000	2,488,800
		\$ 7,341,917	\$ 6,161,204	\$ 13,503,121	\$ 54,800,000	\$ 68,303,121

Bonds dated: November 15, 2012

Original issue: \$75,715,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2023 may be  
redeemed on March 1, 2022 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2012 REVENUE REFUNDING BONDS**  
**UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest					Total Requirements
		Payment Due			Principal Due March 1		
		March 1	September 1	Total			
2019	4.00%	\$ 959,125	\$ 884,225	\$ 1,843,350	\$ 3,745,000	\$ 5,588,350	
2020	4.00	884,225	802,525	1,686,750	4,085,000	5,771,750	
2021	4.00	802,525	717,725	1,520,250	4,240,000	5,760,250	
2022	5.00	717,725	611,850	1,329,575	4,235,000	5,564,575	
2023	5.00	611,850	513,350	1,125,200	3,940,000	5,065,200	
2024	5.00	513,350	409,975	923,325	4,135,000	5,058,325	
2025	5.00	409,975	301,475	711,450	4,340,000	5,051,450	
2026	3.00	301,475	233,000	534,475	4,565,000	5,099,475	
2027	5.00	233,000	115,375	348,375	4,705,000	5,053,375	
2028	5.00	115,375	-	115,375	4,615,000	4,730,375	
		\$ 5,548,625	\$ 4,589,500	\$ 10,138,125	\$ 42,605,000	\$ 52,743,125	

Bonds dated: February 01, 2012

Original issue: \$52,780,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2023 may be redeemed on March 1, 2022 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2011 REVENUE REFUNDING BONDS  
UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest				Principal Due March 1	Total Requirements
		Payment Due					
		March 1	September 1	Total			
2019	5.00%	\$ 221,522	\$ 146,522	\$ 368,044	\$ 3,000,000	\$ 3,368,044	
2020	5.00	146,522	62,522	209,044	3,360,000	3,569,044	
2021	3.00	62,522	58,397	120,919	275,000	395,919	
2022	3.25	58,397	53,766	112,163	285,000	397,163	
2023	3.50	53,766	52,016	105,782	100,000	205,782	
2024	3.50	52,016	50,266	102,282	100,000	202,282	
2025	4.00	50,266	44,166	94,432	305,000	399,432	
2026	4.00	44,166	37,866	82,032	315,000	397,032	
2027	4.00	37,866	31,266	69,132	330,000	399,132	
2028	4.13	31,266	24,150	55,416	345,000	400,416	
2029	4.25	24,150	16,500	40,650	360,000	400,650	
2030	4.25	16,500	8,531	25,031	375,000	400,031	
2031	4.38	8,531	-	8,531	390,000	398,531	
		\$ 807,490	\$ 585,968	\$ 1,393,458	\$ 9,540,000	\$ 10,933,458	

Bonds dated: July 15, 2011

Original issue: \$14,680,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2021 may be redeemed on March 1, 2020 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2010A REVENUE REFUNDING BONDS**  
**UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest				
		-----			Principal Due March 1	Total Requirements
		Payment Due		Total		
		March 1	September 1			
2019	3.00%	\$ 686,622	\$ 670,497	\$ 1,357,119	\$ 1,075,000	\$ 2,432,119
2020	4.00	670,497	558,697	1,229,194	5,590,000	6,819,194
2021	5.00	558,697	412,322	971,019	5,855,000	6,826,019
2022	4.25	412,322	333,697	746,019	3,700,000	4,446,019
2023	4.38	333,697	275,838	609,535	2,645,000	3,254,535
2024	4.50	275,838	213,513	489,351	2,770,000	3,259,351
2025	4.50	213,513	148,150	361,663	2,905,000	3,266,663
2026	4.50	148,150	79,750	227,900	3,040,000	3,267,900
2027	5.00	79,750	-	79,750	3,190,000	3,269,750
		\$ 3,379,086	\$ 2,692,464	\$ 6,071,550	\$ 30,770,000	\$ 36,841,550

Bonds dated: October 01, 2010

Original issue: \$42,580,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2021 may be redeemed on March 1, 2020 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**

**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2010 REVENUE REFUNDING BONDS  
UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		-----				
		Payment Due				
		March 1	September 1	Total		
2019	3.50%	\$ 208,853	\$ 182,516	\$ 391,369	\$ 1,505,000	\$ 1,896,369
2020	4.00	182,516	152,116	334,632	1,520,000	1,854,632
2021	4.00	152,116	120,616	272,732	1,575,000	1,847,732
2022	3.75	120,616	110,209	230,825	555,000	785,825
2023	4.00	110,209	98,709	208,918	575,000	783,918
2024	4.00	98,709	86,709	185,418	600,000	785,418
2025	4.00	86,709	74,309	161,018	620,000	781,018
2026	4.00	74,309	61,409	135,718	645,000	780,718
2027	4.13	61,409	47,488	108,897	675,000	783,897
2028	4.25	47,488	32,613	80,101	700,000	780,101
2029	4.25	32,613	17,100	49,713	730,000	779,713
2030	4.50	17,100	-	17,100	760,000	777,100
		<u>\$ 1,192,647</u>	<u>\$ 983,794</u>	<u>\$ 2,176,441</u>	<u>\$ 10,460,000</u>	<u>\$ 12,636,441</u>

Bonds dated: January 15, 2010

Original issue: \$22,115,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2021 may be  
redeemed on March 1, 2020 or any interest payment date thereafter.



**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**

**A COMPONENT UNIT OF THE CITY OF EL PASO**

**WATER AND WASTEWATER UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2003A REVENUE (DWSRF) BONDS  
UNTIL MATURITY**

February 28, 2019

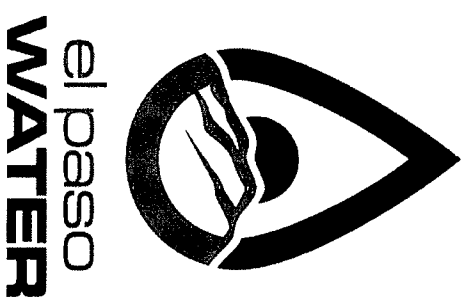
Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		-----				
		Payment Due March 1	September 1	Total		
2019	0.00%	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
2020	0.00	-	-	-	50,000	50,000
2021	0.00	-	-	-	50,000	50,000
2022	0.00	-	-	-	50,000	50,000
2023	0.00	-	-	-	50,000	50,000
2024	0.00	-	-	-	50,000	50,000
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>

Bonds dated: August 15, 2003

Original issue: \$1,000,000

Source of funding requirements: Net revenues only

Call Option: Bonds may be redeemed at any time.



**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**

**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**STATEMENTS OF NET POSITION**

February 28, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,863,819	\$ 3,230,423
Accounts receivable - customers	1,487,739	1,382,544
Accounts receivable - other	129,298	218,405
Accrued interest receivable	26,551	-
Restricted current assets:		
Restricted for bond requirements:		
Cash and cash equivalents	7,116,349	5,674,472
Investments	5,266,881	3,097,035
Restricted for construction and improvements:		
Cash and cash equivalents	27,331,123	41,541,892
Investments	1,000,000	-
Total current assets	<u>46,221,760</u>	<u>55,144,771</u>
Noncurrent assets:		
Capital assets:		
Municipal Drainage Utility capital assets	154,962,638	137,883,696
Land and right of way	28,009,612	22,427,770
Construction work in progress	26,023,971	24,270,347
Less accumulated depreciation	<u>(20,516,510)</u>	<u>(17,264,955)</u>
Total capital assets (net of accumulated depreciation)	<u>188,479,711</u>	<u>167,316,858</u>
Total noncurrent assets	<u>188,479,711</u>	<u>167,316,858</u>
Total assets	<u>234,701,471</u>	<u>222,461,629</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred pension contributions	153,843	129,506
Difference in projected and actual earnings on pension assets	33,845	138,501
Difference in expected and actual pension experience	154,220	11,688
Change in assumptions pension	186,495	287,303
Change in proportionate share pension	79,412	113,867
Change in assumptions OPEB	3,438	-
Total deferred outflows of resources	<u>611,253</u>	<u>680,865</u>
Total assets and deferred outflows of resources	<u>\$ 235,312,724</u>	<u>\$ 223,142,494</u>

	2019	2018
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 287,070	\$ 276,694
Accrued vacation payable	93,148	89,386
Accrued payroll and benefits	182,065	133,036
Due to Water and Wastewater Utility	46,473	28,551
Unearned revenue on land leases	496	489
Current liabilities payable from restricted assets:		
Revenue bonds payables and unamortized premiums net of discounts	5,447,309	2,902,309
Accrued interest on long term debt	2,325,131	1,832,209
Accounts payable	4,638,079	3,910,756
Retainage payable on construction contracts	322,626	758,558
Total current liabilities	<u>13,342,397</u>	<u>9,931,988</u>
Noncurrent liabilities:		
Revenue bonds payables and unamortized premiums net of discounts	108,499,901	113,947,211
Revolving note	2,500,000	-
Other Post-Employment Benefits	-	486,939
Total OPEB Liability	1,434,474	-
Net Pension Liability	2,237,204	2,189,770
Accrued vacation payable	40,763	67,477
Total noncurrent liabilities	<u>114,712,342</u>	<u>116,691,397</u>
Total liabilities	<u>128,054,739</u>	<u>126,623,385</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Difference in expected and actual pension experience	112,812	173,792
Change in proportionate share pension	318,033	383,695
Total deferred inflows of resources	<u>430,845</u>	<u>557,487</u>
<b>NET POSITION</b>		
Restricted:		
Restricted for debt service	10,058,099	6,939,297
Restricted for construction and improvements	12,514,167	10,969,920
Total restricted	<u>22,572,266</u>	<u>17,909,217</u>
Net investment in capital assets	84,228,534	76,369,996
Unrestricted	26,340	1,682,409
Total net position	<u>106,827,140</u>	<u>95,961,622</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 235,312,724</u>	<u>\$ 223,142,494</u>

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**

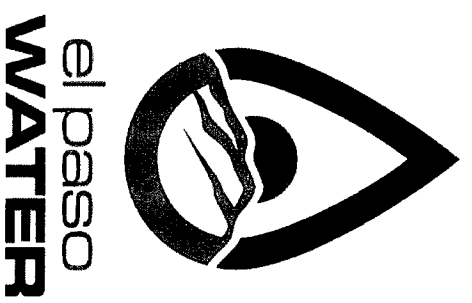
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION**

For the Years Ended February 28, 2019 and 2018

	2019	2018
Drainage operating revenues:		
Residential	\$ 9,661,849	\$ 9,305,692
Non-residential	13,638,666	13,113,510
Billing fees - City Environmental Services	274,877	271,905
Other operating revenue	383,284	393,198
Total operating revenues	<u>23,958,676</u>	<u>23,084,305</u>
Drainage operating expenses:		
Operations and maintenance	4,670,438	4,828,146
Indirect cost allocation	1,440,000	903,000
Other Post-Employment Benefits	129,720	71,663
Pension expense	286,850	285,217
Depreciation	3,251,555	2,899,125
Total operating expenses	<u>9,778,563</u>	<u>8,987,151</u>
Operating income	<u>14,180,113</u>	<u>14,097,154</u>
Nonoperating revenues (expenses):		
Interest earnings and net change in fair value of investments	942,499	493,700
IRS tax credit for Build America Bonds	-	516,337
Gain on sale of miscellaneous assets	-	58,712
Other nonoperating expenses	(249,613)	(487,336)
Interest on long term debt	(3,157,059)	(3,476,075)
Total nonoperating expenses	<u>(2,464,173)</u>	<u>(2,894,662)</u>
Increase in net position, before capital contributions	<u>11,715,940</u>	<u>11,202,492</u>
Capital contributions	-	198,000
Change in net position	<u>11,715,940</u>	<u>11,400,492</u>
Total net position - beginning	<u>95,961,622</u>	<u>84,561,130</u>
Prior period adjustment	(850,422)	-
Total net position - ending	<u>\$ 106,827,140</u>	<u>\$ 95,961,622</u>



**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**STATEMENTS OF CASH FLOWS**

For the Years Ended February 28, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 23,784,925	\$ 22,384,884
Cash received from Water and Wastewater Utility	157,670	152,823
Cash payments to Water and Wastewater Utility	(1,476,147)	(707,256)
Cash payments to suppliers for goods and services	(4,046,135)	(3,765,216)
Cash payments to employees for services	(862,834)	(1,095,113)
Net cash provided by operating activities	<u>17,557,479</u>	<u>16,970,122</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from:		
Revenue bonds	-	48,940,000
Premiums received on revenue bonds	-	7,584,744
Revolving note	2,500,000	-
Acquisition and construction of capital assets net of disposals	(24,123,018)	(29,228,312)
Proceeds from sale of assets net of related expenses	-	58,712
Interest and fees on revenue bonds	(3,672,059)	(4,944,403)
Refunding revenue bonds	-	(39,375,000)
Principal payments on revenue bonds	(2,144,000)	(3,704,000)
IRS tax credit on Build America Bonds	-	516,337
Net cash used by capital and related financing activities	<u>(27,439,077)</u>	<u>(20,151,922)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the sale and maturities of investment securities	14,376,562	18,240,005
Purchase of investment securities	(17,546,451)	(14,099,607)
Interest received on investment securities	915,991	522,018
Net cash provided (used) by investing activities	<u>(2,253,898)</u>	<u>4,662,416</u>
Net increase (decrease) in cash and cash equivalents	(12,135,496)	1,480,616
Cash and cash equivalents:		
Beginning of year	50,446,787	48,966,171
End of year	<u>\$ 38,311,291</u>	<u>\$ 50,446,787</u>

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**STATEMENTS OF CASH FLOWS**

For the Years Ended February 28, 2019 and 2018

	2019	2018
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 14,180,113	\$ 14,097,154
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,251,555	2,899,125
(Increase) decrease in assets and deferred outflows:		
Accounts receivable	(16,088)	(537,854)
Due from Water and Wastewater Utility	-	223,588
Deferred outflow-Pension contributions	(24,337)	39,754
Deferred outflow-Difference in projected and actual earnings on pension assets	104,656	246,985
Deferred outflow-Difference in expected and actual pension experience pension	(142,532)	11,429
Deferred outflow-Change in assumptions pension	100,808	100,808
Deferred outflow-Change in proportionate share pension	34,455	27,458
Deferred outflow-Change in assumptions OPEB	(3,438)	-
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable	10,376	199,220
Due to Water and Wastewater Utility	17,922	28,551
Other Current Liabilities	7	(8,745)
Accrued vacation payable	(22,952)	(5,148)
Accrued payroll and benefits	49,029	(14,705)
Other Post-Employment Benefits	(486,939)	71,663
Total OPEB Liability	584,052	-
Net Pension Liability	47,434	(707,715)
Deferred inflows-Difference in expected and actual pension experience	(60,980)	(60,980)
Deferred inflows-Change in proportionate share	(65,662)	359,534
Net cash provided by operating activities	<u>\$ 17,557,479</u>	<u>\$ 16,970,122</u>
Noncash investing, capital, and financing activities:		
Contribution in aid of construction	\$ -	\$ 198,000
Change in fair value of investments	43	(513)
	<u>\$ 43</u>	<u>\$ 197,487</u>



**PUBLIC SERVICE BOARD - EL PASO STORMWATER UTILITY**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**OPERATING REVENUES AND EXPENSES**

For the Years Ended February 28, 2019 and 2018

	2019	2018
Drainage operating revenues:		
Residential	\$ 9,661,849	\$ 9,305,692
Non-residential	13,638,666	13,113,510
Billing fees - City Environmental Services	274,877	271,905
Other operating revenue	383,284	393,198
Total operating revenue	<u>\$ 23,958,676</u>	<u>\$ 23,084,305</u>
Drainage operations		
Emergency Response	287,049	263,600
Maintenance	2,673,674	2,871,547
Total drainage division	<u>2,960,723</u>	<u>3,135,147</u>
General and administrative	<u>1,709,715</u>	<u>1,692,999</u>
Indirect cost allocation	<u>1,440,000</u>	<u>903,000</u>
Other operating expenses		
Depreciation	3,251,555	2,899,125
Other Post-Employment Benefits	129,720	71,663
Pension Expense	286,850	285,217
Total other operating expenses	<u>3,668,125</u>	<u>3,256,005</u>
Total operating expenses	<u>\$ 9,778,563</u>	<u>\$ 8,987,151</u>

**PUBLIC SERVICE BOARD - EL PASO STORMWATER UTILITY**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**NET OPERATING REVENUE**

For the Years Ended February 28, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenue - drainage	<u>\$ 23,958,676</u>	<u>\$ 23,084,305</u>
Operating revenue deductions		
Operating expenses	2,960,723	3,135,147
General and administrative	1,709,715	1,692,999
Indirect cost allocation	<u>1,440,000</u>	<u>903,000</u>
Total operating expense deductions	<u>6,110,438</u>	<u>5,731,146</u>
Net operating revenue - drainage	<u>\$ 17,848,238</u>	<u>\$ 17,353,159</u>

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**CHANGES IN REVENUE BONDS PAYABLE**

For the Years Ended February 28, 2019 and 2018

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<u>Bond Series</u>	Bonds payable February 28, 2018	Additions	Retirements	Bonds payable February 28, 2019
2009A Revenue Series	\$ 1,508,000	\$ -	\$ 109,000	\$ 1,399,000
2012 Revenue Series	11,640,000	-	560,000	11,080,000
2015 Revenue Series	20,590,000	-	800,000	19,790,000
2016 Revenue Series	19,790,000	-	675,000	19,115,000
2017 Refunding & Improvement	48,940,000	-	-	48,940,000
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TOTALS	\$ 102,468,000	\$ -	\$ 2,144,000	\$ 100,324,000
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**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**SUMMARY STATEMENT OF DEBT SERVICE REQUIREMENTS**  
**PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY**

February 28, 2019

Interest					
Calendar Year	Payment Due			Principal Due March 1	Total Requirements
	March 1	September 1	Total		
2019	\$ 2,312,178	\$ 2,220,328	\$ 4,532,506	\$ 4,689,000	\$ 9,221,506
2020	2,220,328	2,111,603	4,331,931	4,934,000	9,265,931
2021	2,111,603	1,998,706	4,110,309	5,208,000	9,318,309
2022	1,998,706	1,864,206	3,862,912	5,488,000	9,350,912
2023	1,864,206	1,721,456	3,585,662	5,818,000	9,403,662
2024	1,721,456	1,573,581	3,295,037	6,173,000	9,468,037
2025	1,573,581	1,413,081	2,986,662	6,527,000	9,513,662
2026	1,413,081	1,251,231	2,664,312	6,907,000	9,571,312
2027	1,251,231	1,079,231	2,330,462	7,302,000	9,632,462
2028	1,079,231	896,550	1,975,781	7,717,000	9,692,781
2029	896,550	723,588	1,620,138	8,162,000	9,782,138
2030	723,588	629,288	1,352,876	4,322,000	5,674,876
2031	629,288	530,738	1,160,026	4,507,000	5,667,026
2032	530,738	427,750	958,488	4,595,000	5,553,488
2033	427,750	337,850	765,600	3,780,000	4,545,600
2034	337,850	238,975	576,825	3,955,000	4,531,825
2035	238,975	134,725	373,700	4,170,000	4,543,700
2036	134,725	74,500	209,225	2,620,000	2,829,225
2037	74,500	47,000	121,500	1,100,000	1,221,500
2038	47,000	24,000	71,000	1,150,000	1,221,000
2039	24,000	-	24,000	1,200,000	1,224,000
	<u>\$ 21,610,565</u>	<u>\$ 19,298,387</u>	<u>\$ 40,908,952</u>	<u>\$ 100,324,000</u>	<u>\$ 141,232,952</u>

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2017 REVENUE BONDS**  
**UNTIL MATURITY**

February 28, 2019

Interest						
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Calendar	Interest	Payment Due			Principal	Total
Year	Rate	March 1	September 1	Total	Due March 1	Requirements
2019	5.00%	\$ 1,167,400	\$ 1,105,275	\$ 2,272,675	\$ 2,485,000	\$ 4,757,675
2020	5.00	1,105,275	1,038,775	2,144,050	2,660,000	4,804,050
2021	5.00	1,038,775	967,525	2,006,300	2,850,000	4,856,300
2022	5.00	967,525	891,525	1,859,050	3,040,000	4,899,050
2023	5.00	891,525	810,150	1,701,675	3,255,000	4,956,675
2024	5.00	810,150	723,150	1,533,300	3,480,000	5,013,300
2025	5.00	723,150	630,400	1,353,550	3,710,000	5,063,550
2026	5.00	630,400	531,400	1,161,800	3,960,000	5,121,800
2027	5.00	531,400	425,650	957,050	4,230,000	5,187,050
2028	5.00	425,650	312,775	738,425	4,515,000	5,253,425
2029	4.10	312,775	214,100	526,875	4,815,000	5,341,875
2030	4.00	214,100	197,700	411,800	820,000	1,231,800
2031	4.00	197,700	180,700	378,400	850,000	1,228,400
2032	4.00	180,700	163,000	343,700	885,000	1,228,700
2033	4.00	163,000	144,600	307,600	920,000	1,227,600
2034	5.00	144,600	120,725	265,325	955,000	1,220,325
2035	5.00	120,725	95,600	216,325	1,005,000	1,221,325
2036	4.00	95,600	74,500	170,100	1,055,000	1,225,100
2037	5.00	74,500	47,000	121,500	1,100,000	1,221,500
2038	4.00	47,000	24,000	71,000	1,150,000	1,221,000
2039	4.00	24,000	-	24,000	1,200,000	1,224,000
		<u>\$ 9,865,950</u>	<u>\$ 8,698,550</u>	<u>\$ 18,564,500</u>	<u>\$ 48,940,000</u>	<u>\$ 67,504,500</u>

Bonds dated: October 15, 2017

Original issue: \$48,940,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2028 may be redeemed on March 1, 2027 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2016 REVENUE BONDS**  
**UNTIL MATURITY**

February 28, 2019

Interest						
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Calendar	Interest	Payment Due			Principal	Total
Year	Rate	March 1	September 1	Total	Due March 1	Requirements
2019	2.00%	\$ 457,797	\$ 450,847	\$ 908,644	\$ 695,000	\$ 1,603,644
2020	4.00	450,847	436,447	887,294	720,000	1,607,294
2021	3.38	436,447	423,875	860,322	745,000	1,605,322
2022	5.00	423,875	404,375	828,250	780,000	1,608,250
2023	5.00	404,375	384,000	788,375	815,000	1,603,375
2024	5.00	384,000	362,500	746,500	860,000	1,606,500
2025	5.00	362,500	339,875	702,375	905,000	1,607,375
2026	5.00	339,875	316,125	656,000	950,000	1,606,000
2027	5.00	316,125	291,125	607,250	1,000,000	1,607,250
2028	5.00	291,125	264,875	556,000	1,050,000	1,606,000
2029	5.00	264,875	237,250	502,125	1,105,000	1,607,125
2030	5.00	237,250	208,250	445,500	1,160,000	1,605,500
2031	5.00	208,250	177,750	386,000	1,220,000	1,606,000
2032	5.00	177,750	145,750	323,500	1,280,000	1,603,500
2033	5.00	145,750	112,000	257,750	1,350,000	1,607,750
2034	5.00	112,000	76,625	188,625	1,415,000	1,603,625
2035	5.00	76,625	39,125	115,750	1,500,000	1,615,750
2036	5.00	39,125	-	39,125	1,565,000	1,604,125
		<u>\$ 5,128,591</u>	<u>\$ 4,670,794</u>	<u>\$ 9,799,385</u>	<u>\$ 19,115,000</u>	<u>\$ 28,914,385</u>

Bonds dated: March 15, 2016

Original issue: \$19,790,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2027 may be redeemed on March 1, 2026 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2015 REVENUE BONDS**  
**UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest				
		Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2019	2.00%	\$ 465,675	\$ 457,525	\$ 923,200	\$ 815,000	\$ 1,738,200
2020	3.00	457,525	445,075	902,600	830,000	1,732,600
2021	3.00	445,075	432,250	877,325	855,000	1,732,325
2022	5.00	432,250	410,250	842,500	880,000	1,722,500
2023	5.00	410,250	387,125	797,375	925,000	1,722,375
2024	5.00	387,125	362,750	749,875	975,000	1,724,875
2025	5.00	362,750	337,250	700,000	1,020,000	1,720,000
2026	5.00	337,250	310,375	647,625	1,075,000	1,722,625
2027	5.00	310,375	282,250	592,625	1,125,000	1,717,625
2028	5.00	282,250	252,750	535,000	1,180,000	1,715,000
2029	5.00	252,750	221,750	474,500	1,240,000	1,714,500
2030	5.00	221,750	189,125	410,875	1,305,000	1,715,875
2031	5.00	189,125	154,875	344,000	1,370,000	1,714,000
2032	5.00	154,875	119,000	273,875	1,435,000	1,708,875
2033	5.00	119,000	81,250	200,250	1,510,000	1,710,250
2034	5.00	81,250	41,625	122,875	1,585,000	1,707,875
2035	5.00	41,625	-	41,625	1,665,000	1,706,625
		\$ 4,950,900	\$ 4,485,225	\$ 9,436,125	\$ 19,790,000	\$ 29,226,125

Bonds dated: March 01, 2015

Original issue: \$22,240,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2026 may be redeemed on March 1, 2025 or any interest payment date thereafter.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2012 REVENUE BONDS**  
**UNTIL MATURITY**

February 28, 2019

Calendar Year	Interest Rate	Interest				
		Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2019	5.00%	\$ 221,306	\$ 206,681	\$ 427,987	\$ 585,000	\$ 1,012,987
2020	5.00	206,681	191,306	397,987	615,000	1,012,987
2021	5.00	191,306	175,056	366,362	650,000	1,016,362
2022	5.00	175,056	158,056	333,112	680,000	1,013,112
2023	5.00	158,056	140,181	298,237	715,000	1,013,237
2024	4.00	140,181	125,181	265,362	750,000	1,015,362
2025	5.00	125,181	105,556	230,737	785,000	1,015,737
2026	3.00	105,556	93,331	198,887	815,000	1,013,887
2027	3.13	93,331	80,206	173,537	840,000	1,013,537
2028	3.25	80,206	66,150	146,356	865,000	1,011,356
2029	3.50	66,150	50,488	116,638	895,000	1,011,638
2030	3.50	50,488	34,213	84,701	930,000	1,014,701
2031	3.50	34,213	17,413	51,626	960,000	1,011,626
2032	3.50	17,413	-	17,413	995,000	1,012,413
		\$ 1,665,124	\$ 1,443,818	\$ 3,108,942	\$ 11,080,000	\$ 14,188,942

Bonds dated: June 15, 2012

Original issue: \$14,075,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2023 may be redeemed on March 1, 2022 or any interest payment date thereafter.



**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

**MUNICIPAL DRAINAGE UTILITY FUND**

**DEBT SERVICE REQUIREMENTS - 2009A REVENUE (CWSRF) ARRA BONDS  
UNTIL MATURITY**

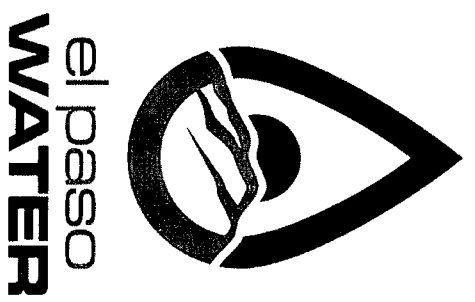
February 28, 2019

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2019	0.00%	\$ -	\$ -	\$ -	\$ 109,000	\$ 109,000
2020	0.00	-	-	-	109,000	109,000
2021	0.00	-	-	-	108,000	108,000
2022	0.00	-	-	-	108,000	108,000
2023	0.00	-	-	-	108,000	108,000
2024	0.00	-	-	-	108,000	108,000
2025	0.00	-	-	-	107,000	107,000
2026	0.00	-	-	-	107,000	107,000
2027	0.00	-	-	-	107,000	107,000
2028	0.00	-	-	-	107,000	107,000
2029	0.00	-	-	-	107,000	107,000
2030	0.00	-	-	-	107,000	107,000
2031	0.00	-	-	-	107,000	107,000
		\$ -	\$ -	\$ -	\$ 1,399,000	\$ 1,399,000

Bonds dated: November 15, 2009

Original issue: \$2,163,000

Source of funding requirements: Net revenues only



**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**

INSURANCE COVERAGE

February 28, 2019

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Insurance Providers Affiliated FM Agent: USI Southwest Inc	Policy Number GS726	Policy Period 01/03/19 to 01/03/20
Texas Municipal League	Entity ID# 889	10/01/18 to 10/01/19
Travelers Casualty & Surety Co of America Agent: USI Southwest Inc	105715307	12/7/18 to 12/07/19
Texas Municipal League	Entity ID# 944	05/01/18 to 05/01/19
Scottsdale Insurance Company Agent: USI Southwest Inc.	CPS2794120	11/11/18 to 11/11/19
Scottsdale Insurance Company Agent: USI Southwest Inc.	CPS2794032	09/16/18 to 09/16/19
City of El Paso - El Paso Water Utilities Aetna	Self-insurance Plan	01/01/19 to 12/31/22
Aetna	Stop Loss	01/01/19 to 12/31/22
Aetna	Fully Insured	01/01/19 to 12/31/22
Aetna	Fully Insured	01/01/19 to 12/31/19
Dearborn Underwriter ReliaStar Life Ins Co	F022145-0001	01/01/19 to 12/31/23
CAS, Inc (Administrator)	Self-insurance Plan	11/12/18 to 11/11/20

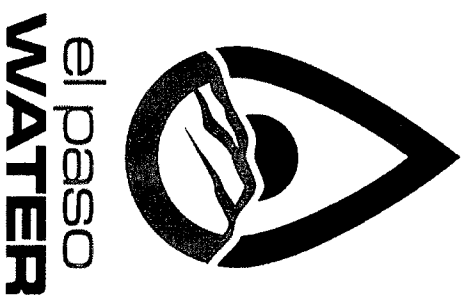
**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
A COMPONENT UNIT OF THE CITY OF EL PASO

INSURANCE COVERAGE

February 28, 2019

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Type of Insurance	Property Insured	Insurance
Blanket coverages for Building, Boiler & Machinery, & Personal Property	Buildings, Boiler & Machinery, and Personal Property (Policy covers City of El Paso and EPWU assets)	\$687,588,002 \$250,000 Deductible
Auto Liability	Four Vehicles	\$500,000 \$10,000 Deductible
Inside/Outside Theft and Disappearance	Property and Cash	\$100,000 \$5,000 Deductible
Computer Fraud	Non-authorized access of computer information	\$3,000,000 \$50,000 Deductible
Employee Dishonesty	Covers against financial loss loss of money, securities, and other property	\$3,000,000 \$50,000 Deductible
Misc Professional Liability	Errors & Omissions For Public Officials & Employees	\$5,000,000 \$10,000,000 \$50,000 Deductible
Special Event General Liability	TECH2O and Desalination Plant	\$2,000,000 Aggregate No Deductible
General Liability	Palisades & Trailheads	\$2,000,000 Aggregate No Deductible
Choice POS II	Employees & Family	Annual Deductible Co-insurance 80% High Deductible Plan 100%
Specific and Aggregate Stop Loss Insurance	Employees & Family	Individual Claims over \$225,000
Choice POS II	Retirees under 65	Annual Deductible Co-insurance 80% or 90% High Deductible Plan 100%
Medicare Advantage Plan	Retirees over 65 - Part A & Part B Required	\$0 Deductible 90% Co-Insurance
Employee Basic Life Insurance	Active Employees Only	\$50,000 per employee \$2,000 for spouse \$1,000 per child
Accidental Death & Dismemberment	Active Employees Only	
Supplemental/Optional Life	Active Employees and Family Only	\$200,000 per employee \$100,000 for spouse \$10,000 per child
Workers' Compensation	Self-insured	



## **STATISTICAL SECTION**

## STATISTICAL SECTION - CONTENTS AND EXPLANATIONS (Unaudited)

*This part of The Public Service Board - El Paso Water Utilities (EPWater) comprehensive annual financial report, presents summary information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Public Service Board - El Paso Water (EPWater) financial health*

PAGE

### A - FINANCIAL TRENDS INFORMATION

*These schedules contain trend information to help the reader understand how Water and Wastewater Utility Fund and the Municipal Drainage Utility Fund financial performance and well-being have changed over time.*

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### C - DEBT CAPACITY INFORMATION

*These schedules present information to help the reader assess the affordability of the Public Service Board - El Paso Water Utilities' current levels of outstanding debt and its ability to issue additional debt in the future for the Water and Wastewater Utility and the Municipal Drainage Utility funds.*

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## D - DEMOGRAPHIC AND ECONOMIC INFORMATION

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the Public Service Board - El Paso Water Utilities' financial activities take place.*

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## E - OPERATING INFORMATION

*These schedules contain information about the Public Service Board - El Paso Water Utilities' operations and resources, to help the reader understand how each utility's financial information relate to the services they provide and the activities they perform.*

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## A - FINANCIAL TRENDS INFORMATION

*These schedules contain trend information to help the reader understand how  
Water and Wastewater Utility's financial performance and well-being have changed over time.  
Along with the Municipal Drainage Utility Fund.*

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
ENTERPRISE FUNDS**

**NET POSITION**

**2010 thru 2019\***  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2019	2018	2017	2016	Restated 2015 <sup>2</sup>	2014	Restated 2013 <sup>1</sup>	Restated 2012 <sup>1</sup>	2011	2010
NET POSITION										
Restricted										
Restricted for debt service	\$ 90,651	\$ 78,899	\$ 73,715	\$ 69,473	\$ 61,953	\$ 58,213	\$ 56,136	\$ 53,650	\$ 58,423	\$ 53,190
Restricted for construction and improvements	40,933	43,733	33,841	28,756	21,536	35,752	25,448	22,149	19,314	15,094
Total restricted	131,584	122,632	107,556	98,228	83,489	93,965	81,583	75,799	77,737	68,284
Net investment in capital assets	949,808	894,333	846,265	808,631	776,032	727,502	698,873	676,369	651,543	636,126
Unrestricted	(2,795)	(379)	6,849	(3,989)	(12,109)	26,737	27,908	24,076	21,396	16,809
Total Net Position	\$ 1,078,597	\$ 1,016,586	\$ 960,670	\$ 902,870	\$ 847,412	\$ 848,203	\$ 808,364	\$ 776,244	\$ 750,676	\$ 721,219

**Note**

Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted, and unrestricted. Net position is considered restricted when constraints placed on net position use is either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

\*Fiscal year March 1 thru last day of February of year shown

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

<sup>2</sup>Fiscal year has been restated as a result of the adoption of GASB 68, *Accounting and Financial Reporting for Pensions*

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
WATER AND WASTEWATER UTILITY FUND**

**NET POSITION**

**2010 thru 2019\***  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2019	2018	2017	2016	Restated 2015 <sup>2</sup>	2014	Restated 2013 <sup>1</sup>	Restated 2012 <sup>1</sup>	2011	2010
NET POSITION										
Restricted										
Restricted for debt service	\$ 80,593.15	\$ 71,959.48	\$ 65,549.05	\$ 61,979.12	\$ 55,543.16	\$ 52,398.66	\$ 51,361.29	\$ 49,999.08	\$ 54,964.00	\$ 52,087.00
Restricted for construction and improvements	28,418	32,763	23,324	28,273	15,539	27,034	21,407	19,822	17,594	8,490
Total restricted	109,012	104,723	88,873	90,252	71,082	79,433	72,768	69,821	72,558	60,577
Net investment in capital assets	865,579	817,963	781,349	742,320	721,516	681,281	656,157	635,023	614,995	608,413
Unrestricted	(2,822)	(2,062)	5,886	(5,082)	(12,894)	24,501	22,205	21,259	18,594	13,569
Total Net Position	\$ 971,770	\$ 920,624	\$ 876,109	\$ 827,490	\$ 779,705	\$ 785,214	\$ 751,129	\$ 726,103	\$ 706,147	\$ 682,559

**Note**

Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted, and unrestricted. Net position is considered restricted when constraints placed on net position use are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

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**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
ENTERPRISE FUNDS**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

2010 thru 2019\*  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2019	2018	2017	2016	Restated 2015 <sup>2</sup>	2014	Restated 2013 <sup>1</sup>	Restated 2012 <sup>1</sup>	2011	2010
<b>Revenue</b>										
Water and reclaimed water	\$ 157,351	\$ 145,915	\$ 137,996	\$ 123,015	\$ 115,553	\$ 114,083	\$ 113,001	\$ 112,289	\$ 106,468	\$ 101,087
Wastewater	83,943	76,002	69,632	62,068	57,064	58,032	54,468	53,711	51,564	51,568
Drainage fees	23,143	22,266	18,819	16,674	15,194	15,058	14,962	14,830	14,741	14,556
Other operating revenue	15,277	20,835	14,521	13,518	12,095	9,517	9,890	9,903	9,804	8,457
Total operating revenue	279,714	265,019	240,968	215,275	199,906	196,691	192,321	190,733	182,577	175,667
<b>Expenses</b>										
Operations and maintenance - water and reclaimed water	49,228	45,496	42,245	39,673	37,977	38,692	40,365	42,164	39,352	40,026
Operations and maintenance - wastewater	25,364	23,772	21,325	21,485	20,474	22,444	22,165	22,478	21,510	22,948
General, administrative and engineering expenses	27,132	24,477	21,995	21,516	20,663	20,473	22,323	20,602	19,088	20,364
Operations and maintenance - drainage	4,664	4,820	5,004	4,437	4,714	5,620	4,536	5,083	5,339	5,786
Farm expenses	-	5,712	1,218	-	-	-	-	-	-	-
Other operating expenses	1,680	1,764	1,836	2,867	2,963	2,602	2,845	2,766	2,300	2,516
Other Post-Employment Benefits expense	1,793	893	893	1,054	1,041	885	889	645	938	899
Pension expense	5,337	5,283	6,471	4,464	2,222	-	-	-	-	-
Depreciation	68,573	65,897	62,721	57,894	53,406	52,077	51,282	49,644	48,606	47,404
Payment to City of El Paso Franchise Fee	3,589	3,584	3,578	3,367	1,937	-	-	-	-	-
Payment to City of El Paso per bond covenants	14,631	13,552	12,753	11,418	10,593	10,553	10,383	10,509	9,931	9,614
Total operating expenses	201,990	195,249	180,038	168,175	155,990	153,346	154,788	153,892	147,064	149,557
Operating income	77,723	69,770	60,930	47,100	43,916	43,344	37,533	36,842	35,513	26,109.61
<b>Nonoperating revenues (expenses)</b>										
Interest earnings and net change in fair value of investments	5,921	2,945	1,348	676	502	356	363	480	815	654
IRS Tax Credit for Build America Bonds	-	637	927	972	1,015	1,050	1,184	1,216	1,136	421
Gain on land assets converted by sale	1,091	5	5,561	1,697	148	2,271	2,584	1,893	617	3,733
Gain on sale of miscellaneous assets	357	401	176	332	734	314	150	143	205	87
Other nonoperating	(834)	(1,595)	(1,434)	-	-	-	-	-	-	-
Interest on bonds, commercial paper, and land notes payable	(26,144)	(25,511)	(23,373)	(21,310)	(21,619)	(21,310)	(22,052)	(22,823)	(27,697)	(24,977)
Total nonoperating revenues (expenses)	(19,609)	(23,118)	(16,796)	(17,632)	(19,220)	(17,320)	(17,772)	(19,091)	(24,925)	(20,081)
Increase in net position, before capital contributions	58,115	46,652	44,135	29,468	24,697	26,024	19,761	17,751	10,588	6,029
Federal grant and capital contributions	11,585	9,263	13,665	25,991	8,579	13,815	12,359	14,862	18,869	8,542
Change in net position	69,699	55,915	57,800	55,459	33,276	39,840	32,120	32,612	29,456	14,571
Total net position - beginning	1,016,586	960,670	902,870	847,411	848,203	808,364	776,244	750,676	721,219	706,648
Prior period adjustment	(7,688)	-	-	-	(34,067)	-	-	(7,044)	-	-
Total net position - ending	\$ 1,078,597	\$ 1,016,586	\$ 960,670	\$ 902,870	\$ 847,411	\$ 848,203	\$ 808,364	\$ 776,244	\$ 750,676	\$ 721,219

\* Fiscal year March 1 thru last day of February of year shown

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

<sup>2</sup>Fiscal year has been restated as a result of the adoption of GASB 68, *Accounting and Financial Reporting for Pensions*

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
WATER AND WASTEWATER UTILITY FUND**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**2010 thru 2019\***  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2019	2018	2017	2016	Restated 2015 <sup>2</sup>	2014	Restated 2013 <sup>1</sup>	Restated 2012 <sup>1</sup>	2011	2010
Revenue										
Water and reclaimed water	\$ 157,351	\$ 145,915	\$ 137,996	\$ 123,015	\$ 115,553	\$ 114,083	\$ 113,001	\$ 112,289	\$ 106,468	\$ 101,087
Wastewater	83,943	76,002	69,632	62,068	57,064	58,032	54,468	53,711	51,564	51,568
Other operating revenue	14,643	20,194	13,884	12,812	11,437	8,881	9,293	9,447	9,366	8,000
Total operating revenue	255,937	242,111	221,511	197,895	184,054	180,997	176,763	175,448	167,398	160,655
Expenses										
Operations and maintenance - water and reclaimed water	49,305	45,569	42,321	39,747	38,048	38,765	40,405	42,204	39,390	40,059
Operations and maintenance - wastewater	25,437	23,843	21,385	21,541	20,527	22,497	22,217	22,535	21,569	23,008
General, administrative and engineering expenses	25,718	23,598	21,100	20,230	19,480	19,178	20,861	19,259	17,738	18,993
Farm expenses	-	5,712	1,218	-	-	-	-	-	-	-
Other operating expenses	1,680	1,764	1,836	2,588	2,963	2,602	2,636	2,766	2,277	2,507
Other Post-Employment Benefits expense	1,663	821	822	978	969	834	831	627	869	899
Pension expense	5,050	4,998	6,000	4,171	2,089	-	-	-	-	-
Depreciation	65,322	62,998	60,385	56,199	52,041	50,593	49,646	48,087	47,108	45,761
Payment to City of El Paso Franchise Fee	3,589	3,584	3,578	3,367	1,937	-	-	-	-	-
Payment to City of El Paso per bond covenants	14,631	13,552	12,753	11,418	10,593	10,553	10,383	10,509	9,931	9,614
Total operating expenses	192,393	186,438	171,398	160,239	148,648	145,022	146,979	145,986	138,882	140,841
Operating income	63,543	55,673	50,114	37,656	35,406	35,975	29,784	29,461	28,516	19,814
Nonoperating revenues (expenses)										
Interest earnings and net change in fair value of investments	4,979	2,451	1,085	544	402	266	258	358	597	589
IRS Tax Credit for Build America Bonds	-	121	196	206	214	221	249	249	138	-
Gain on land assets converted by sale	1,091	5	5,561	1,682	143	2,014	1,791	1,893	617	3,733
Gain on sale of miscellaneous assets	357	343	176	315	647	314	123	143	205	87
Other nonoperating	(584)	(1,108)	(1,169)	-	-	-	-	-	-	-
Interest on bonds, commercial paper, and land notes payable	(22,987)	(22,035)	(21,009)	(18,608)	(18,863)	(18,534)	(19,537)	(20,373)	(24,845)	(23,773)
Total nonoperating revenues (expenses)	(17,145)	(20,223)	(15,160)	(15,862)	(17,456)	(15,719)	(17,116)	(17,731)	(23,289)	(19,363)
Increase in net position, before capital contributions	46,399	35,450	34,954	21,794	17,950	20,256	12,668	11,731	5,227	451
Federal grant and capital contributions	11,585	9,065	13,665	25,991	8,579	13,829	12,359	14,862	18,360	7,943
Change in net position	57,983	44,515	48,619	47,785	26,528	34,085	25,026	26,592	23,588	8,394
Total net position - beginning of year	920,624	876,109	827,490	779,705	785,214	751,129	726,103	706,147	682,559	674,166
Prior period adjustment	(6,838)	-	-	-	(32,038)	-	-	(6,635)	-	-
Total net position - ending	\$ 971,770	\$ 920,624	\$ 876,109	\$ 827,490	\$ 779,705	\$ 785,214	\$ 751,129	\$ 726,103	\$ 706,147	\$ 682,559

\* Fiscal year March 1 thru last day of February of year shown

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

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**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
MUNICIPAL DRAINAGE UTILITY FUND**

**NET POSITION**

**2010 thru 2019\*  
(accrual basis of accounting)**

	2019	2018	2017	2016	Restated 2015 <sup>2</sup>	2014	Restated 2013 <sup>1</sup>	Restated 2012 <sup>1</sup>	2011	2010
<b>NET POSITION</b>										
Restricted										
Restricted for debt service	\$ 10,058,099	\$ 6,939,297	\$ 8,165,763	\$ 7,493,521	\$ 6,409,977	\$ 5,814,548	\$ 4,774,311	\$ 3,651,258	\$ 3,458,747	\$ 1,102,944
Restricted for construction and improvements	12,514,167	10,969,920	10,517,396	482,711	5,997,108	8,717,102	4,040,922	2,326,931	1,719,314	6,604,228
Total Restricted	22,572,266	17,909,217	18,683,159	7,976,232	12,407,085	14,531,650	8,815,233	5,978,189	5,178,061	7,707,172
Net investment in capital assets	84,228,534	76,369,996	64,915,497	66,311,237	54,515,497	46,220,867	42,716,469	41,345,926	36,548,507	27,712,473
Unrestricted	26,340	1,682,409	962,474	1,092,904	784,189	2,236,552	5,702,938	2,817,004	2,801,828	3,240,365
Total Net Position	\$ 106,827,140	\$ 95,961,622	\$ 84,561,130	\$ 75,380,373	\$ 67,706,771	\$ 62,989,069	\$ 57,234,640	\$ 50,141,119	\$ 44,528,396	\$ 38,660,010

\* Fiscal year March 1 thru last day of February of year shown

Note: Accounting standards require that net position be reported in three components in the financial statements: net investments in capital assets, restricted, and unrestricted. Net position is considered restricted when constraints placed on net position use is either:

(a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

<sup>1</sup> Fiscal year has been restated as a result of the adoption of GASB 65, *Items Previously Reported as Assets and Liabilities*.

<sup>2</sup> Fiscal year has been restated as a result of the adoption of GASB 68, *Accounting and Financial Reporting for Pensions*.

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
MUNICIPAL DRAINAGE UTILITY FUND**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**2010 thru 2019\*  
(accrual basis of accounting)**

	2019	2018	2017	2016	Restated 2015 <sup>2</sup>	2014	Restated 2013 <sup>1</sup>	Restated 2012 <sup>1</sup>	2011	2010
Revenue										
Residential	\$ 9,661,849	\$ 9,305,692	\$ 7,865,371	\$ 6,976,350	\$ 6,308,556	\$ 6,235,938	\$ 6,147,697	\$ 6,057,512	\$ 5,975,720	\$ 5,857,191
Non residential	13,638,666	13,113,510	11,083,902	9,812,150	8,990,392	8,926,521	8,918,715	8,881,591	8,876,317	8,815,413
Billing fees - City Solid Waste Management	274,877	271,905	268,793	266,405	262,772	260,645	256,864	253,153	249,075	267,133
Other operating revenue	383,284	393,198	392,592	463,584	419,794	399,981	363,864	213,034	188,962	189,404
Total operating revenue	23,958,676	23,084,305	19,610,658	17,518,489	15,981,514	15,823,085	15,687,140	15,405,290	15,290,074	15,129,141
Expenses										
Operations and maintenance	4,670,438	4,828,146	5,000,988	4,432,140	4,708,861	5,613,000	4,563,460	5,098,949	5,341,479	5,788,192
Indirect cost allocation	1,440,000	903,000	915,000	1,300,000	1,193,000	1,305,000	1,472,000	1,350,000	1,363,000	1,392,100
Other operating expenses	-	-	-	278,451	-	-	209,197	-	22,677	8,319
Other Post-Employment benefits expense	129,720	71,663	70,779	75,884	71,626	50,995	57,938	18,566	69,488	-
Pension expense	286,850	285,217	471,141	293,552	132,415	-	-	-	-	-
Depreciation	3,251,555	2,899,125	2,336,309	1,694,639	1,364,863	1,484,740	1,635,231	1,556,485	1,497,840	1,644,195
Total operating expenses	9,778,563	8,987,151	8,794,217	8,074,666	7,470,765	8,453,735	7,937,826	8,024,000	8,294,484	8,832,806
Operating income	14,180,113	14,097,154	10,816,441	9,443,823	8,510,749	7,369,350	7,749,314	7,381,290	6,995,590	6,296,335
Nonoperating revenues (expenses)										
Interest earnings and net change in fair value of investments	942,499	493,700	262,976	132,253	99,550	89,659	104,278	122,488	217,392	65,227
IRS tax credit for Build America Bonds	-	516,337	730,547	766,696	800,675	828,171	934,250	967,015	997,990	421,374
Gain on land assets converted by sale	-	-	-	15,359	4,929	256,595	793,398	-	-	-
Gain on sale of miscellaneous assets	-	58,712	-	17,136	87,318	-	27,205	-	-	-
Other nonoperating expense	(249,613)	(487,336)	(264,852)	-	-	(13,712)	-	-	-	-
Interest on long term debt	(3,157,059)	(3,476,075)	(2,364,355)	(2,701,665)	(2,756,109)	(2,775,634)	(2,514,924)	(2,449,887)	(2,851,400)	(1,203,924)
Total nonoperating revenues (expenses)	(2,464,173)	(2,894,662)	(1,635,684)	(1,770,221)	(1,763,637)	(1,614,921)	(655,793)	(1,360,384)	(1,636,018)	(717,323)
Increase in net position, before capital contributions	11,715,940	11,202,492	9,180,757	7,673,602	6,747,112	5,754,429	7,093,521	6,020,906	5,359,572	5,579,012
Total Contributions	-	198,000	-	-	-	-	-	-	508,814	598,616
Change in net position	11,715,940	11,400,492	9,180,757	7,673,602	6,747,112	5,754,429	7,093,521	6,020,906	5,868,386	6,177,628
Total net position - beginning of year	95,961,622	84,561,130	75,380,373	67,706,771	62,989,069	57,234,640	50,141,119	44,528,396	38,660,010	32,482,382
Prior period adjustment	(850,422)	-	-	-	(2,029,410)	-	-	(408,183)	-	-
Total net position - ending	\$ 106,827,140	\$ 95,961,622	\$ 84,561,130	\$ 75,380,373	\$ 67,706,771	\$ 62,989,069	\$ 57,234,640	\$ 50,141,119	\$ 44,528,396	\$ 38,660,010

\* Fiscal year March 1 thru last day of February of year shown

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

<sup>2</sup> Fiscal year has been restated as a result of the adoption of GASB 68, *Accounting and Financial Reporting for Pensions*



**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
WATER AND WASTEWATER UTILITY FUND**

**SELECTED FINANCIAL RATIOS**

2010 thru 2019\*

	2019	2018	2017	2016	Restated 2015 <sup>2</sup>	2014	Restated 2013 <sup>1</sup>	Restated 2012 <sup>1</sup>	2011	2010
<b>FINANCIAL RATIOS*</b>										
Current Ratio (Current Assets/Current Liabilities)	2.34	3.44	3.21	2.95	1.66	2.02	2.51	2.24	2.56	2.58
Acid Test Ratio (Cash & Cash Equivalents/ Current Liabilities)	1.68	2.60	2.41	1.76	0.79	1.07	1.72	1.57	1.80	1.75
Operating Ratio ((O&M-Depreciation)/Total Operating Revenue)	0.50	0.51	0.51	0.53	0.52	0.52	0.55	0.56	0.55	0.59
Net Take-Down Ratio ((Total Operating Income+Depreciation)/Gross Revenue)	0.49	0.48	0.48	0.47	0.47	0.47	0.44	0.44	0.45	0.40
Total Liabilities to Total Assets	0.50	0.51	0.50	0.47	0.45	0.43	0.44	0.44	0.45	0.46
Debt to Equity Ratio ((Bonds Payable+Commercial Paper Notes)/Equity)	0.78	0.83	0.79	0.69	0.63	0.63	0.67	0.68	0.73	0.75
Debt Ratio ((Bonds Payable+Commercial Paper Notes)/Total Assets)	0.39	0.41	0.40	0.37	0.35	0.36	0.37	0.38	0.40	0.41
Debt Service Safety Margin ((Net Operating Income-Debt Service)/(Total Operating Revenue+Interest Earnings))	0.26	0.23	0.26	0.25	0.24	0.24	0.21	0.19	0.19	0.13
Current Restricted Assets/Current Restricted Liabilities	2.33	3.83	3.37	3.11	1.39	1.92	2.55	2.15	2.56	2.61

\* Fiscal year March 1 thru last day of February of year shown

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

<sup>2</sup>Fiscal year has been restated as a result of the adoption of GASB 68, *Accounting and Financial Reporting for Pensions*



**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
MUNICIPAL DRAINAGE UTILITY FUND**

**SELECTED FINANCIAL RATIOS**

2010 thru 2019\*

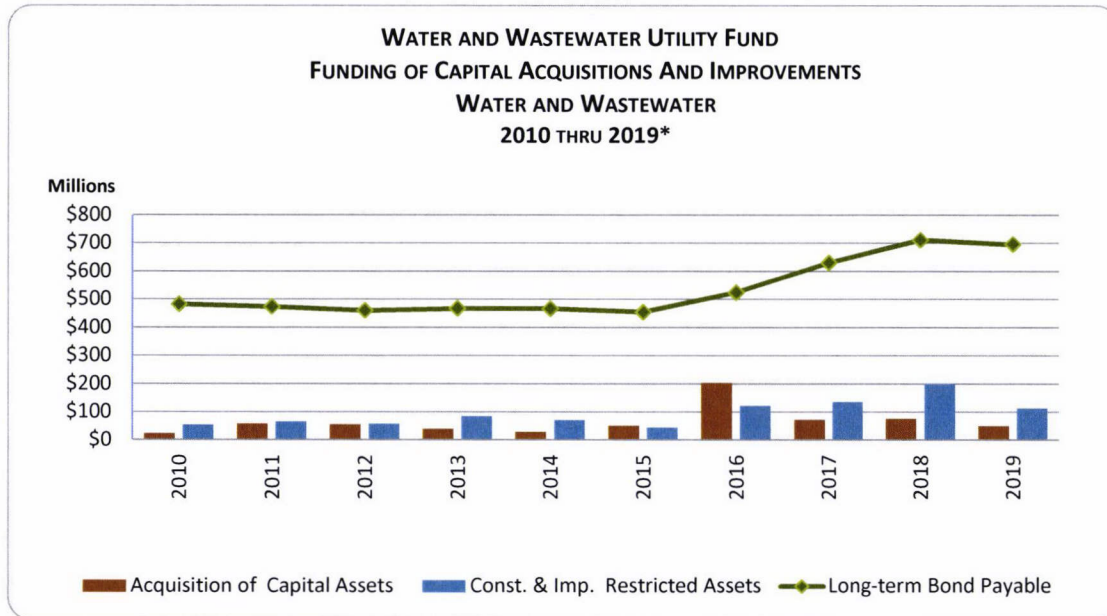
	2019	2018	2017	2016	Restated 2015 <sup>2</sup>	2014	Restated 2013 <sup>1</sup>	Restated 2012 <sup>1</sup>	2011	2010
<b>FINANCIAL RATIOS</b>										
Current Ratio (Current Assets/Current Liabilities)	3.46	5.55	6.13	3.46	5.46	9.96	11.64	8.00	11.43	32.03
Acid Test Ratio (Cash & Cash Equivalents/ Current Liabilities)	2.87	5.08	5.22	2.28	3.51	5.62	7.81	4.88	6.42	20.38
Operating Ratio ((O&M-Depreciation)/Total Operating Revenue)	0.27	0.26	0.34	0.36	0.38	0.44	0.40	0.42	0.44	0.47
Net Take-Down Ratio ((Total Operating Income+Depreciation)/Gross Revenue)	0.70	0.70	0.63	0.60	0.58	0.52	0.53	0.54	0.52	0.52
Total Liabilities to Total Assets	0.55	0.57	0.57	0.57	0.51	0.52	0.55	0.54	0.57	0.60
Debt to Equity Ratio (Bonds Payable/Equity)	0.94	1.07	1.14	1.07	0.90	1.01	1.15	1.07	1.24	1.43
Debt Ratio (Bonds payable/Total Assets)	0.43	0.46	0.49	0.47	0.44	0.48	0.52	0.50	0.53	0.58
Debt Service Safety Margin ((Net Operating Income-Debt Service)/(Total Operating Revenue+Interest Earnings))	0.43	0.33	0.26	0.28	0.23	0.16	0.28	0.26	0.36	0.49
Current Restricted Assets/Current Restricted Liabilities	3.20	5.35	5.93	3.28	5.27	10.63	11.31	7.74	11.90	39.24

\* Fiscal year March 1 thru last day of February of year shown

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

<sup>2</sup>Fiscal year has been restated as a result of the adoption of GASB 68, *Accounting and Financial Reporting for Pensions*

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**

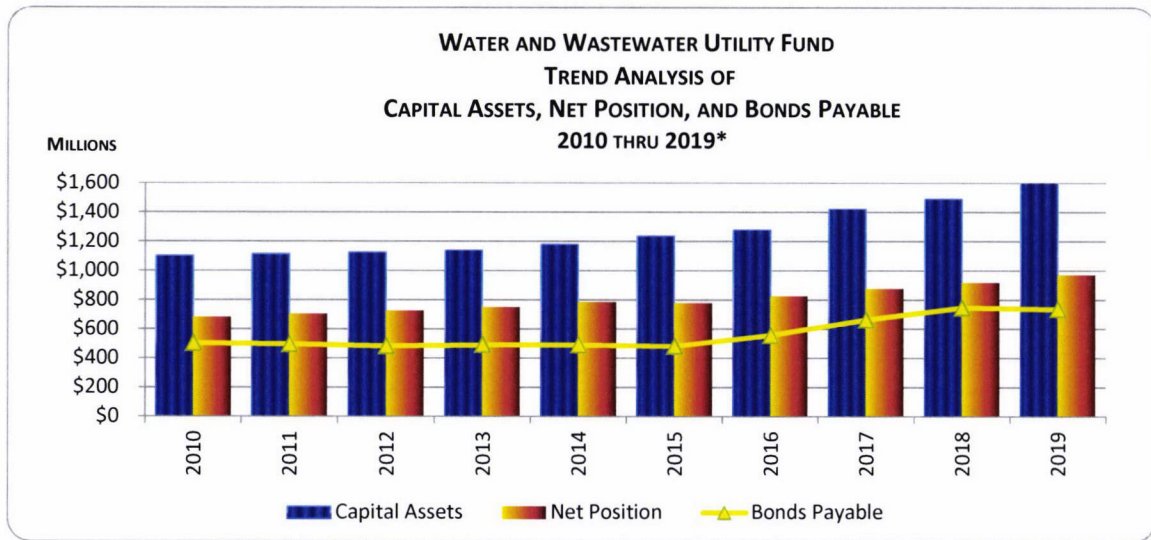


\* Fiscal year March 1 thru last day of February of year shown

Funding of Capital Acquisitions and Improvements Data 2010 thru 2019* (amounts expressed in millions)			
Year	Acquisition of Capital Assets	Const. & Imp. Restricted Assets	Long-term Bonds Payable
2010	24.0	54.8	482.9
2011	58.2	66.0	474.0
2012	56.0	58.2	460.4
2013	40.5	85.7	467.7
2014	28.2	71.9	467.1
2015	51.8	45.3	455.0
2016	204.4	123.9	525.2
2017	73.5	137.1	631.3
2018	76.2	200.9	712.3
2019	50.6	114.0	696.7

\*Fiscal year March 1 thru last day of February of year shown

# PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



\* Fiscal year March 1 thru last day of February of year shown

Trend Analysis of Capital Assets, Net Position and Bonds Payable Data 2010 thru 2019* (amounts expressed in millions)			
Year	Capital Assets	Net Position	Bonds Payable
2010	1,103.9	682.6	505.0
2011	1,115.3	706.1	497.7
2012 <sup>1</sup>	1,126.9	726.1	483.4
2013	1,142.1	751.1	492.8
2014	1,183.0	785.2	492.3
2015 <sup>2</sup>	1,238.8	779.7	482.3
2016	1,281.9	827.5	558.1
2017	1,424.8	876.1	665.7
2018	1,493.3	920.6	749.7
2019	1,628.3	971.8	739.0

\* Fiscal year March 1 thru last day of February of year shown

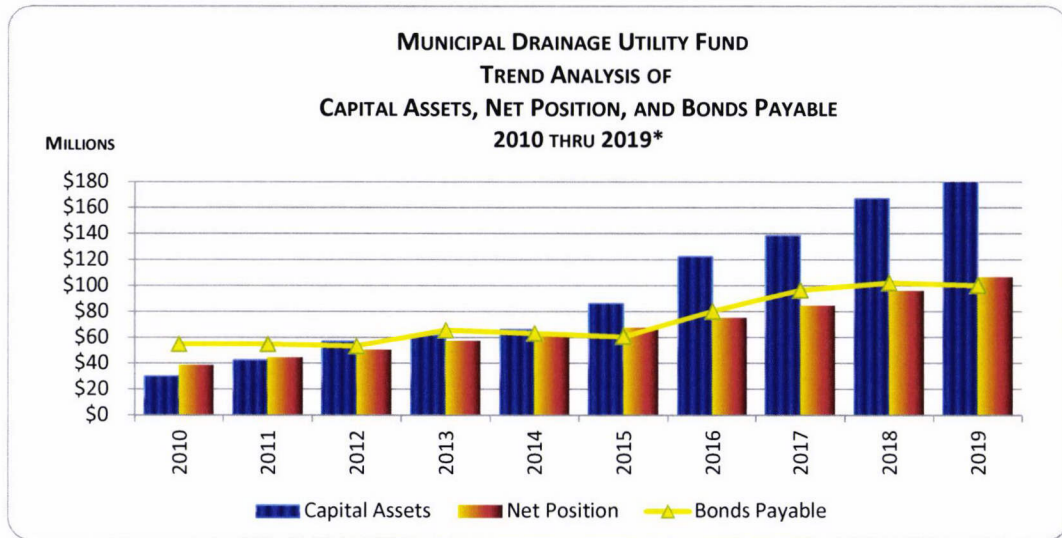
<sup>1</sup>Fiscal year 2012 has been restated as a result of the adoption of GASB 65,

*Items Previously Reported as Assets and Liabilities*

<sup>2</sup>Fiscal year 2015 has been restated as a result of the adoption of GASB 68,

*Accounting and Financial Reporting for Pensions*

# PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



\* Fiscal year March 1 thru last day of February of year shown

Trend Analysis of Capital Assets, Net Position and Bonds Payable Data 2010 thru 2019* (amounts expressed in millions)			
Year	Capital Assets	Net Position	Bonds Payable
2010	30.2	38.7	55.2
2011	42.7	44.5	55.2
2012	57.3	50.5	53.5
2013	62.1	57.2	65.7
2014	66.3	63.0	63.4
2015 <sup>1</sup>	86.4	67.7	60.8
2016	122.5	75.4	80.5
2017	138.7	84.6	96.6
2018	167.3	96.0	102.5
2019	188.5	106.8	100.3

\* Fiscal year March 1 thru last day of February of year shown

<sup>1</sup>Fiscal year has been restated as a result of the adoption of GASB 68,  
Accounting and Financial Reporting for Pensions