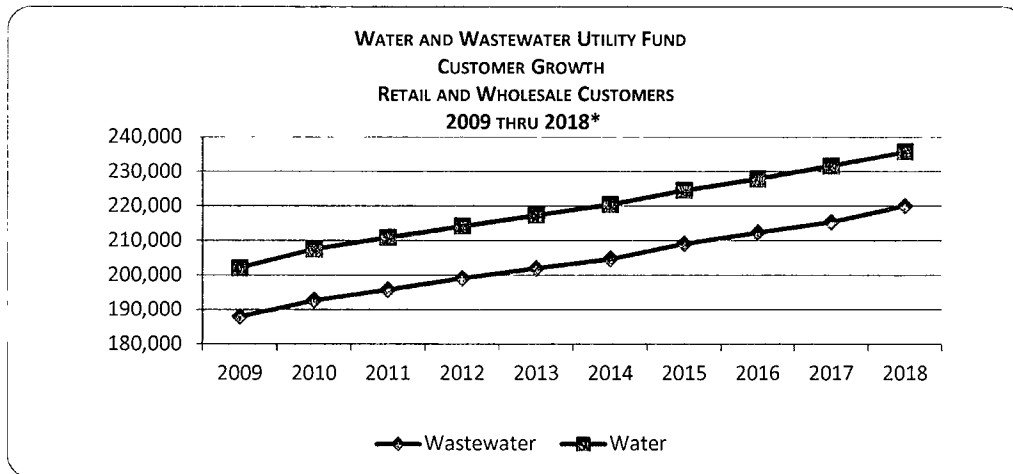


## **B - REVENUE CAPACITY INFORMATION**

*These schedules contain information to help the reader assess the Water and Wastewater Utility's primary revenue sources and the Municipal Drainage Utility's revenue information.*

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



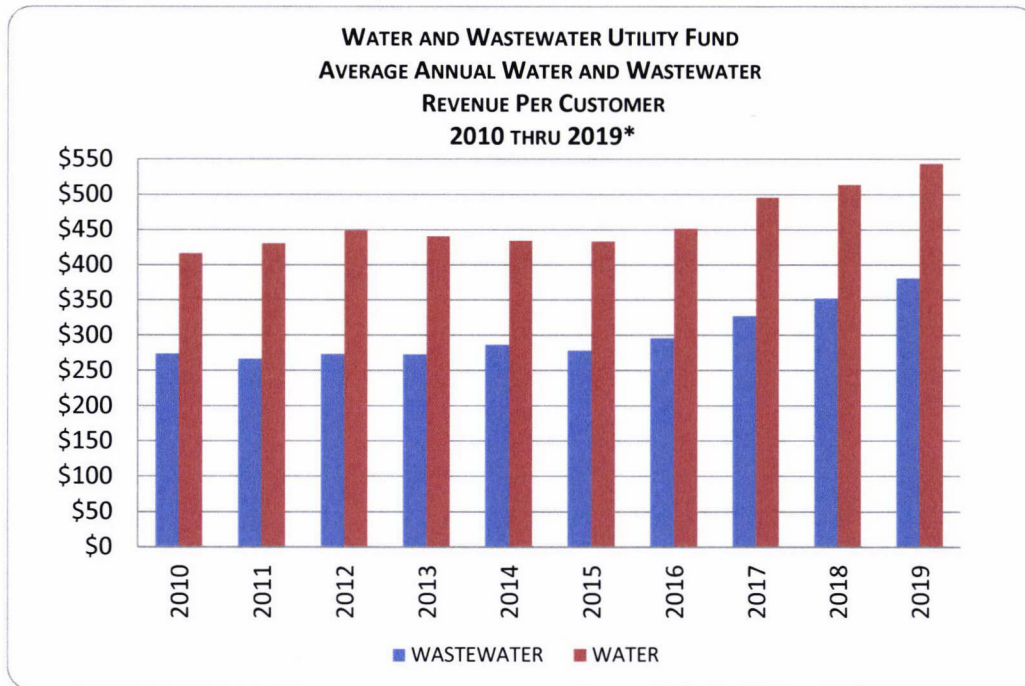
\* Calendar Year

Source: Selected Operating Statistical Data page E-3

| Water and Wastewater Customer Growth Data<br>Retail and Wholesale Customers<br>2009 thru 2018* |         |            |
|--|---------|------------|
| Year   | Water   | Wastewater |
| 2009   | 202,150 | 187,992    |
| 2010   | 207,563 | 192,765    |
| 2011   | 210,987 | 195,875    |
| 2012   | 214,254 | 199,181    |
| 2013   | 217,406 | 202,068    |
| 2014   | 220,570 | 204,810    |
| 2015   | 224,656 | 209,178    |
| 2016   | 227,933 | 212,445    |
| 2017   | 231,681 | 215,508    |
| 2018   | 235,768 | 220,129    |

\*Calendar Year

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

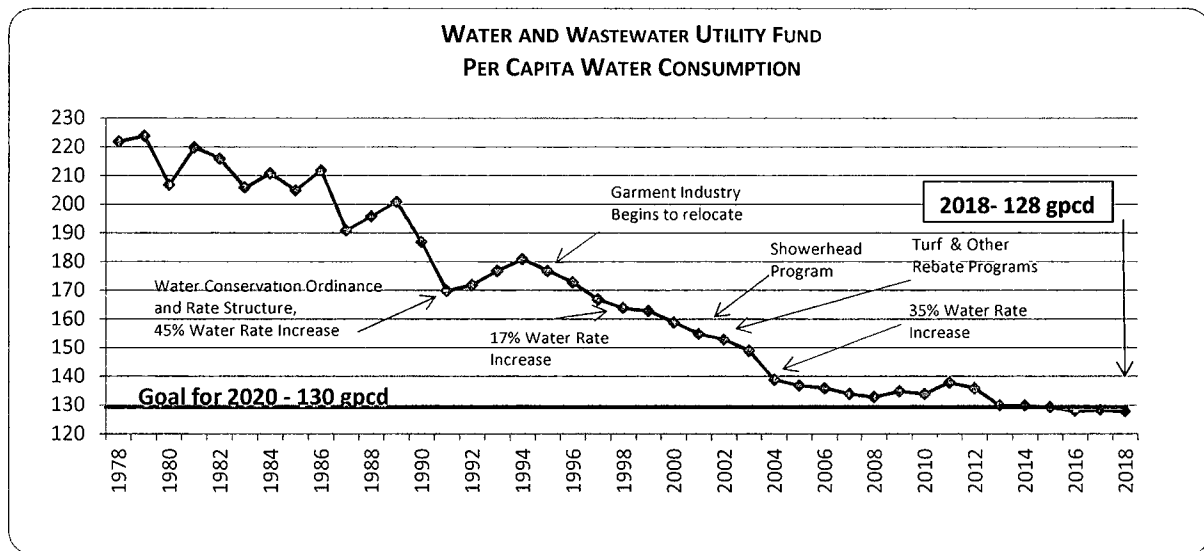


\* Fiscal year March 1 thru last day of February of year shown  
Note: retail & wholesale customers are included

| Average Annual<br>Water & Wastewater Revenue<br>per Customer Data<br>2010 thru 2019* |       |            |
|--|-------|------------|
| Year   | Water | Wastewater |
| 2010   | 416.6 | 274.3      |
| 2011   | 430.6 | 267.1      |
| 2012   | 449.0 | 274.0      |
| 2013   | 441.1 | 273.0      |
| 2014   | 434.6 | 287.0      |
| 2015   | 433.5 | 278.6      |
| 2016   | 451.7 | 296.7      |
| 2017   | 495.4 | 327.8      |
| 2018   | 513.8 | 352.7      |
| 2019   | 543.8 | 381.3      |

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

# PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



Calendar Year

| Per Capita Consumption Data |       |      |      |      |      |
|-----------------------------|-------|------|------|------|------|
| Year                        | gpcd* | Year | gpcd | Year | gpcd |
| 1978                        | 222   | 1992 | 172  | 2006 | 136  |
| 1979                        | 224   | 1993 | 177  | 2007 | 134  |
| 1980                        | 207   | 1994 | 181  | 2008 | 133  |
| 1981                        | 220   | 1995 | 177  | 2009 | 135  |
| 1982                        | 216   | 1996 | 173  | 2010 | 134  |
| 1983                        | 206   | 1997 | 167  | 2011 | 138  |
| 1984                        | 211   | 1998 | 164  | 2012 | 136  |
| 1985                        | 205   | 1999 | 163  | 2013 | 130  |
| 1986                        | 212   | 2000 | 159  | 2014 | 130  |
| 1987                        | 191   | 2001 | 155  | 2015 | 129  |
| 1988                        | 196   | 2002 | 153  | 2016 | 128  |
| 1989                        | 201   | 2003 | 149  | 2017 | 128  |
| 1990                        | 187   | 2004 | 139  | 2018 | 128  |
| 1991                        | 170   | 2005 | 137  |      |      |

Calendar Year

\* gpcd=gallons per capita daily



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

**WATER BILLED BY TYPE OF CUSTOMER**

2010 thru 2019\*

|  | 2019             | 2018             | 2017             | 2016             | 2015             | 2014             | 2013             | 2012             | 2011             | 2010             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>WATER CUSTOMERS BY TYPE AT END OF FISCAL YEAR</b> |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Residential  | 189,490          | 187,040          | 184,741          | 182,766          | 180,405          | 178,211          | 176,254          | 174,199          | 168,699          | 165,723          |
| Schools  | 646              | 651              | 646              | 662              | 811              | 806              | 798              | 798              | 784              | 761              |
| Churches   | 433              | 454              | 448              | 452              | 455              | 459              | 456              | 458              | 456              | 449              |
| Industrial   | 131              | 146              | 147              | 148              | 149              | 155              | 163              | 169              | 162              | 163              |
| Commercial   | 14,768           | 14,430           | 14,111           | 13,960           | 13,669           | 13,455           | 12,267           | 12,153           | 14,608           | 14,205           |
| Government   | 1,809            | 1,805            | 1,798            | 1,741            | 1,708            | 1,668            | 1,623            | 1,599            | 2,690            | 2,599            |
| Very Large Water Users                               | 8                | 13               | 13               | 13               | 11               | 6                | 7                | 6                | 6                | 8                |
| Wholesale Customers***                               | 26,289           | 25,088           | 23,975           | 23,007           | 21,972           | 20,846           | 20,085           | 18,725           | 19,025           | 18,227           |
| Other  | 2,668            | 2,517            | 2,408            | 2,311            | 2,022            | 1,926            | 2,779            | 2,759            | 1,154            | 1,130            |
| Total Water Customers                                | 236,242          | 232,144          | 228,287          | 225,060          | 221,202          | 217,532          | 214,432          | 210,866          | 207,584          | 203,265          |
| <b>WATER BILLED BY TYPE OF CUSTOMER (1000 ccf's)</b> |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Residential  | 23,400           | 23,864           | 24,406           | 24,125           | 24,671           | 25,536           | 26,602           | 27,410           | 25,870           | 25,360           |
| Schools  | 1,670            | 1,702            | 1,681            | 1,630            | 1,637            | 1,657            | 1,717            | 1,808            | 1,680            | 1,558            |
| Churches   | 141              | 149              | 155              | 143              | 150              | 161              | 170              | 179              | 174              | 171              |
| Industrial   | 1,585            | 1,362            | 1,131            | 1,199            | 1,452            | 1,413            | 1,365            | 452              | 341              | 310              |
| Commercial   | 9,775            | 9,499            | 9,464            | 9,457            | 9,314            | 9,537            | 9,673            | 10,284           | 9,927            | 9,572            |
| Government   | 3,661            | 3,177            | 3,188            | 2,907            | 2,994            | 2,733            | 3,869            | 4,203            | 2,887            | 3,283            |
| Very Large Water Users                               | 1,331            | 1,475            | 1,193            | 1,570            | 1,234            | 1,002            | 1,056            | 1,402            | 1,295            | 1,138            |
| Wholesale Customers                                  | 4,642            | 4,478            | 4,343            | 4,228            | 4,016            | 4,089            | 4,148            | 4,265            | 3,349            | 3,051            |
| Other  | 242              | 309              | 251              | 220              | 269              | 327              | 639              | 160              | 352              | 523              |
| Total Water Billed in CCFs                           | 46,447           | 46,014           | 45,812           | 45,479           | 45,737           | 46,454           | 49,239           | 50,164           | 45,873           | 44,966           |
| <b>WATER REVENUE **</b>                              | <b>\$157,351</b> | <b>\$145,915</b> | <b>\$137,996</b> | <b>\$123,015</b> | <b>\$115,553</b> | <b>\$114,083</b> | <b>\$113,001</b> | <b>\$112,289</b> | <b>\$106,468</b> | <b>\$101,087</b> |
| <b>WASTEWATER RETAIL CUSTOMERS</b>                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| WASTEWATER WHOLESALE CUSTOMERS***                    | 20,682           | 19,429           | 18,443           | 17,081           | 16,285           | 15,219           | 14,625           | 13,462           | 13,126           | 12,437           |
| TREATED WASTEWATER BILLED (MG)****                   | 20,731           | 21,457           | 21,285           | 21,235           | 21,415           | 21,572           | 23,543           | 22,458           | 22,028           | 21,411           |
| <b>WASTEWATER REVENUE **</b>                         | <b>\$83,943</b>  | <b>\$76,002</b>  | <b>\$69,632</b>  | <b>\$62,068</b>  | <b>\$57,064</b>  | <b>\$58,032</b>  | <b>\$54,468</b>  | <b>\$53,711</b>  | <b>\$51,564</b>  | <b>\$51,568</b>  |

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

\*\* Water and Wastewater Revenue expressed in thousands

\*\*\* Includes total number of EPWater's wholesale customers and their retail customers

\*\*\*\* Wastewater treated by calendar year

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

Fiscal Year 2019\*

TEN LARGEST WATER CUSTOMERS

| Rank | Name of Employer                      | Type of Industry   | Water Usage<br>(1000's) | % of Total<br>Water Usage | Water<br>Revenue | % of Total<br>Water<br>Revenue |
|------|---------------------------------------|--------------------|-------------------------|---------------------------|------------------|--------------------------------|
| 1    | Lower Valley Water District Authority | Wholesale Customer | 2,042,333               | 6.0%                      | \$3,046,502      | 2.5%                           |
| 2    | El Paso Electric Company              | Utility            | 1,982,974               | 5.8%                      | 3,967,081        | 3.2%                           |
| 3    | El Paso City                          | City Government    | 1,822,580               | 5.3%                      | 7,096,315        | 5.7%                           |
| 4    | Paseo del Este MUD                    | Wholesale Customer | 620,605                 | 1.8%                      | 2,204,532        | 1.8%                           |
| 5    | Western Refining                      | Industrial         | 607,357                 | 1.8%                      | 3,050,735        | 2.5%                           |
| 6    | El Paso County (Retail)               | County Government  | 564,891                 | 1.6%                      | 2,005,954        | 1.6%                           |
| 7    | El Paso Independent School District   | Public Schools     | 492,159                 | 1.4%                      | 2,753,089        | 2.2%                           |
| 8    | Federal Government                    | US Government      | 474,860                 | 1.4%                      | 930,639          | 0.8%                           |
| 9    | El Paso Housing Authority             | Housing Authority  | 387,739                 | 1.1%                      | 1,426,216        | 1.2%                           |
| 10   | Ysleta Independent School District    | Public Schools     | <u>335,372</u>          | <u>1.0%</u>               | <u>2,229,990</u> | <u>1.8%</u>                    |
|      |                                       |                    |                         | <u>27.2%</u>              |                  | <u>23.2%</u>                   |

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

\*\* Based on gallons consumed

Note: The above list of the top ten largest water customers was not the same for the previous nine years, therefore, a ten year comparison for these customers is not presented

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

Fiscal Year 2019\*

TEN LARGEST WASTEWATER CUSTOMERS

| Rank | Name of Employer                      | Type of Industry    | Wastewater Revenue | % of Total<br>Wastewater Revenue |
|------|---------------------------------------|---------------------|--------------------|----------------------------------|
| 1    | Federal Government                    | US Government       | \$2,261,714        | 2.7%                             |
| 2    | Western Refining                      | Industrial          | 2,205,118          | 2.6%                             |
| 3    | Lower Valley Water District Authority | Wholesale Customers | 1,387,021          | 1.7%                             |
| 4    | El Paso Housing Authority             | Housing Authority   | 1,106,011          | 1.3%                             |
| 5    | Paseo del Este MUD                    | Wholesale Customers | 1,087,025          | 1.3%                             |
| 6    | El Paso Independent School District   | Public Schools      | 688,962            | 0.8%                             |
| 7    | Eagle Family Foods                    | Industrial          | 686,545            | 0.8%                             |
| 8    | El Paso County (Retail)               | County Government   | 653,299            | 0.8%                             |
| 9    | El Paso City                          | City Government     | 580,333            | 0.7%                             |
| 10   | EPT                                   | Property Management | <u>\$29,572</u>    | <u>0.6%</u>                      |
|      |                                       |                     |                    | <u>13.3%</u>                     |

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

Note: The above list of the top ten largest wastewater customers was not the same for the previous nine years, therefore, a ten year comparison for these customers is not presented

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

2010 thru 2019\*

Monthly Minimum Charge by  
Meter Size (inches)

| WATER RATES |        |        |        |        |        |        |        |        |        |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2019        | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   | 2012   | 2011   | 2010   |
| \$7.16      | \$6.63 | \$6.20 | \$5.59 | \$5.18 | \$5.18 | \$4.93 | \$4.79 | \$4.79 | \$4.79 |
| 11.17       | 10.34  | 9.66   | 8.70   | 8.06   | 8.06   | 7.68   | 7.46   | 7.46   | 7.46   |
| 19.15       | 17.73  | 16.57  | 14.93  | 13.82  | 13.82  | 13.16  | 12.78  | 12.78  | 12.78  |
| 23.05       | 21.34  | 19.94  | 17.96  | 16.63  | 16.63  | 15.84  | 15.38  | 15.38  | 15.38  |
| 46.02       | 42.61  | 39.82  | 35.87  | 33.21  | 33.21  | 31.63  | 30.71  | 30.71  | 30.71  |
| 68.69       | 63.60  | 59.44  | 53.55  | 49.58  | 49.58  | 47.22  | 45.84  | 45.84  | 45.84  |
| 104.14      | 96.43  | 90.12  | 81.19  | 75.18  | 75.18  | 71.60  | 69.51  | 69.51  | 69.51  |
| 178.39      | 165.18 | 154.37 | 139.07 | 128.77 | 128.77 | 122.64 | 119.07 | 119.07 | 119.07 |
| 343.04      | 317.63 | 296.85 |        |        |        |        |        |        |        |

**Volume Charges**

Residential Customers

|                                    |        |        |        |        |        |        |        |        |        |        |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Block 1 - Over 4ccfs - 150% of AWC | \$2.24 | \$1.99 | \$1.86 | \$1.68 | \$1.56 | \$1.56 | \$1.49 | \$1.45 | \$1.45 | \$1.45 |
| Block 2 - 150% - 250% of AWC       | 5.31   | 4.73   | 4.42   | 3.98   | 3.68   | 3.68   | 3.50   | 3.40   | 3.40   | 3.40   |
| Block 3 - over 250% of AWC         | 7.59   | 6.76   | 6.32   | 5.69   | 5.27   | 5.27   | 5.02   | 4.87   | 4.87   | 4.87   |

Non-Residential Customers

|                              |        |        |        |        |        |        |        |        |        |        |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Block 1 - 150% of AWC        | \$2.24 | \$1.99 | \$1.86 | \$1.68 | \$1.56 | \$1.56 | \$1.49 | \$1.45 | \$1.45 | \$1.45 |
| Block 2 - 150% - 250% of AWC | 5.31   | 4.73   | 4.42   | 3.98   | 3.68   | 3.68   | 3.50   | 3.40   | 3.40   | 3.40   |
| Block 3 - over 250% of AWC   | 7.59   | 6.76   | 6.32   | 5.69   | 5.27   | 5.27   | 5.02   | 4.87   | 4.87   | 4.87   |

Water Supply Replacement Charge

Meter Size (inches)

|      |          |          |          |        |        |        |        |        |        |        |
|------|----------|----------|----------|--------|--------|--------|--------|--------|--------|--------|
| ¾ ** | \$10.62  | \$9.83   | \$8.81   | \$7.94 | \$6.39 | \$6.39 | \$6.09 | \$5.91 | \$5.91 | \$5.91 |
| 1    | 26.56    | 24.59    | 19.15    | 17.25  | 15.97  | 15.97  | 15.21  | 14.77  | 14.77  | 14.77  |
| 1½   | 53.11    | 49.18    | 38.30    | 34.50  | 31.94  | 31.94  | 30.42  | 29.53  | 29.53  | 29.53  |
| 2    | 84.96    | 78.67    | 61.27    | 55.20  | 51.10  | 51.10  | 48.67  | 47.25  | 47.25  | 47.25  |
| 3    | 169.86   | 157.28   | 122.49   | 110.35 | 102.18 | 102.18 | 97.31  | 94.48  | 94.48  | 94.48  |
| 4    | 265.43   | 245.77   | 191.41   | 172.44 | 159.67 | 159.67 | 152.07 | 147.64 | 147.64 | 147.64 |
| 6    | 530.87   | 491.55   | 382.83   | 344.89 | 319.34 | 319.34 | 304.13 | 295.27 | 295.27 | 295.27 |
| 8    | 987.39   | 914.25   | 712.03   | 641.47 | 593.95 | 593.95 | 565.67 | 549.19 | 549.19 | 549.19 |
| 10   | 1,879.75 | 1,740.51 | 1,355.54 |        |        |        |        |        |        |        |

|                           |      |      |       |      |      |      |      |      |      |      |
|---------------------------|------|------|-------|------|------|------|------|------|------|------|
| Rate Increase (By Design) | 8.0% | 7.0% | 11.0% | 8.0% | 0.0% | 5.0% | 3.0% | 0.0% | 0.0% | 0.0% |
|---------------------------|------|------|-------|------|------|------|------|------|------|------|

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

\*\*If the monthly water consumption is less than 4 Ccfs, the monthly Water Supply Replacement Charge will be waived

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

2010 thru 2019\*

Monthly Minimum Charge by

Meter Size (inches)

Less than 1

1

1½

2

3

4

6

8

10

**WASTEWATER RATES**

| 2019     | 2018     | 2017     | 2016    | 2015    | 2014    | 2013    | 2012    | 2011    | 2010    |
|----------|----------|----------|---------|---------|---------|---------|---------|---------|---------|
| \$15.14  | \$14.02  | \$13.10  | \$11.80 | \$10.93 | \$10.93 | \$10.41 | \$10.11 | \$10.11 | \$10.11 |
| 34.83    | 32.25    | 30.14    | 27.15   | 25.14   | 25.14   | 23.94   | 23.24   | 23.24   | 23.24   |
| 74.13    | 68.64    | 64.15    | 57.79   | 53.51   | 53.51   | 50.96   | 49.48   | 49.48   | 49.48   |
| 93.27    | 86.36    | 80.71    | 72.71   | 67.32   | 67.32   | 64.11   | 62.24   | 62.24   | 62.24   |
| 206.18   | 190.91   | 178.42   | 160.74  | 148.83  | 148.83  | 141.74  | 137.61  | 137.61  | 137.61  |
| 317.56   | 294.04   | 274.80   | 247.57  | 229.23  | 229.23  | 218.31  | 211.95  | 211.95  | 211.95  |
| 491.84   | 455.41   | 425.62   | 383.44  | 355.04  | 355.04  | 338.13  | 328.28  | 328.28  | 328.28  |
| 857.06   | 793.57   | 741.65   | 668.15  | 618.66  | 618.66  | 589.20  | 572.04  | 572.04  | 572.04  |
| 1,654.54 | 1,531.98 | 1,431.76 |         |         |         |         |         |         |         |

**Volume Charges**

Residential Customers

Over 4 ccfs - 90% of

Average Winter Consumption

\$1.91    \$1.77    \$1.65    \$1.49    \$1.38    \$1.38    \$1.31    \$1.27    \$1.27    \$1.27

Non-Residential Customers

90% of Average Winter Consumption

\$1.91    \$1.77    \$1.65    \$1.49    \$1.38    \$1.38    \$1.31    \$1.27    \$1.27    \$1.27

Rate Increase (By Design)

8.0%    7.0%    11.0%    8.0%    0.0%    5.0%    3.0%    0.0%    0.0%    0.0%

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

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

**MUNICIPAL DRAINAGE CUSTOMERS AND REVENUE BY TYPE**

**2010 thru 2019\***

|  | 2019                | 2018                | 2017                | 2016                | 2015                | 2014                | 2013                | 2012                | 2011                | 2010                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>CUSTOMERS BY TYPE AT END OF FISCAL YEAR</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Residential                                    | 182,506             | 180,185             | 178,415             | 176,757             | 174,280             | 172,241             | 169,806             | 167,450             | 165,493             | 162,522             |
| Apartments                                     | 2,156               | 2,061               | 2,056               | 2,035               | 2,055               | 2,020               | 2,032               | 2,046               | 2,056               | 2,051               |
| Churches                                       | 431                 | 431                 | 436                 | 440                 | 444                 | 444                 | 445                 | 446                 | 444                 | 440                 |
| Industrial                                     | 124                 | 140                 | 142                 | 146                 | 147                 | 154                 | 157                 | 160                 | 160                 | 161                 |
| Commercial                                     | 10,498              | 10,677              | 10,604              | 10,586              | 10,442              | 10,435              | 10,393              | 10,315              | 10,369              | 10,204              |
| Government                                     | 359                 | 350                 | 352                 | 359                 | 370                 | 375                 | 493                 | 489                 | 370                 | 260                 |
| Other  | 384                 | 384                 | 386                 | 395                 | 391                 | 381                 | 354                 | 362                 | 699                 | 679                 |
| Total Municipal Drainage Customers             | 196,458             | 194,228             | 192,391             | 190,718             | 188,129             | 186,050             | 183,680             | 181,268             | 179,591             | 176,317             |
| <b>REVENUE BY TYPE OF CUSTOMER</b>             |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 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 Municipal Drainage Revenue               | <u>\$23,958,676</u> | <u>\$23,084,305</u> | <u>\$19,610,658</u> | <u>\$17,518,489</u> | <u>\$15,981,514</u> | <u>\$15,823,085</u> | <u>\$15,687,140</u> | <u>\$15,405,290</u> | <u>\$15,290,074</u> | <u>\$15,129,141</u> |

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

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

**Ten Largest Municipal Drainage Customers  
Fiscal Year 2019\***

| <b>Rank</b> | <b>Name of Customer</b>                 | <b>Type of Industry</b> | <b>Revenue</b> | <b>% of Total<br/>Stormwater<br/>Revenue</b> |
|-------------|---|-------------------------|----------------|--|
| 1           | El Paso City                            | City Government         | \$415,068      | 1.73%  |
| 2           | Walmart                                 | Retail Sales            | 169,801        | 0.71%  |
| 3           | Southern Pacific                        | Railroad Line           | 164,487        | 0.69%  |
| 4           | Western Refining                        | Industrial              | 87,731         | 0.37%  |
| 5           | ICON                                    | Manufacturing           | 99,755         | 0.42%  |
| 6           | Texas Custodial Trust (formerly Asarco) | Industrial              | 64,977         | 0.27%  |
| 7           | Mimco                                   | Property Management     | 73,901         | 0.31%  |
| 8           | Verde Partnership                       | Building Materials      | 56,837         | 0.24%  |
| 9           | River Oaks                              | Property Management     | 68,642         | 0.29%  |
| 10          | Francis Properties                      | Property Management     | <u>65,187</u>  | <u>0.27%</u>                                 |

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

Note<sup>1</sup> The above list of the top ten largest drainage customers based on billed amounts

Note<sup>2</sup> The above list of the top ten largest drainage customers was not the same for the previous nine years, therefore, a ten year comparison for these customers is not presented

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

**MUNICIPAL DRAINAGE UTILITY RATES  
2010 thru 2019\***

|                          | <u>Impervious area</u> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> |
|--------------------------|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Residential Category     |                        |             |             |             |             |             |             |             |             |             |             |
| Small                    | 0-1,200                | \$2.19      | \$2.09      | \$1.79      | \$1.61      | \$1.49      | \$1.49      | \$1.49      | \$1.49      | \$1.49      | \$1.49      |
| Typical                  | 1,201-3,000            | 4.25        | 4.17        | 3.56        | 3.21        | 2.97        | 2.97        | 2.97        | 2.97        | 2.97        | 2.97        |
| Large                    | > 3,000                | 8.51        | 8.34        | 7.13        | 6.42        | 5.94        | 5.94        | 5.94        | 5.94        | 5.94        | 5.94        |
| Non-Residential Category | Per 2,000 sq. ft.      | \$4.34      | \$4.25      | \$3.63      | \$3.27      | \$3.03      | \$3.03      | \$3.03      | \$3.03      | \$3.03      | \$3.03      |

Rate Increase/Decrease (by Design)      2%      17%      11%      8%      0%      0%      0%      0%      0%      0%      -37%

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



## 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.*

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

**DEBT SERVICE COVERAGE**

2010 thru 2019\*

(amounts expressed in thousands, except debt service coverage)

| Fiscal Year       | Water &<br>Wastewater<br>Revenue | Less:<br>Operating<br>Revenue<br>Deductions | Net Water and<br>Wastewater<br>Revenue | Other<br>Revenues<br>Available for<br>Debt Service | Revenues<br>Available for<br>Debt Service | Debt Service |           | Debt Service<br>Coverage |
|-------------------|----------------------------------|---|--|--|---|--------------|-----------|--------------------------|
|                   |                                  |   |  |  |   | Principal    | Interest  |                          |
| 2019              | \$ 241,294                       | \$ 107,173                                  | \$ 134,121                             | \$ 8,805   | \$ 142,926                                | \$ 37,370    | \$ 26,627 | 2.22                     |
| 2018              | 221,917                          | 98,829                                      | 123,088                                | 6,649  | 129,737                                   | 34,425       | 24,626    | 2.18                     |
| 2017              | 207,627                          | 91,627                                      | 116,000                                | 1,986  | 117,986                                   | 32,935       | 20,950    | 2.17                     |
| 2016              | 185,083                          | 86,666                                      | 98,417                                 | 2,235  | 100,652                                   | 27,345       | 18,000    | 2.22                     |
| 2015 <sup>3</sup> | 172,617                          | 81,113                                      | 91,504                                 | 2,358  | 93,862                                    | 25,150       | 19,701    | 2.09                     |
| 2014              | 172,116                          | 81,274                                      | 90,842                                 | 2,443  | 93,285                                    | 25,100       | 19,946    | 2.07                     |
| 2013 <sup>1</sup> | 167,469                          | 84,314                                      | 83,155                                 | 2,182  | 85,338                                    | 22,935       | 19,879    | 1.99                     |
| 2012 <sup>2</sup> | 166,001                          | 84,624                                      | 81,376                                 | 2,356  | 83,732                                    | 23,715       | 21,632    | 1.85                     |
| 2011              | 158,032                          | 79,565                                      | 78,467                                 | 3,503  | 81,970                                    | 22,031       | 22,498    | 1.84                     |
| 2010              | 152,655                          | 83,828                                      | 68,827                                 | 3,201  | 72,028                                    | 23,940       | 22,781    | 1.54                     |
| 2009              | 149,087                          | 80,602                                      | 68,485                                 | 4,291  | 72,776                                    | 17,269       | 20,725    | 1.92                     |

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

Note: Details regarding outstanding debt can be found in the notes to the financial statements. Operating expenses does not include payment to city per bond covenants or depreciation and includes pension and other post-employment benefit expenses. The bond ordinance requires debt service coverage of 1.5 times. See note 14 in the financial statement

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

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

<sup>3</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**  
**WATER AND WASTEWATER UTILITY FUND**

TOTAL NET DEBT OUTSTANDING BY TYPE  
2010 thru 2019\*

(amounts expressed in thousands, except customers and debt per customer)

| Fiscal Year       | Revenue Bonds | Unamortized Premiums net of Discount | Commercial Paper Notes | Notes Payable | Total OPEB Liability | Other Post-Employment Benefits | Net Pension Liability | Other Long Term Liabilities | Other Government Payable | Total Net Debt** | Gross Revenue | Ratio of Total Debt to Gross Revenue | Water and Wastewater Customers** | Total Debt per Customer |
|-------------------|---------------|--------------------------------------|------------------------|---------------|----------------------|--------------------------------|-----------------------|-----------------------------|--------------------------|------------------|---------------|--------------------------------------|----------------------------------|-------------------------|
| 2019              | \$ 739,010    | \$ 68,651                            | \$ 15,000              | \$ -          | \$ 18,394            | \$ -                           | \$ 38,351             | \$ 4,205                    | \$ 2,054                 | \$ 885,665       | \$ 260,915    | 3.39                                 | 236,242                          | \$ 3,749                |
| 2018              | 749,710       | 69,367                               | 10,000                 | 915           | -                    | 10,311                         | 37,582                | 4,034                       | 2,208                    | 884,127          | 244,562       | 3.62                                 | 232,144                          | 3,809                   |
| 2017              | 665,715       | 61,604                               | 22,500                 | 1,786         | -                    | 9,490                          | 41,024                | 3,991                       | 2,356                    | 808,465          | 222,596       | 3.63                                 | 228,287                          | 3,541                   |
| 2016              | 558,105       | 52,284                               | 10,000                 | 2,616         | -                    | 8,668                          | 36,550                | 3,946                       | 2,497                    | 674,665          | 198,439       | 3.40                                 | 225,060                          | 2,998                   |
| 2015              | 482,305       | 47,521                               | 10,000                 | 3,406         | -                    | 7,690                          | 23,807                | 3,927                       | 2,632                    | 581,288          | 184,456       | 3.15                                 | 221,202                          | 2,628                   |
| 2014              | 492,250       | 35,001                               | 5,000                  | 4,159         | -                    | 6,721                          | -                     | 4,267                       | 2,761                    | 550,158          | 181,263       | 3.04                                 | 217,532                          | 2,529                   |
| 2013 <sup>1</sup> | 492,785       | 30,496                               | 8,000                  | 4,923         | -                    | 5,887                          | -                     | 4,115                       | 2,884                    | 549,090          | 177,021       | 3.10                                 | 214,432                          | 2,561                   |
| 2012 <sup>2</sup> | 483,380       | 22,570                               | 13,000                 | 5,652         | -                    | 5,055                          | -                     | 3,858                       | 3,002                    | 536,518          | 175,805       | 3.05                                 | 210,866                          | 2,544                   |
| 2011              | 497,720       | 15,724                               | 19,000                 | 6,346         | -                    | 4,428                          | -                     | 3,583                       | 3,115                    | 549,915          | 167,995       | 3.27                                 | 207,584                          | 2,649                   |
| 2010              | 504,971       | 12,548                               | 9,000                  | 7,008         | -                    | 3,559                          | -                     | 3,423                       | 3,222                    | 543,731          | 161,244       | 3.37                                 | 203,265                          | 2,675                   |

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

\*\*Total Net Debt includes Revenue Bonds and Unamortized Premium net of Discount, Commercial Paper Notes, Notes Payable and Other Government Payable

\*\*\* Includes retail and wholesale customers

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

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

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

DEBT SERVICE COVERAGE  
2010 thru 2019\*  
(amounts expressed in thousands, except debt service coverage)

| Fiscal Year       | Drainage Revenue | Less: Operating Revenue Deductions | Net Drainage Revenue | Other Revenues Available for Debt Service | Revenues Available for Debt Service | Debt Service |          | Debt Service Coverage** |
|-------------------|------------------|------------------------------------|----------------------|---|-------------------------------------|--------------|----------|-------------------------|
|                   |                  |                                    |                      |   |                                     | Principal    | Interest |                         |
| 2019              | \$ 23,301        | \$ 6,527                           | \$ 16,774            | \$ 1,601                                  | \$ 18,374                           | \$ 2,144     | \$ 4,144 | 2.88                    |
| 2018              | 22,419           | 6,088                              | 16,331               | 1,734                                     | 18,065                              | 3,704        | 5,089    | 2.00                    |
| 2017              | 18,949           | 6,458                              | 12,491               | 1,655                                     | 14,146                              | 3,639        | 4,081    | 1.80                    |
| 2016              | 16,789           | 6,102                              | 10,687               | 1,646                                     | 12,333                              | 2,644        | 3,324    | 2.02                    |
| 2015 <sup>2</sup> | 15,299           | 6,106                              | 9,193                | 1,670                                     | 10,863                              | 2,524        | 3,051    | 1.95                    |
| 2014              | 15,162           | 6,969                              | 8,193                | 1,578                                     | 9,772                               | 2,359        | 3,217    | 1.75                    |
| 2013 <sup>1</sup> | 15,066           | 6,093                              | 8,973                | 1,477                                     | 10,450                              | 1,850        | 2,716    | 2.29                    |
| 2012              | 14,939           | 6,468                              | 8,472                | 1,556                                     | 10,027                              | 1,645        | 2,807    | 2.25                    |
| 2011              | 14,852           | 6,774                              | 8,078                | 1,653                                     | 9,731                               | -            | 2,630    | 3.70                    |
| 2010              | 14,673           | 7,180                              | 7,492                | 943                                       | 8,435                               | -            | -        | N/A                     |

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

\*\*Details regarding outstanding debt can be found in the notes to the financial statements. Operating expenses does not include depreciation, and includes pension and other post-employment benefits expense. The bond ordinance requires debt service coverage of 1.25 times. See note 14 in the financial statement.

<sup>1</sup>Fiscal year has been restated as a result of a change in 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**

**TOTAL NET DEBT OUTSTANDING BY TYPE**

2011 thru 2019\*

(amounts expressed in thousands, except customers and debt per customer)

| <b>Fiscal Year</b> | <b>Revenue Bonds</b> | <b>Unamortized Premiums net of Discount</b> | <b>Total OPEB Liability</b> | <b>Other Post-Employment Benefits</b> | <b>Net Pension Liability</b> | <b>Other Long Term Liabilities</b> | <b>Total Net Debt**</b> | <b>Gross Revenues</b> | <b>Ratio of Total Debt to Gross Revenue</b> | <b>Drainage Customers</b> | <b>Total Debt per Customer</b> |
|--------------------|----------------------|---|-----------------------------|---------------------------------------|------------------------------|------------------------------------|-------------------------|-----------------------|---|---------------------------|--------------------------------|
| 2019               | \$ 100,324           | \$ 13,623                                   | \$ 1,434                    | \$ -                                  | \$ 2,237                     | \$ 134                             | \$ 117,753              | \$ 24,901             | 4.73  | 196,458                   | \$ 599                         |
| 2018               | 102,468              | 14,382                                      | -                           | 487                                   | 2,190                        | 157                                | 119,683                 | 23,578                | 5.08  | 194,228                   | 616                            |
| 2017               | 96,607               | 7,287                                       | -                           | 415                                   | 2,897                        | 162                                | 107,369                 | 19,874                | 5.40  | 192,391                   | 558                            |
| 2016               | 80,456               | 3,662                                       | -                           | 344                                   | 2,386                        | 157                                | 87,005                  | 17,651                | 4.93  | 190,718                   | 456                            |
| 2015               | 60,860               | 786   | -                           | 269                                   | 1,509                        | 135                                | 63,559                  | 16,081                | 3.95  | 188,129                   | 338                            |
| 2014               | 63,384               | 833   | -                           | 197                                   | -                            | 108                                | 64,522                  | 15,913                | 4.05  | 186,050                   | 347                            |
| 2013 <sup>1</sup>  | 65,743               | 879   | -                           | 146                                   | -                            | 97                                 | 66,865                  | 15,791                | 4.23  | 183,680                   | 364                            |
| 2012               | 53,518               | -   | -                           | 88                                    | -                            | 99                                 | 53,705                  | 15,528                | 3.46  | 181,268                   | 296                            |
| 2011               | 55,163               | -   | -                           | 69                                    | -                            | 92                                 | 55,325                  | 15,507                | 3.57  | 179,591                   | 308                            |

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

\*\*Total Net Debt includes Revenue Bonds and Unamortized Premium net of Discount, Commercial Paper Notes, Notes Payable and Other Government Payable

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

## 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.*

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**

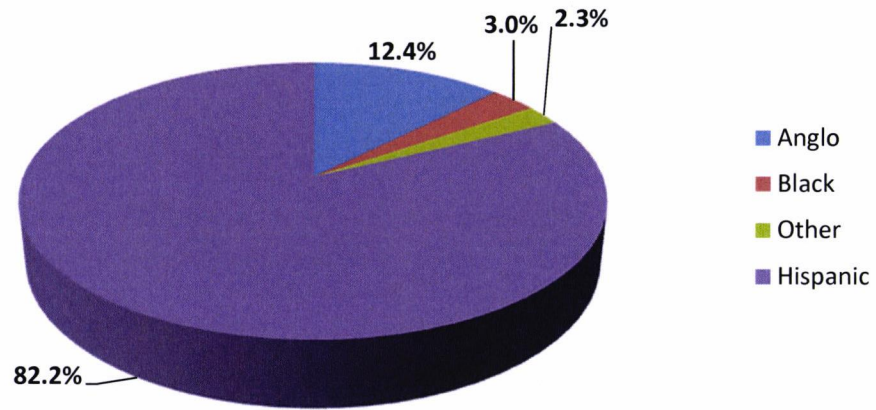
| El Paso Demographic and Economic Statistics<br>Last Ten Calendar Years |   |  |  |                                      |
|--|---|--|--|--------------------------------------|
| <b>Year</b>  | <b>Metropolitan<br/>Statistical Area<br/>Population<sup>2</sup></b> | <b>El Paso County Total<br/>Personal Income<br/>(Billion \$)<sup>2</sup></b> | <b>El Paso County Per<br/>Capita Personal<br/>Income<sup>2</sup></b> | <b>Unemployment Rate<sup>1</sup></b> |
| 2009   | 786,759   | 20,838.7   | 26,487   | 8.8                                  |
| 2010   | 803,641   | 22,833.2   | 28,417   | 9.2                                  |
| 2011   | 819,471   | 24,391.0   | 29,769   | 9.5                                  |
| 2012   | 830,853   | 25,597.8   | 30,799   | 8.5                                  |
| 2013   | 831,218   | 25,195.1   | 30,349   | 7.9                                  |
| 2014   | 834,190   | 26,536.1   | 31,837   | 6.4                                  |
| 2015   | 833,783   | 27,453.0   | 32,961   | 5.2                                  |
| 2016   | 837,918   | 28,221.1   | 33,711   | 4.9                                  |
| 2017   | 840,410   | 29,062.7   | 34,582   | 4.6                                  |
| 2018   | 840,758   | 30,283.3   | 36,019   | 4.3                                  |

<sup>1</sup> Source: Bureau of Labor Statistics, U.S. Department of Labor

<sup>2</sup> Source: UTEP Border Region Modeling Project Business Report SR18-1 (Estimates)

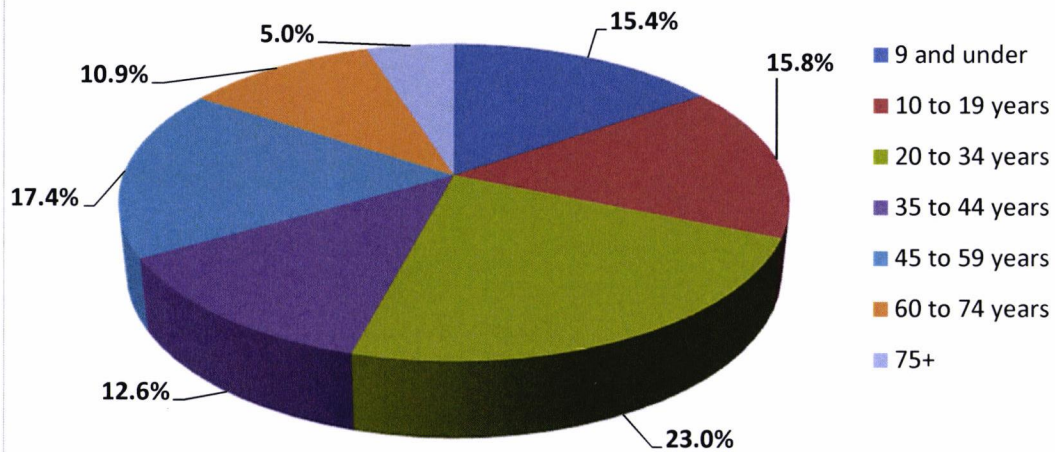
**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
DEMOGRAPHIC AND ECONOMIC STATISTICS**

**EL PASO COUNTY POPULATION BY RACE AND ETHNICITY**



Source: U.S. Census Bureau, 2017 American Community Survey

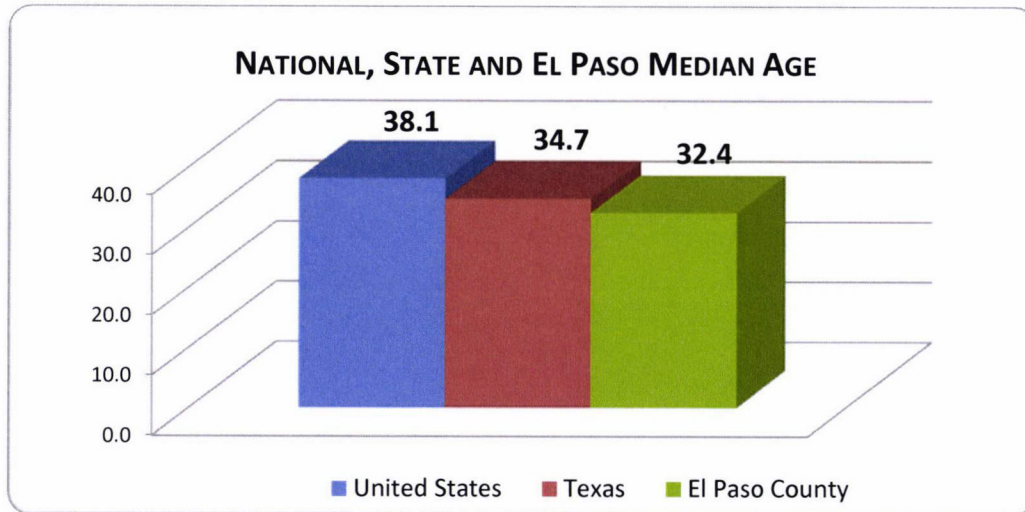
**EL PASO COUNTY POPULATION BY AGE GROUP**



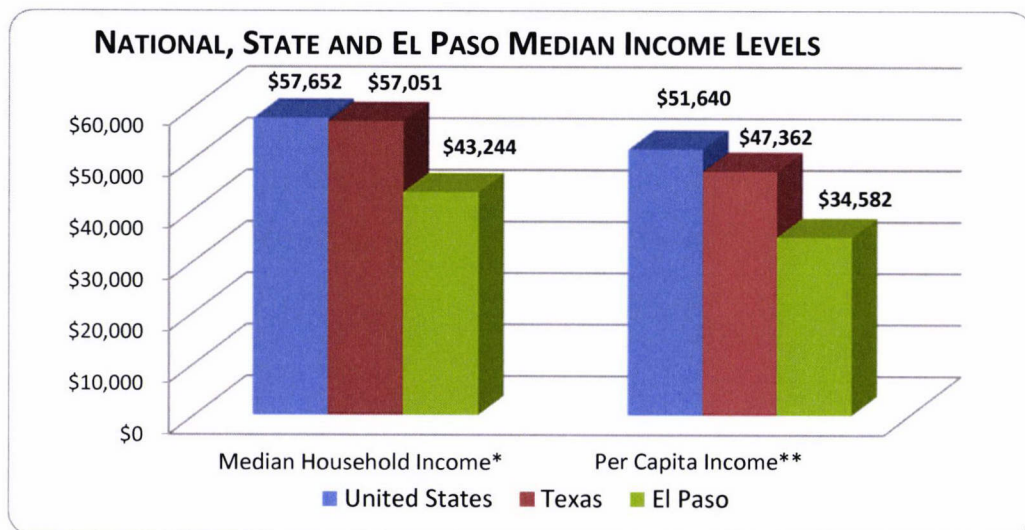
Source: U.S. Census Bureau, 2017 American Community Survey



**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
DEMOGRAPHIC AND ECONOMIC STATISTICS**



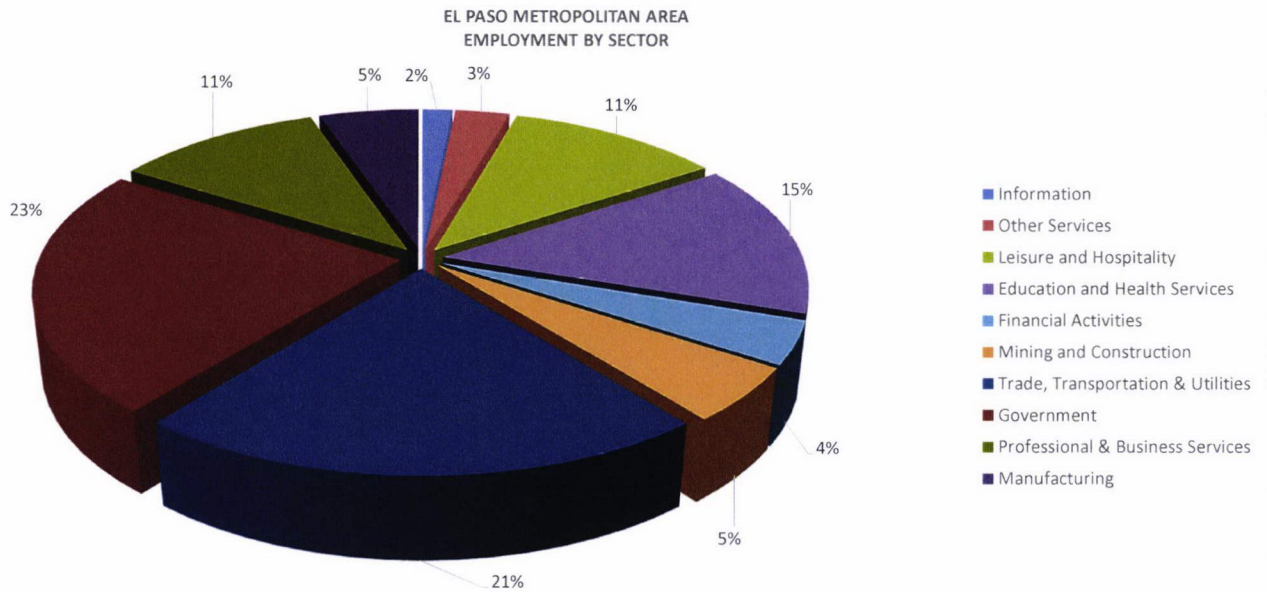
Source: U.S. Census Bureau, 2017 American Community Survey



\*Source: U.S. Census Bureau, 2017 American Community Survey

\*\*Source: Bureau of Economic Analysis, REIS: table CA1-3, 2017

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES  
DEMOGRAPHIC AND ECONOMIC STATISTICS**



Source: Texas Labor Market Information May 2019

**Top 10 Public/Private Employers in the City of El Paso**

| 2018** |                                       |                     |                  |                       |
|--------|---------------------------------------|---------------------|------------------|-----------------------|
| Rank   | Employer                              | Type of Service     | No. of Employees | % of Total Employment |
| 1      | T&T Staff Management LP               | Employment Services | 5,348            | 1.7%                  |
| 2      | Tenet Hospitals Limited               | Healthcare          | 2,465            | 0.8%                  |
| 3      | Alorica                               | Business Services   | 2,400            | 0.8%                  |
| 4      | El Paso Healthcare System, LTD        | Healthcare          | 2,300            | 0.7%                  |
| 5      | Day El Paso Surgery, LP               | Healthcare          | 2,000            | 0.6%                  |
| 6      | Automatic Data Processing, Inc.       | Business Services   | 1,937            | 0.6%                  |
| 7      | Pizza Properties, LTD                 | Restaurant          | 1,900            | 0.6%                  |
| 8      | Border Apparel Laundry LTD            | Manufacturing       | 1,500            | 0.5%                  |
| 9      | Furukawa Wiring Systems America, Inc. | Logistics           | 1,500            | 0.5%                  |
| 10     | General Electric                      | Multiple            | 1,500            | 0.5%                  |

Source: List verified by Regional Economic Development (December 2018)

\*\* Excludes Retail and Public

| 2008* |                                      |                                 |                  |                       |
|-------|--------------------------------------|---------------------------------|------------------|-----------------------|
| Rank  | Employer                             | Type of Service                 | No. of Employees | % of Total Employment |
| 1     | Tenet Hospital Ltd                   | Medical                         | 8,505            | 3.0%                  |
| 2     | T&T Staff Management LP              | Employment Services             | 6,587            | 2.3%                  |
| 3     | Echo Star Communication Corp         | Technical Support Center        | 6,400            | 2.3%                  |
| 4     | Las Palmas/Del Sol Regional Hospital | Medical                         | 6,066            | 2.2%                  |
| 5     | GC Serves                            | Inbound Customer Service Center | 4,488            | 1.6%                  |
| 6     | RM Personnel                         | Employment Services             | 4,200            | 1.5%                  |
| 7     | Readyone Industries Inc.             | Manufacturing                   | 4,000            | 1.4%                  |
| 8     | Automatic Data Processing, Inc.      | Business Solutions              | 3,621            | 1.3%                  |
| 9     | El Paso Electric Co.                 | Electric Utility                | 2,900            | 1.0%                  |
| 10    | Redcats USA Inc. (Brylane)           | Inbound Customer Service Center | 2,500            | 0.9%                  |

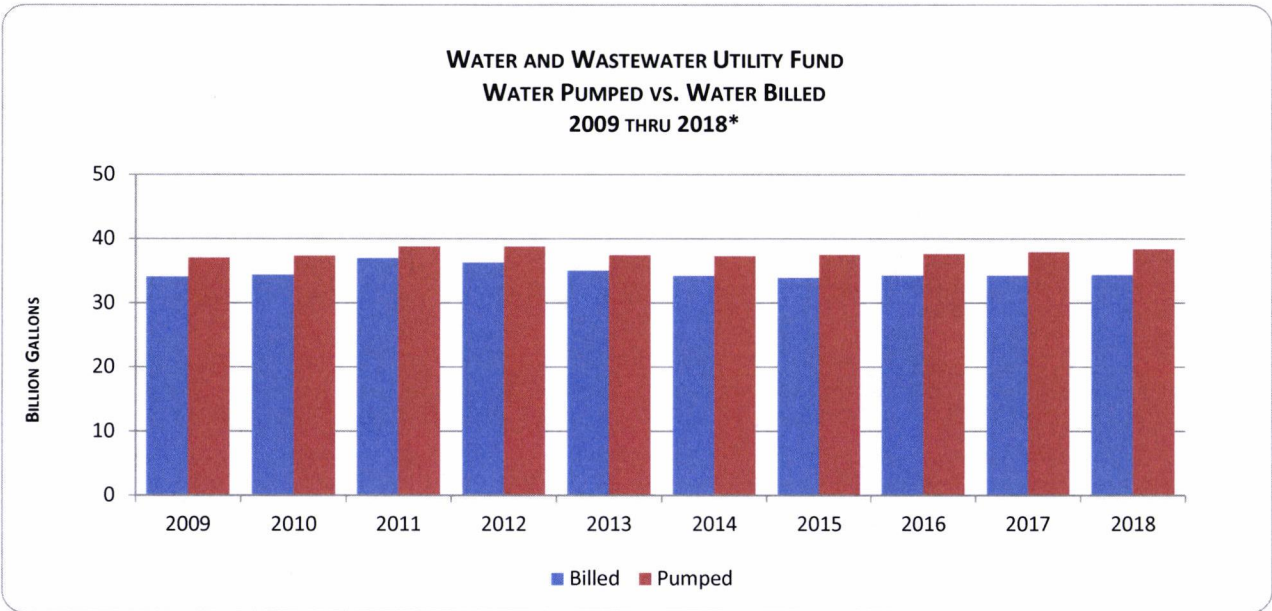
Source List generated by TWC, verified by Regional Economic Development Cooperation

\*Excluding Retail and Public

## 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.*

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

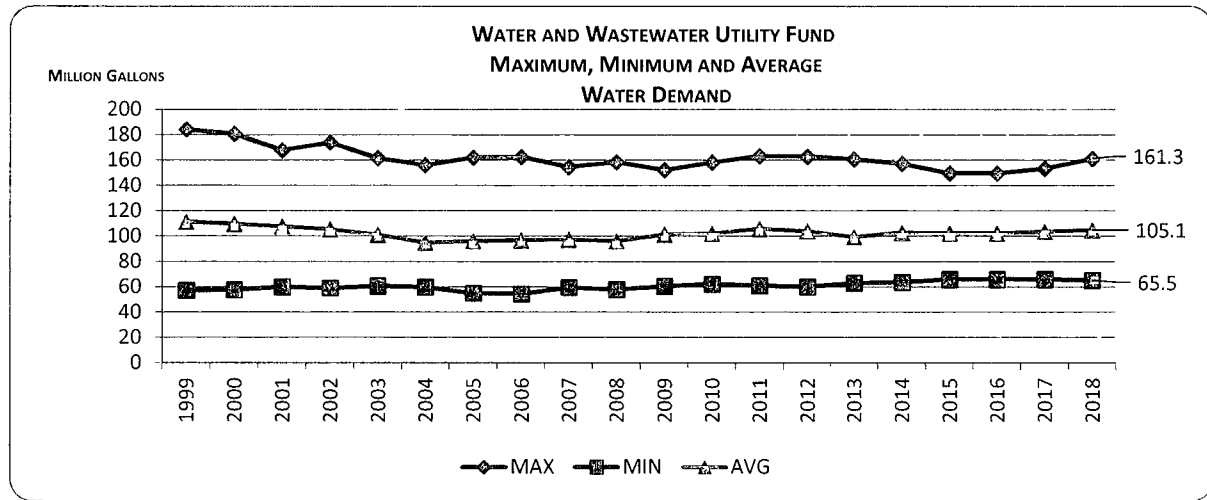


\* Calendar Year

| Water Pumped vs. Water Billed Data<br>2009 thru 2018* |                                 |                                 |                |
|---|---------------------------------|---------------------------------|----------------|
| Calendar Year   | Water Pumped<br>Billion Gallons | Water Billed<br>Billion Gallons | Unbilled Water |
| 2009  | 37.07                           | 34.15                           | 7.9%           |
| 2010  | 37.37                           | 34.41                           | 7.9%           |
| 2011  | 38.83                           | 37.02                           | 4.7%           |
| 2012  | 38.82                           | 36.32                           | 6.4%           |
| 2013  | 37.45                           | 35.08                           | 6.3%           |
| 2014  | 37.32                           | 34.29                           | 8.1%           |
| 2015  | 37.49                           | 33.98                           | 9.4%           |
| 2016  | 37.69                           | 34.32                           | 9.0%           |
| 2017  | 37.96                           | 34.29                           | 9.7%           |
| 2018  | 38.39                           | 34.46                           | 10.2%          |

\* Calendar Year

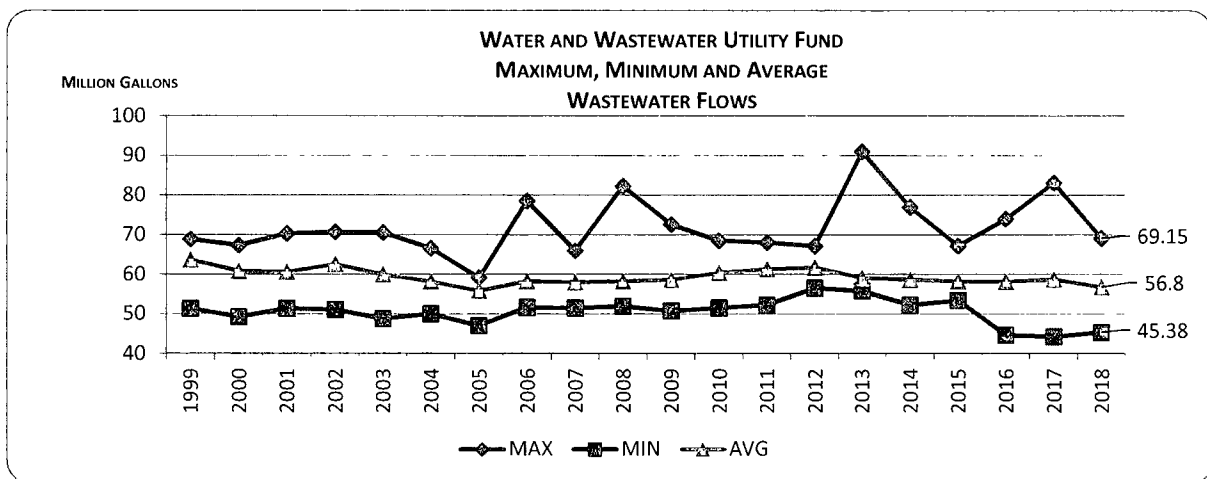
## PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



Calendar Year

Source: Selected Operating Statistical Data page E-3

Utility's water conservation programs were initiated in 1991



Calendar Year

Source: Selected Operating Statistical Data page E-3

Note: sharp increase in maximum wastewater flows due to Storm 2006

\*Heavy rains on September 12, 2013 infiltrated the sewer mains causing the spike in sewer flows

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

SELECTED OPERATIONS AND STATISTICAL DATA  
2009 thru 2018\*

|  | 2018     | 2017    | 2016    | 2015    | 2014    | 2013    | 2012    | 2011    | 2010    | 2009    |
|--|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>WATER PRODUCTION AND USAGE DATA*</b>                |          |         |         |         |         |         |         |         |         |         |
| Water Customers Retail at End of Year                  | 209,624  | 206,609 | 204,140 | 201,807 | 198,767 | 196,600 | 194,274 | 191,625 | 188,927 | 185,062 |
| Water Customers Retail & Wholesale at End of Year      | 235,768  | 231,846 | 227,933 | 224,656 | 220,570 | 217,406 | 214,254 | 210,987 | 207,563 | 202,150 |
| Water Pumped - Million Gallons                         | 38,390   | 37,958  | 37,693  | 37,487  | 37,324  | 37,345  | 38,715  | 38,833  | 37,348  | 37,067  |
| Water Metered - Million Gallons - Retail               | 30,997   | 30,959  | 31,058  | 30,847  | 31,246  | 31,803  | 33,261  | 34,336  | 31,570  | 31,871  |
| Water Metered - Million Gallons - (Retail/Wholesale)   | 34,459   | 34,292  | 34,317  | 33,981  | 34,289  | 34,834  | 36,319  | 37,022  | 34,407  | 34,147  |
| Percent of Water Billed vs. Water Pumped (R/W)         | 90%      | 90%     | 91%     | 91%     | 92%     | 93%     | 94%     | 95%     | 92%     | 92%     |
| Annual Billed Water per Customer Retail -1000 Gallons  | 148      | 150     | 152     | 153     | 157     | 162     | 171     | 179     | 167     | 172     |
| Annual Billed Water per Customer (R/W) -1000 Gallons   | 146      | 148     | 151     | 151     | 155     | 160     | 170     | 175     | 166     | 169     |
| Average Daily Water Demand-Million Gallons             | 105.1    | 103.9   | 102.9   | 102.6   | 103.1   | 99.8    | 104.3   | 106.2   | 102.4   | 101.6   |
| Maximum Daily Water Demand-Million Gallons             | 161.3    | 153.6   | 160.9   | 149.8   | 157.4   | 161.1   | 163.2   | 163.5   | 158.5   | 152.6   |
| Minimum Daily Water Demand-Million Gallons             | 65.5     | 66.3    | 64.5    | 66.2    | 64.0    | 63.3    | 60.6    | 61.2    | 62.7    | 60.7    |
| Daily Average Consumption in Peak Week-Million Gallons | 145.8    | 145.2   | 148.7   | 146.2   | 149.8   | 149.8   | 152.5   | 155.6   | 147.7   | 138.7   |
| Peak day   | August 7 | June 23 | July 13 | June 24 | June 4  | June 26 | June 26 | June 29 | June 18 | July 14 |
| Miles of Water Mains Installed                         | 15.41    | 23.81   | 40.62   | 21.52   | 24.12   | 35.58   | 37.75   | 35.34   | 21.68   | 28.69   |
| Miles of Water Mains Replaced or Abandoned             | 1.33     | 2.20    | 4.79    | 1.72    | 2.60    | 2.88    | 7.50    | 10.72   | 5.14    | 7.74    |
| Miles of Water Mains in Place                          | 2,706    | 2,692   | 2,670   | 2,635   | 2,615   | 2,593   | 2,561   | 2,530   | 2,506   | 2,489   |
| Number of Fire Hydrants Installed                      | 181      | 147     | 75      | 321     | 115     | 123     | 102     | 136     | 168     | 226     |
| Number of Fire Hydrants in Place                       | 11,153   | 10,972  | 10,825  | 10,750  | 10,429  | 10,314  | 10,191  | 10,089  | 9,953   | 9,785   |
| <b>WASTEWATER SYSTEM DATA*</b>                         |          |         |         |         |         |         |         |         |         |         |
| Wastewater Customers Retail & Wholesale at End of Year | 220,129  | 215,673 | 212,990 | 209,178 | 204,810 | 202,068 | 199,181 | 195,875 | 192,765 | 187,992 |
| Annual Wastewater Flow - Million Gallons               | 20,731   | 21,457  | 21,285  | 21,235  | 21,415  | 21,572  | 22,604  | 22,459  | 22,028  | 21,411  |
| Average Daily Flow - Million Gallons                   | 56.80    | 58.79   | 58.16   | 58.18   | 58.67   | 59.10   | 61.76   | 61.53   | 60.35   | 58.66   |
| Maximum Daily Flow - Million Gallons                   | 69.15    | 83.16   | 74.01   | 67.29   | 77.02   | 91.07   | 67.16   | 68.10   | 68.62   | 72.68   |
| Minimum Daily Flow - Million Gallons                   | 45.38    | 44.33   | 44.67   | 53.40   | 52.27   | 55.85   | 56.57   | 52.30   | 51.52   | 50.79   |
| Average Daily Flow per Customer - Gallons              | 258      | 273     | 273     | 278     | 286     | 292     | 310     | 314     | 313     | 312     |
| Miles of Wastewater Lines Installed                    | 6.55     | 2.68    | 32.07   | 23.11   | 17.86   | 25.00   | 25.00   | 34.96   | 30.00   | 37.00   |
| Miles of Wastewater Line in Place                      | 2,317    | 2,311   | 2,308   | 2,276   | 2,253   | 2,235   | 2,210   | 2,185   | 2,150   | 2,120   |

\* Calendar Year

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

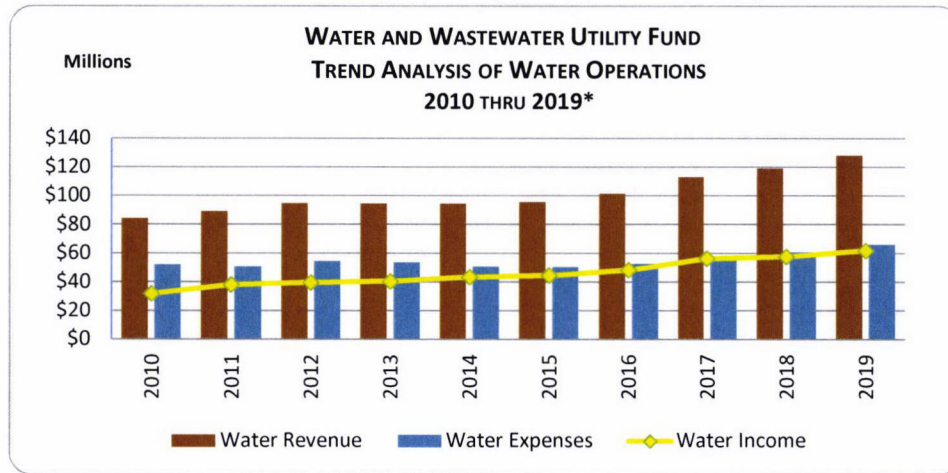
**SELECTED OPERATIONS AND STATISTICAL DATA  
2010 thru 2019\***

| <b>DRAINAGE OPERATIONS</b>               | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Number of Ponds                          | 434         | 403         | 394         | 388         | 361         | 361         | 361         | 361         | 310         | 277         |
| Acres of Ponds Inventoried               | 1,805       | 1,019       | 958         | 904         | 904         | 904         | 904         | 1,020       | 904         | 983         |
| Acres of Ponds Cleaned                   | 104         | 258         | 243         | 377         | 425         | 82          | 917         | 461         | 650         | 500         |
| Number of Dams/Basins                    | 41          | 38          | 38          | 38          | 37          | 37          | 37          | 37          | 32          | 38          |
| Acres of Dams/Basins Inventoried         | 2,430       | 2,430       | 2,430       | 2,430       | 2,430       | 2,430       | 2,430       | 2,417       | 2,430       | 2,390       |
| Acres of Dams/Basins Cleaned             | 29          | 177         | 239         | 351         | 660         | 57          | 463         | 263         | 1,200       | 1,000       |
| Miles of Channels Inventoried            | 74          | 74          | 74          | 74          | 74          | 74          | 74          | 72          | 74          | 68          |
| Miles of Channels Cleaned                | 9           | 25          | 25          | 20          | 6           | 10          | 27          | 44          | 30          | 15          |
| Miles of Agricultural Drains Inventoried | 9           | 9           | 43          | 39          | 43          | 43          | 43          | 39          | 43          | 39          |
| Miles of Agricultural Drains Cleaned     | 6           | 4           | 15          | 21          | 17          | 6           | 39          | 17          | 15          | 20          |
| Miles of Drainage Conduits Inventoried   | 315         | 288         | 281         | 280         | 280         | 280         | 146         | 280         | 146         | 100         |
| Miles of Drainage Conduits Cleaned       | 2           | 6           | 3           | -           | -           | 2           | 12          | 2           | 15          | 2           |
| Drainage Inlets Inventoried              | 7,046       | 6,526       | 6,353       | 6,353       | 6,353       | 6,346       | 6,094       | 6,359       | 6,094       | 4,100       |
| Drainage Inlets Cleaned                  | 77          | 494         | 616         | 465         | 2           | 46          | 373         | 116         | 500         | 100         |

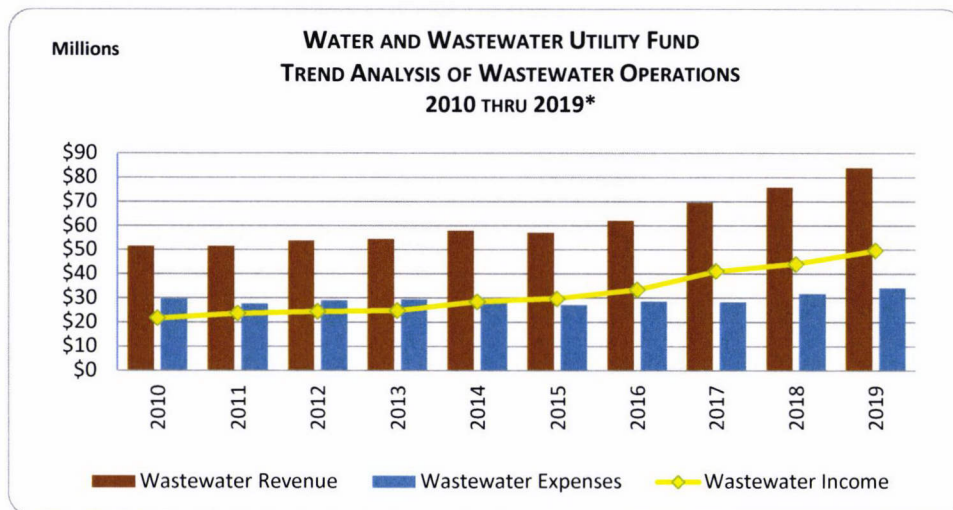
\* Fiscal year March 1 thru last day of February of year shown



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



\* Fiscal year March 1 thru last day of February of year shown  
 Source: Net Operating Revenue - Water & Reclaimed Water, page 122



\* Fiscal year March 1 thru last day of February of year shown  
 Source: Net Operating Revenue - Wastewater, page 123



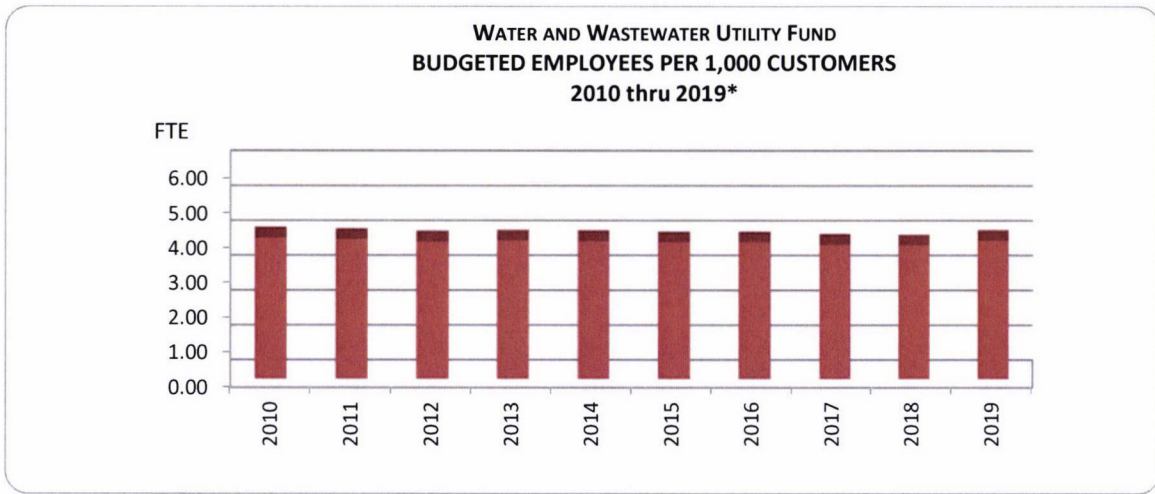
**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES**  
**WATER, WASTEWATER AND MUNICIPAL DRAINAGE UTILITY FUNDS**

STAFFING BY DIVISION AND SECTION  
Fiscal Year 2019\*

|   |  | Budgeted FTE's |            |            |            |            |
|---|--|----------------|------------|------------|------------|------------|
|   | Division/Section                                 | 2019           | 2018       | 2017       | 2016       | 2015       |
| <b>Administration</b>   | Executive Services                               | 7              | 6          | 5          | 5          | 6          |
|   | Legal Services                                   | 5              | 5          | 5          | 4          | 4          |
|   | Communications                                   | 9              | 10         | 10         | 8          | 8          |
|   | Human Resources                                  | 14             | 13         | 11         | 11         | 11         |
|   | Water Resources Management                       | 5              | 5          | 5          | 4          | 4          |
|   | Land Management                                  | 10             | 9          | 9          | 9          | 8          |
|   | TecH <sub>2</sub> O Learning Center              | 10             | 10         | 10         | 10         | 10         |
|   | <b>Total Division</b>                            | <b>60</b>      | <b>58</b>  | <b>55</b>  | <b>51</b>  | <b>51</b>  |
| <b>Technical Services</b>   | Technical Services                               | 6              | 5          | 3          | 5          | 6          |
|   | Water/Wastewater Engineering                     | 15             | 15         | 15         | 15         | 15         |
|   | Planning and Development                         | 37             | 34         | 32         | 31         | 33         |
|   | Engineering Project Management                   | 9              | 9          | 9          | 13         | 8          |
|   | Construction Project Management                  | 0              | 0          | 0          | 0          | 0          |
|   | Stormwater Engineering                           | 6              | 5          | 5          | 0          | 0          |
|   | <b>Total Division</b>                            | <b>73</b>      | <b>68</b>  | <b>64</b>  | <b>64</b>  | <b>62</b>  |
| <b>Financial &amp; Support Services</b>                           | Finance  | 5              | 4          | 3          | 4          | 4          |
|   | Property and Treasury Management                 | 14             | 14         | 15         | 15         | 15         |
|   | Customer Service                                 | 109            | 106        | 105        | 103        | 102        |
|   | Accounting                                       | 13             | 13         | 13         | 13         | 13         |
|   | Purchasing                                       | 11             | 10         | 10         | 10         | 10         |
|   | Meter Repair Shop                                | 13             | 13         | 13         | 11         | 11         |
|   | Warehouse  | 9              | 9          | 9          | 8          | 8          |
|   | <b>Total Division</b>                            | <b>174</b>     | <b>169</b> | <b>168</b> | <b>164</b> | <b>163</b> |
| <b>Information Technology</b>                                     | Information Technology                           | 39             | 33         | 33         | 31         | 30         |
|   | Instrumentation and Control                      | 30             | 29         | 29         | 29         | 29         |
|   | <b>Total Division</b>                            | <b>69</b>      | <b>62</b>  | <b>62</b>  | <b>60</b>  | <b>59</b>  |
| <b>Operations (Water System)</b>                                  | Water Division Office                            | 2              | 3          | 3          | 3          | 3          |
|   | Well Production                                  | 45             | 44         | 44         | 44         | 43         |
|   | Robertson/Umbenhauer Water Treatment Plant       | 21             | 20         | 20         | 20         | 20         |
|   | Water Distribution                               | 106            | 105        | 104        | 102        | 98         |
|   | Jonathan W. Rogers Water Treatment Plant         | 18             | 18         | 18         | 18         | 18         |
|   | Upper Valley Water Treatment Plant               | 13             | 15         | 15         | 15         | 15         |
|   | Kay Bailey Hutchison Desalination Plant          | 13             | 14         | 14         | 14         | 14         |
|   | <b>Total Division</b>                            | <b>218</b>     | <b>219</b> | <b>218</b> | <b>216</b> | <b>211</b> |
| <b>Operations (Wastewater System)</b>                             | Wastewater Division Office                       | 5              | 6          | 5          | 5          | 5          |
|   | Wastewater Lift Stations                         | 18             | 18         | 18         | 18         | 18         |
|   | Wastewater Collection System Maintenance         | 33             | 33         | 33         | 33         | 33         |
|   | Northwest Wastewater Treatment Plant             | 18             | 17         | 16         | 15         | 15         |
|   | Haskell R. Street Wastewater Treatment Plant     | 29             | 30         | 30         | 30         | 30         |
|   | Roberto R. Bustamante Wastewater Treatment Plant | 29             | 30         | 30         | 30         | 29         |
|   | Fred Hervey Water Reclamation Plant              | 27             | 28         | 28         | 28         | 28         |
|   | Wastewater System Repair & Construction          | 20             | 20         | 20         | 20         | 20         |
|   | <b>Total Division</b>                            | <b>179</b>     | <b>182</b> | <b>180</b> | <b>179</b> | <b>178</b> |
| <b>Operations (Operations Support)</b>                            | Operations Management                            | 9              | 5          | 5          | 4          | 4          |
|   | Environmental Compliance/Industrial Pretreatment | 16             | 10         | 10         | 10         | 10         |
|   | Laboratory Services                              | 31             | 31         | 30         | 30         | 30         |
|   | Reclaimed Water System                           | 0.75           | 0.75       | 0.75       | 1.5        | 1.5        |
|   | Biosolids Management                             | 0.25           | 0.25       | 0.25       | 0.5        | 0.5        |
|   | Plant Equipment Maintenance                      | 6              |            |            |            |            |
|   | <b>Total Division</b>                            | <b>63</b>      | <b>47</b>  | <b>46</b>  | <b>46</b>  | <b>46</b>  |
| <b>(Equipment &amp;</b>   | Fleet Maintenance                                | 22.25          | 23.3       | 23.3       | 23.3       | 22.3       |
|   | Heavy Equipment Operations                       | 42.25          | 42.3       | 42.3       | 42.3       | 42.3       |
|   | Facilities Maintenance                           | 20.25          | 19.3       | 19.3       | 18.3       | 18.3       |
|   | <b>Total Division</b>                            | <b>85</b>      | <b>85</b>  | <b>85</b>  | <b>84</b>  | <b>83</b>  |
| <b>WATER AND WASTEWATER UTILITY'S TOTAL BUDGETED REQUIREMENTS</b> |  | <b>920.75</b>  | <b>890</b> | <b>878</b> | <b>864</b> | <b>853</b> |
|   |  |                |            |            |            |            |
| <b>Stormwater</b>   | Stormwater Management                            | 51             | 51         | 52         | 52         | 52         |
|   | Stormwater Design & Development Services         | 8              | 4          | 10         | 8          | 7          |
|   | Stormwater Project Administration                | 0              | 5          | 0          | 0          | 0          |
|   | Stormwater Environmental Compliance              | 0              | 7          | 7          | 7          | 7          |
|   | <b>Total Division</b>                            | <b>59.25</b>   | <b>67</b>  | <b>69</b>  | <b>67</b>  | <b>66</b>  |

\* 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

| Budgeted Employees per<br>1,000 Customers Data |      |
|--|------|
| Year   | FTE* |
| 2010   | 4.1  |
| 2011   | 4.0  |
| 2012   | 3.9  |
| 2013   | 4.0  |
| 2014   | 4.0  |
| 2015   | 3.9  |
| 2016   | 3.9  |
| 2017   | 3.9  |
| 2018   | 3.8  |
| 2019   | 4.0  |

\* FTE=full time equivalent

# Attachment FB-2

# FINANCIAL PLAN

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## BUDGET TRENDS IN FY 2019 - 2020



El Paso Water continues to evolve in addressing and meeting the needs of our customers in the 21<sup>st</sup> century. It is well positioned to meet the challenges to serve a large metropolitan region in the Southwest. The Utility is one of the most cost-efficient organizations—public or private—in the entire Southwest. The Utility is focused on meeting the supply and demand needs of its current and future customers, while minimizing costs and maximizing service.

During FY 2019-2020 the Utility saw continued improvements in operational efficiencies. Through the guidance of Public Service Board, the Utility continued its regional leadership, investment in its employees, and passed these savings on to the customers.

Overall operating costs for FY 2019-2020 are projected to increase compared to the prior year, mainly due to an unexpected allotment increase in surface river water in 2019 of 65,264-acre feet compared to the minimum allotment of 15,000-acre feet that was expected and budgeted. This resulted in an increased cost of \$4.3 million above the budgeted amount of \$1.7 million.

The Utility has made a conscious and ongoing effort to reduce unaccounted for water. A comprehensive program focusing on leak detection, reservoir rehabilitation, and increased meter replacement have all contributed to more accurate billing and less unaccounted for water. Unaccounted for water has decreased from 14% in 1996 to 10.08% in 2019. Results of this program are reflected in various benchmarks in this budget document.

The Utility issued the following bonds during FY 2019-2020:

- \$1.4 million of Water and Sewer System Revenue Bonds, Series 2019, financed by the Texas Water Development Board in addition to an \$11.5 million Economically Distressed Areas Program grant for the Montana Vista wastewater connection project.
- \$33.4 million of Water and Sewer Refunding Bonds, Series 2019A to take long \$40.0 million of Commercial Paper notes.
- \$30.6 million of Water and Sewer Refunding Bonds, Series 2019B to refund three bonds series 2010, 2010A and 2011, which resulted in Net Present Value Savings of \$3.8 million.

## FY 2020 – 2021: MEETING FUTURE DEMANDS

The FY 2020-2021 operating and capital budget was presented to the Public Service Board for review, input and guidance during one public budget workshop. The budget is consistent with the Board's Strategic Plan. The budget workshop, public hearing and budget adoption meetings were open to the public and were held as follows:



| <b>Budget Schedule</b> |   |
|------------------------|---|
| <b><u>Date</u></b>     | <b><u>Agenda</u></b>  |
| December 2, 2019       | Stormwater Utility Operating and Capital Budget and Water, Wastewater, and Reclaimed Water Operating and Capital Budget       |
| January 8, 2020        | Public Hearing and Adoption of Budget, Rates and Rules and Regulations for Water, Wastewater, Reclaimed Water, and Stormwater |

## **ASSUMPTIONS**

The FY 2020-2021 budget is based on certain assumptions and specific operating and capital budget costs. Financial projections for future years require additional assumptions related to revenue growth, expenditures and necessary rate adjustments. Basic assumptions to this year's five-year financial plan include the following:

| <b>Basic Assumptions</b>               |                                 |
|--|---------------------------------|
| Customer growth rate                   | 1.5%                            |
| Water billed                           | 34.5 billion gallons            |
| Water billed growth rate               | 1.5%                            |
| Wastewater treated                     | 23.3 billion gallons            |
| Wastewater treated growth rate         | 1.5%                            |
| Miscellaneous revenues growth rate     | 2.0%                            |
| Fire Protection growth rate            | 1.0%                            |
| Operations and Maintenance growth rate | 1.0%                            |
| Contingencies                          | 2.5% of operating budget        |
| Interest earnings rate                 | 1.75% of average fund balance   |
| Payment to City (water only)           | 10.0% of water revenues         |
| Payment to the City for Franchise Fee  | Annual amount of \$6.55 million |
| Future debt financial costs            | 3.50%                           |

## BASIS OF BUDGETING

The budget and comprehensive annual financial report are prepared using the accrual basis of accounting. Revenue is recognized as it is earned, and expenses are recognized as goods or services are delivered. The PSB has elected to apply all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions, issued on or before November 30, 1989, unless those pronouncements conflict with, or contradict GASB pronouncements. The operating budget is prepared at the **object** level. The object of expenditure is the good or service for which the expenditure was made. For further detail, sub-object listings are provided and reported by the Utility as “account numbers.” For a complete listing of the Utility’s operating budget, refer to the section of this budget book entitled “Operating Budget Detail.”

The Utility’s funds are not appropriated; rather the budget is an approved plan that can facilitate budgetary control and operational evaluations. The Utility defines fund equity as net position, which equals assets minus liabilities. Fund position is divided into four categories; net invested in capital assets, restricted for construction and improvements, restricted for debt service, and unrestricted.

## FY 2020-2021 DETAIL BUDGET

The Fiscal Year 2020–2021 budget reflects the PSB’s Strategic Plan goals and objectives and is a balanced budget, with the revenue and other financing sources equal to the expenditures and other financing uses. The FY 2020-2021 combined operating and capital budget addresses a continued effort to hold the line on expenditures. The Utility adopted a five percent water and wastewater rate increase.

Some of the highlights of the FY 2020-2021 operating budget are as follows:

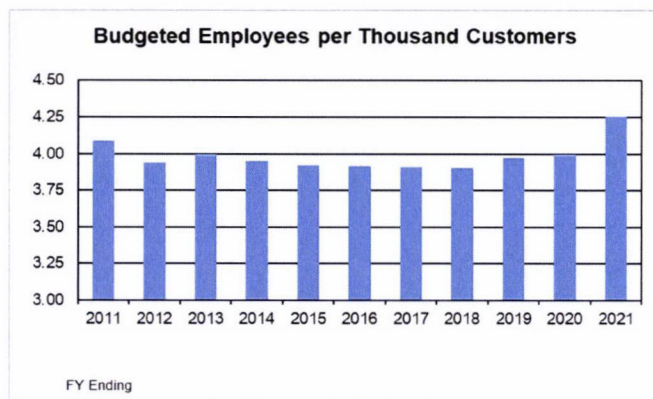
The operating budget increased by \$9.3 million mainly as a result of:

- \$5.3 million increase in water purchase for resale
- \$1.7 million increase in chemical costs

In addition, there was an increase of \$1.9 million for salary adjustments and 26 new positions. The following table identifies the new position adjustments to the staffing table:

| Change in Staffing             |                     |
|--------------------------------|---------------------|
| Section                        | Number of Positions |
| Administration                 | +2                  |
| Engineering                    | +3                  |
| Financial and Support Services | +1                  |
| Information Technology         | +4                  |

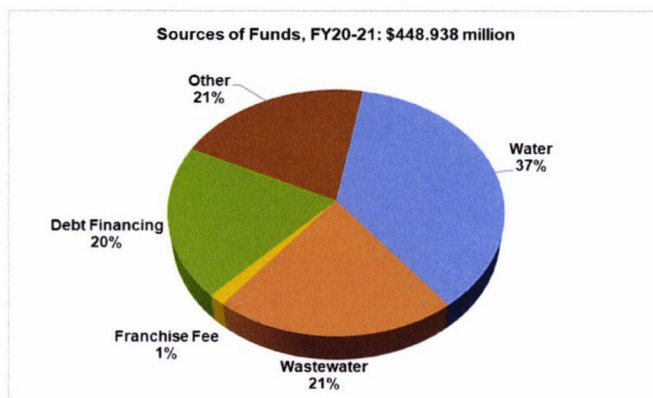
| Change in Staffing                            |                      |
|---|----------------------|
| Operations Support                            | +11                  |
| Operations (Wastewater)                       | +5                   |
| <b>Net Change, All Divisions FY 2020-2021</b> | <b>+26 positions</b> |



The Utility's ratio of employees to 1,000 customers has been reduced by 16% from 5.0 in 1996 to 4.3 employees per 1,000 customers budgeted for in FY 2020-2021. 2020-2021 includes an increase of 0.3 employees per 1,000 customers attributed to the addition of 26 new position, including 11 positions added in operations support to improve the maintenance of irrigation ditches instead of outsourcing.

The capital budget for FY 2020-2021 is \$237.6 million and is detailed in the Capital Improvements section of this document.

### Revenues and Other Financing Sources



**Water** – Water revenues are funds generated for providing potable water service to customers and fire protection. Water revenue for FY 2020-2021 is estimated at \$132.1 million and reflects an increase of \$3.8 million in billed water compared to the budgeted water revenue for FY 2019-2020 due to an approved five percent revenue adjustment and normal growth in customers.

**Wastewater** – Wastewater revenues are proceeds from providing wastewater treatment services to customers. Wastewater revenue for FY 2020-2021 is estimated to be \$95.3 million. This estimate is higher from the previous year's budget reflecting an approved five percent revenue adjustment and normal customer growth.

**Water Supply Replacement Charge** – Water Supply Replacement Charge (WSRC) is restricted revenue used for the costs of attaining future water supplies and the infrastructure associated with it. The revenue source is estimated to be \$32.5 million for FY 2020-2021, which includes a five percent revenue adjustment. As of March 1, 2017, all meter accounts with monthly water consumption of less than 4 ccfs are not charged the WSRC.

This fee elimination was approved by the PSB to help low volume users. In 2018-19 over 38,000 customers on a monthly basis had this fee waived.

**Debt Service Proceeds** – These are restricted funds available from previously issued bonds and new commercial paper used to finance the capital improvement program. For FY 2020-2021 the Utility budgeted \$121.6 million.

**Franchise Fee Revenue**—Effective, March 1, 2020, the City of El Paso increased the franchise fee from \$3.5 million to \$6.6 million annually. City Council approved the fee as a means to compensate the City of El Paso for the Utilities' use of city streets and the rights of way for projects and wear and tear on City streets. The monthly fee is billed to all inside City customers.

**Reclaimed** – Reclaimed water revenues are funds generated for supplying advanced secondary and tertiary reuse water services. This revenue source is estimated to generate \$4.9 million in FY 2020-2021. The FY 2020-2021 reclaimed water rate includes an approved nine percent revenue adjustment. The rate adjustment includes the fifth year of an approved ten year gradual reduction in the subsidy of the reclaimed water rate.

**Interest Income** – This category includes interest earned from investments, other cash management functions and notes receivable. This revenue source is estimated at \$2.6 million for FY 2020-2021. Interest rates are expected to remain flat in 2020 with the anticipation of no Federal Reserve rate changes.

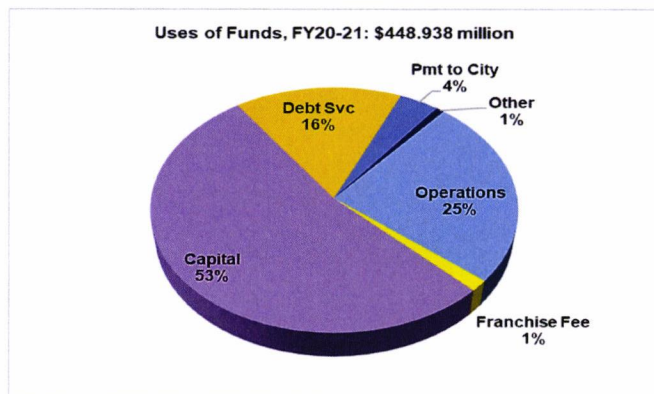
**Grants** – This category includes any funds from federal and state governmental agencies. Almost always these proceeds are for capital improvement projects. Grant proceeds from existing and/or new grants for FY 2020-2021 are estimated to be \$14.0 million.

**Farm Lease Revenues**— The Utility continues to purchase water rights land in and around Dell City to secure a future water supply, which is included in the Region E's 50-year plan. These water resources will be used for water importation around the year 2050. The Utility currently has leased out all the farm properties acquired and is in negotiations to lease the farms it is in the process of acquiring now. The Utility estimates that for FY 2020-2021 farming lease revenues to be \$1.7 million.

**Other** – This category includes proceeds from the sale of assets such as land; revenues from fees charged for development of land recently annexed by the City of El Paso; impact fees from new development, other contributions in aid of construction and lease revenue. The FY 2020-2021 estimated revenue from this source is \$27.4 million, which includes \$15 million from land sales, \$5.6 million from miscellaneous service charges, \$1.6 million in revenue from annexation fees, \$2.2 million in revenue from impact fees and \$2.5 million from contributions from new customers.



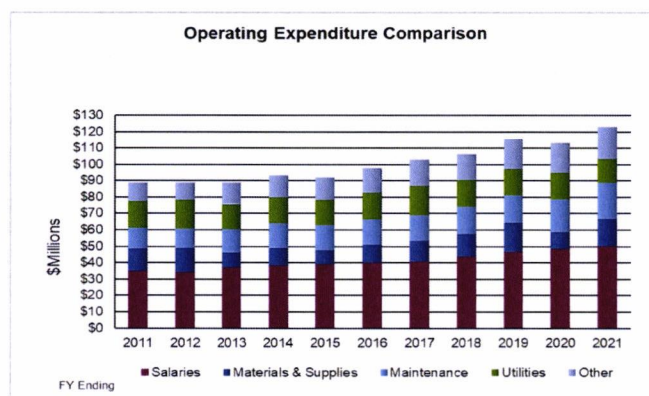
## Expenditures and Other Financing Uses



**Capital** – Capital expenses include all expenditures for the planning, design, construction, rehabilitation and/or purchase of assets. Total capital expenses for FY 2020-2021 are estimated to be \$237.6 million, which includes \$5.0 million for equipment. The water capital projects represent 55.9% of total capital expenditures in FY 2020-2021, with wastewater and reclaimed projects representing 42.0%, and capital equipment representing 2.1%.

**Operating** – This category includes expenditures for the operations and maintenance costs of the Utility. It includes salaries, materials and supplies, utilities, and all other expenses. Operating and maintenance expenses for FY 2020-2021 are estimated to be \$111.8 million. This is a 9.1% increase compared to FY 2019-2020. The increase is mainly due to the expected full river water allotment in 2020 and increased chemicals needed at the water treatment plants.

**Debt Service** – This category includes expenditures for the payment of principal and interest on bonds, debt service reserves, and other debt instruments including commercial paper. Debt service for FY 2020-2021 is estimated to be \$72.2 million. This is a \$3.6 million decrease over the prior year mainly due to reductions in the annual principal and interest bond payments, interest savings from the 2019B bond refunding, and a reduction in the bond reserve annual payment. In addition, the Utility plans to use an estimated \$90 million of Commercial Paper Notes next fiscal year to fund new CIP projects.



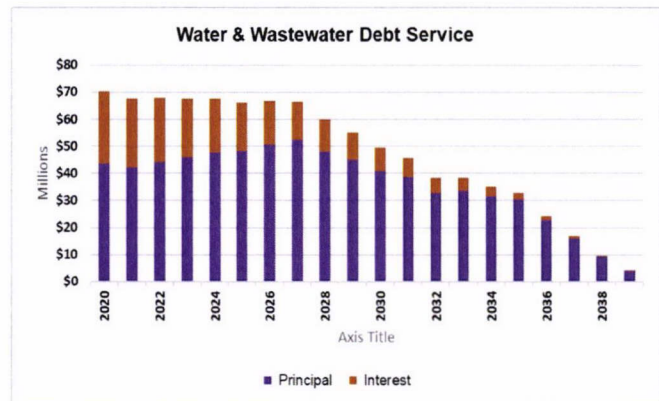
**Payment to City** – 10% of water revenues paid to the City of El Paso's general fund per bond ordinance. For FY 2020-2021, this payment to the City is estimated to be \$17.3 million. This figure is \$658,000 more than the previous year due to the approved five percent water revenue adjustment.

**Franchise Fee Expense** – Effective, March 1, 2020, the City of El Paso increased the Utility franchise fee from \$3.5 million to \$6.6 million annually. City Council approved the fee as a means to compensate the City of El Paso for the Utilities' use of city streets and the rights of way for projects and wear and tear on City streets. The monthly fee is billed to all inside City customers.

**Contingency** – This category allows for unusual, unbudgeted expenses, equivalent to 2.5% of the operating budget. The contingency this year is \$2.8 million.

## DEBT SERVICE

The following chart shows, as of February 29, 2020, all outstanding principal and interest owed by EPWater. An adequate level of debt and strong financial positions reflects superior fiscal management that have allowed EPWater to continue to earn among the highest ratings that can be awarded by rating agencies like Standard & Poor's (AA+) and Fitch (AA+). In August 2019, Standard & Poor's and Fitch Ratings confirmed the Utilities bonds of AA+ with a Stable Outlook. In 1997, to leverage the market and be more flexible in financing capital construction projects, the Utility initiated the use of interim commercial paper financing. The credit agreement, in the amount of \$40 million, is equally and ratably secured by and are payable from the sale of bonds or additional borrowing under the commercial paper program. In July 2015, the Public Service Board approved a resolution selecting Bank of America N.A. as the Liquidity Provider for the Commercial Paper Program. On August 8, 2018, the agreement was amended to reduce the fees charged and extend the Credit Agreement for three additional years. The commercial paper matures from one to 270 days, with a current interest rate of 1.15%. The new debt service associated with the three bond issues completed last fiscal year have been included in the FY 2020-2021 budget. The following table shows all outstanding debt for the Water & Sewer Utility as of February 29, 2020.



| <u>Calendar Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|------------------|-----------------|--------------|
| 2020                 | 43,560,000       | 26,658,170      | 70,218,170   |
| 2021                 | 42,225,000       | 25,501,971      | 67,726,971   |
| 2022                 | 44,085,000       | 23,802,602      | 67,887,602   |
| 2023                 | 45,790,000       | 21,951,380      | 67,741,380   |
| 2024                 | 47,610,000       | 20,039,550      | 67,649,550   |
| 2025                 | 48,165,000       | 18,079,489      | 66,244,489   |
| 2026                 | 50,515,000       | 16,096,935      | 66,611,935   |
| 2027                 | 52,500,000       | 14,040,808      | 66,540,808   |
| 2028                 | 48,080,000       | 12,029,630      | 60,109,630   |

| <b>Water &amp; Wastewater Debt Service Detail</b> |                         |                        |                      |
|---|-------------------------|------------------------|----------------------|
| <b><u>Calendar Year</u></b>                       | <b><u>Principal</u></b> | <b><u>Interest</u></b> | <b><u>Total</u></b>  |
| 2029  | 44,905,000              | 10,216,239             | 55,121,239           |
| 2030  | 40,920,000              | 8,556,352              | 49,476,352           |
| 2031  | 38,585,000              | 7,031,268              | 45,616,268           |
| 2032  | 32,680,000              | 5,746,531              | 38,426,531           |
| 2033  | 33,585,000              | 4,602,818              | 38,187,818           |
| 2034  | 31,675,000              | 3,467,509              | 35,142,509           |
| 2035  | 30,380,000              | 2,415,931              | 32,795,931           |
| 2036  | 22,650,000              | 1,530,399              | 24,180,399           |
| 2037  | 16,155,000              | 856,963                | 17,011,963           |
| 2038  | 9,295,000               | 364,629                | 9,659,629            |
| 2039  | 3,955,000               | 86,070                 | 4,041,070            |
| <b>Total</b>                                      | <b>\$727,315,000</b>    | <b>\$223,075,244</b>   | <b>\$950,390,244</b> |

## **CUSTOMER IMPACTS**

Because of the many factors that go into providing quality water and wastewater services, El Paso Water must continue its leadership in regional and local planning to ensure that its customers continue to receive the highest quality water and wastewater services at affordable rates. The Utility uses an “excess use” increasing block rate structure to establish its user charges. The rate structure is designed with a water conservation message such that the less water the customer uses, the less per unit the customer will be billed. Each customer determines the block into which he or she will fall based on their **average winter consumption (AWC)**. AWC is the per-month average based on total consumption during the three winter months of December, January, and February. One can think of AWC as your own personal yardstick, against which your water and wastewater use is measured. New customers who have not established an AWC are assigned the AWC based on the meter size for their classification. New residential homeowner, for example, would be assigned the residential single, 3/4” class average.

Up to four hundred cubic feet (CCF), or about 2,992 gallons, of water is included in the minimum monthly charge for all non-commercial accounts. The minimum monthly charge for a 3/4" x 5/8" meter is \$7.82 and the rate increases depending on the size of the meter.

#### Water Rate Structure

Minimum: up to 4 CCFs

Block 1: over 4 CCFs to 150% of AWC

Block 2: over 150% to 250% of AWC

Block 3: over 250% of AWC

This structure is consistent with the PSB's goal of sending a pricing signal to high water users or users with high or "discretionary" water use. A five percent revenue increase rate adjustment was approved in the FY 2020-2021 budget. The rates effective March 1, 2020 are outlined below:

Block 1 . . . . . \$2.35 per CCF

Block 2 . . . . . \$5.58 per CCF

Block 3 . . . . . \$7.97 per CCF

The formula for determining into which block a customer will fall is based on what multiple of the customer's AWC is used during that billing period.

In February 1996, the PSB adopted a water supply replacement charge (WSRC). This is dedicated revenue to be used for the acquisition of new water resources to meet current and future water demand. The WSRC is a flat monthly fee charged to each water customer, increasing with equivalent meter size. The typical meter size for a single family detached residence is 3/4" x 5/8" and the WSRC is \$11.59. Effective March 1, 2017, the WSRC is waived for all metered accounts with monthly water consumption of less than 4 ccfs. This fee elimination was approved by the PSB to help low volume users.

The payment to the City of El Paso for 10 percent of total water sales was implemented with the City of El Paso Ordinance 752 that created the Public Service Board and established a monthly 10 percent of total water sales payment to the City of El Paso to be paid by the EPWater.

Effective, March 1, 2020, the City of El Paso started charging the Utility a franchise fee of \$6.6 million annually. City Council approved the fee as a means to compensate the City of El Paso for the Utilities' use of city streets and the rights of way for projects and wear and tear on City streets. The monthly fee is billed to all inside City customers.

The wastewater bill is determined by taking 90% of the customer's AWC, then billing a minimum charge of \$17.17 for the first 4 CCFs, and \$2.16 per CCF thereafter. The wastewater portion of the bill will then be fixed until the customer's AWC is calculated again next winter. The customer determines her/his own AWC, meaning they

determine their own rates for service. EPWater continues to offer competitive and efficient services and provides one of the most affordable commodities in the Border region, as supported in an October 2019 survey of border cities (survey assumes an AWC of 8 CCFs, consumption of 11 CCFs of water and 7 CCFs of wastewater). A detailed history of water and wastewater rates is included in the Statistical section of this budget document.

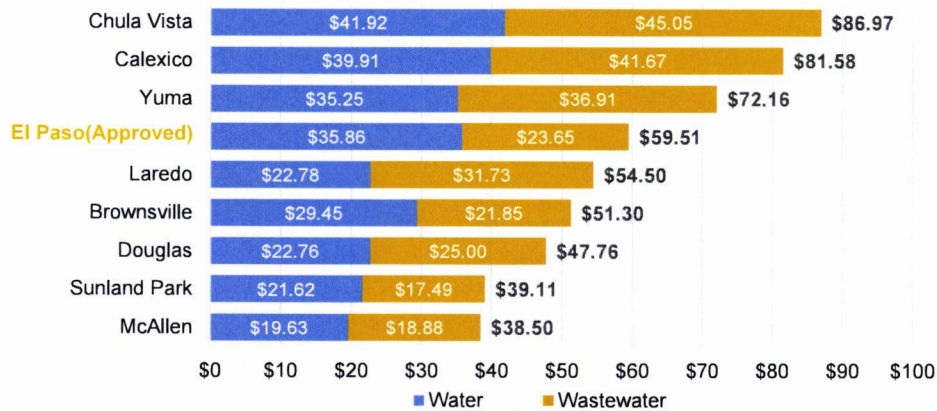
It should be noted that EPWater continues to serve its customers in this arid region while maintaining affordable prices. Specifically, the area has the lowest average annual rainfall among any of the arid cities in the survey. The result is that EPWater is able to offer its customers high quality, low cost services and still meet the needs of future generations as well. Proactive planning, regional leadership, visionary management, fiduciary responsibility, and constant communication with the customer will ensure that this will always be the case.

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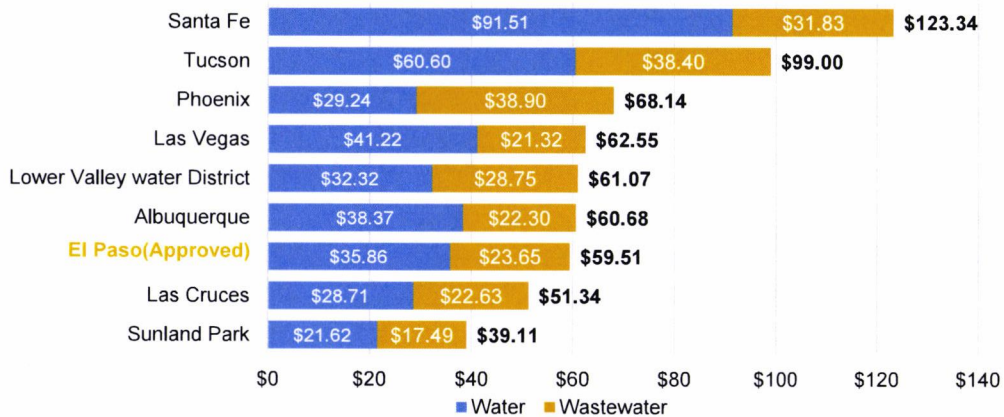




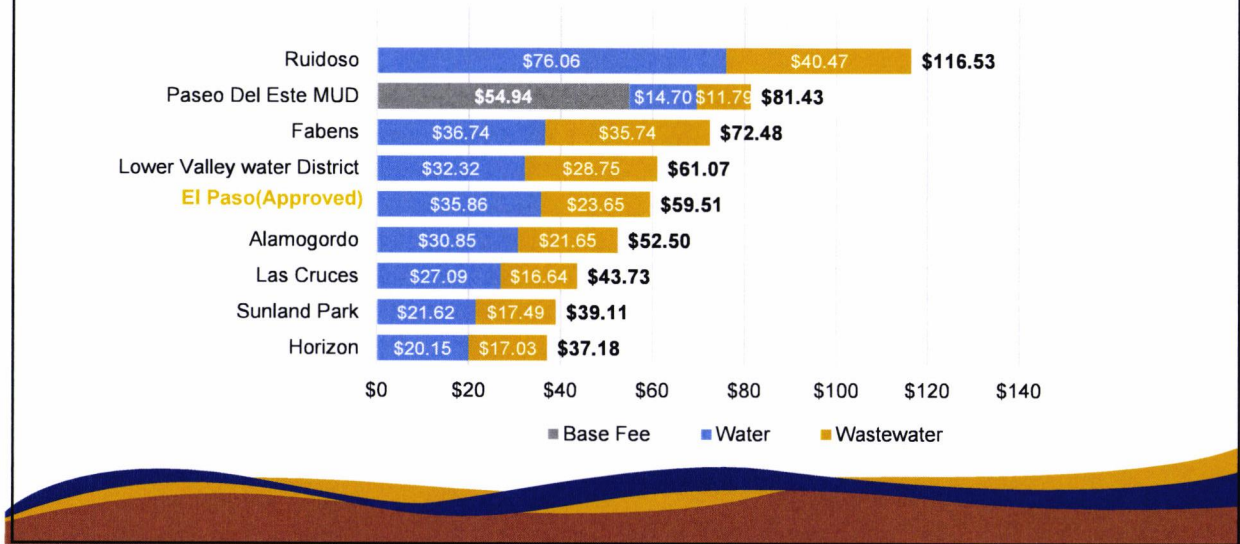
## Average Residential Water/Wastewater Bill Border Cities Survey 2019



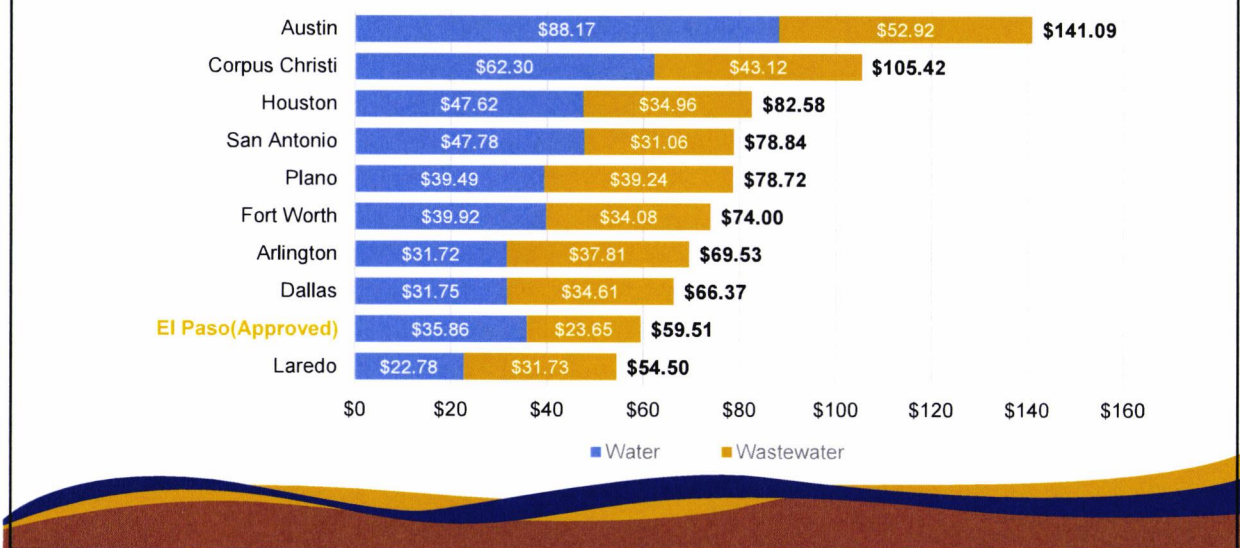
## Average Residential Water/Wastewater Bill Arid Cities Survey 2019



## Average Residential Water/Wastewater Bill Regional Cities Survey 2019



## Average Residential Water/Wastewater Bill Ten Largest Texas Cities Survey 2019



***El Paso Water Utilities - Public Service Board***  
**SUMMARY OF RECEIPTS & DISBURSEMENTS (IN 1000'S)**  
**2020-21 FISCAL BUDGET**

|  | Approved<br>Budget<br>2019-20 | Approved<br>Budget<br>2020-21 | Difference    | % of<br>Inc(Dec) |
|--|-------------------------------|-------------------------------|---------------|------------------|
| <b>Water Billed (In Billion Gallons)</b> | <b>34.50</b>                  | <b>34.50</b>                  | <b>-</b>      | <b>0.00%</b>     |
| <b>REVENUE</b>                           |                               |                               |               |                  |
| Water                                    | 127,188                       | 130,844                       | 3,656         | 2 87%            |
| Water Supply Replacement Charge          | 30,843                        | 32,504                        | 1,661         | 5 39%            |
| Reclaimed Water                          | 4,557                         | 4,926                         | 369           | 8 10%            |
| Fire Protection                          | 1,177                         | 1,298                         | 121           | 10 28%           |
| Service Charges, Misc Fees               | 2,900                         | 2,900                         | -             | 0 00%            |
| <b>Total Water</b>                       | <b>166,665</b>                | <b>172,472</b>                | <b>5,807</b>  | <b>3.48%</b>     |
| Wastewater Service                       | 90,272                        | 94,801                        | 4,529         | 5 02%            |
| Pretreatment Surcharge                   | 565                           | 548                           | (17)          | -3 01%           |
| <b>Total Wastewater</b>                  | <b>90,837</b>                 | <b>95,349</b>                 | <b>4,512</b>  | <b>4.97%</b>     |
| Misc Operating Revenues                  | 2,881                         | 2,700                         | (181)         | -6 28%           |
| Farm Lease Revenues                      | 2,140                         | 1,674                         | (466)         | -21 78%          |
| Franchise Fee                            | 3,550                         | 6,550                         | 3,000         | 84 51%           |
| Interest Revenue on Operating Funds      | 600                           | 600                           | -             | 0 00%            |
| <b>Total Operating Revenues</b>          | <b>266,674</b>                | <b>279,345</b>                | <b>12,672</b> | <b>4.75%</b>     |

|   |                |                |               |               |
|---|----------------|----------------|---------------|---------------|
| <b>LESS OPERATING EXPENDITURES</b>        |                |                |               |               |
| Operation & Maintenance                   | 102,448        | 111,755        | 9,307         | 9 08%         |
| Farm Lease Expenditures                   | 1,043          | 700            | (343)         | -32 89%       |
| Franchise Fee to City                     | 3,550          | 6,550          | 3,000         | 84 51%        |
| <b>Total Operating Expenditures</b>       | <b>107,041</b> | <b>119,005</b> | <b>11,964</b> | <b>11.18%</b> |
| <b>Total Operating and Misc. Expenses</b> | <b>107,041</b> | <b>119,005</b> | <b>11,964</b> | <b>11.18%</b> |

|   |                |                |              |              |
|---|----------------|----------------|--------------|--------------|
| <b>Revenues Available</b>                     | <b>159,632</b> | <b>160,340</b> | <b>708</b>   | <b>0.44%</b> |
| Sale of Assets                                | 150            | 450            | 300          | 200 00%      |
| Interest Revenue on Restricted Funds          | 2,400          | 2,000          | (400)        | -16 67%      |
| <b>Revenues Available for Debt Service</b>    | <b>162,183</b> | <b>162,790</b> | <b>608</b>   | <b>0.37%</b> |
| Debt Service - Water and Wastewater           | 71,854         | 69,899         | (1,955)      | -2 72%       |
| Debt Service Reserve Fund                     | 3,143          | 1,474          | (1,669)      | -53 10%      |
| Short Term Commercial Paper - Interest        | 850            | 866            | 16           | 1 88%        |
| Payment to City                               | 16,709         | 17,277         | 568          | 3 40%        |
| <b>Revenues Avail For Capital Rehab/Impr.</b> | <b>69,627</b>  | <b>73,275</b>  | <b>3,648</b> | <b>5.24%</b> |

|   |               |               |              |              |
|---|---------------|---------------|--------------|--------------|
| <b>PLUS MISC. NON-OPERATING REVENUES</b>            |               |               |              |              |
| Land Sales  | 15,000        | 15,000        | -            | 0 00%        |
| Impact Fees   | 2,200         | 2,200         | -            | 0 00%        |
| Annexation Fees                                     | 1,300         | 1,600         | 300          | 23 08%       |
| Contribution of New Customers                       | 2,050         | 2,500         | 450          | 21 95%       |
| <b>Total Non-Operating Revenues</b>                 | <b>20,550</b> | <b>21,300</b> | <b>750</b>   | <b>3.65%</b> |
| <b>Total Revenues Avail for Capital Rehab/Impr.</b> | <b>90,178</b> | <b>94,574</b> | <b>4,396</b> | <b>4.87%</b> |

|  |                 |                  |                 |               |
|--|-----------------|------------------|-----------------|---------------|
| <b>CAPITAL EXPENDITURES</b>                                  |                 |                  |                 |               |
| Capital Projects-Water                                       | 106,014         | 132,854          | 26,840          | 25 32%        |
| Capital Projects-Wastewater                                  | 74,291          | 99,379           | 25,088          | 33 77%        |
| Capital Projects-Reuse                                       | 1,200           | 433              | (767)           | -63 92%       |
| Capital Equipment  | 4,012           | 4,958            | 946             | 23 58%        |
| <b>Total Capital Expenditures</b>                            | <b>185,517</b>  | <b>237,624</b>   | <b>52,107</b>   | <b>28.09%</b> |
| Contingencies  | 2,561           | 2,794            | 233             | 9 10%         |
| <b>Deficiency to be funded by debt or construction funds</b> | <b>(97,900)</b> | <b>(145,843)</b> | <b>(47,944)</b> | <b>48 97%</b> |
| New Bond Issues & Short Term Commercial Paper Program        | 72,000          | 90,101           | 18,101          | 25 14%        |
| Grants   | 2,145           | 14,000           | 11,855          | 552 68%       |
| Less Restricted Construction Funds                           | 45,000          | 31,465           | (13,535)        | -30 08%       |
| Transfer from (to) Water Supply Reserve                      | (15,000)        | (15,000)         | -               | 0 00%         |
| <b>BALANCE</b>   | <b>6,245</b>    | <b>(25,277)</b>  | <b>(31,523)</b> |               |
| <b>Debt Service Coverage</b>                                 | <b>2.26</b>     | <b>2.33</b>      |                 |               |



**EL PASO WATER UTILITIES - PUBLIC SERVICE BOARD**  
**A COMPONENT UNIT OF THE CITY OF EL PASO**  
**WATER AND WASTEWATER UTILITY FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**BUDGET TO ACTUAL\***

\*THIS IS AN UNOFFICIAL, UNAUDITED STATEMENT USING DATA FROM EPWU-PSB'S COMPREHENSIVE  
ANNUAL FINANCIAL REPORT AND PREPARED STRICTLY FOR USE IN THIS BUDGET BOOK

|  | <u>Year End February 28, 2019</u> |                       | <u>Year End February 29, 2020</u> |                         | <u>FY 2020-2021</u>     |
|--|-----------------------------------|-----------------------|-----------------------------------|-------------------------|-------------------------|
|  | Budget                            | Actual                | Budget                            | Projected               | Budget                  |
| <b>BILLED WATER (billions of gallons, retail + wholesale)</b>  | <b>34.50</b>                      | <b>34.32</b>          | <b>34.50</b>                      | <b>34.10</b>            | <b>34.50</b>            |
| <b>OPERATING REVENUES</b>                                      |                                   |                       |                                   |                         |                         |
| Water service  | \$ 120,870,000                    | \$ 120,126,510        | \$ 127,188,000                    | \$ 124,235,000          | \$ 130,844,000          |
| Water supply replacement charge                                | 29,843,000                        | 29,146,782            | 30,843,000                        | 30,409,000              | 32,504,000              |
| Reclaimed water service  | 3,641,000                         | 4,299,939             | 4,557,000                         | 4,691,000               | 4,926,000               |
| Fire protection  | 1,069,000                         | 1,146,843             | 1,177,000                         | 1,236,000               | 1,298,000               |
| Service charges, misc fees                                     | 3,323,000                         | 2,630,805             | 2,900,000                         | 2,957,000               | 2,900,000               |
| Wastewater service   | 81,190,000                        | 83,065,867            | 90,272,000                        | 89,772,000              | 94,801,000              |
| Pretreatment surcharges  | 489,000                           | 877,251               | 565,000                           | 1,024,000               | 548,000                 |
| Misc operating revenues  | 3,000,000                         | 3,849,593             | 2,881,000                         | 2,534,000               | 2,700,000               |
| Farm Revenues  | 12,100,000                        | 1,299,640             | 2,140,000                         | 1,695,000               | 1,674,000               |
| Interest revenue on operating funds                            | 525,000                           | 693,912               | 600,000                           | 813,000                 | 600,000                 |
| <b>TOTAL OPERATING REVENUES</b>                                | <b>256,051,000</b>                | <b>247,137,142</b>    | <b>263,124,000</b>                | <b>259,367,000</b>      | <b>272,795,000</b>      |
| <b>OPERATING EXPENSES</b>                                      |                                   |                       |                                   |                         |                         |
| Operations and maintenance - water and reclaimed water         | 52,533,560                        | 48,498,246            | 48,828,500                        | 50,297,000              | 54,865,900              |
| Operations and maintenance - wastewater                        | 25,688,740                        | 25,436,858            | 27,085,500                        | 24,600,000              | 28,399,100              |
| General and administrative                                     | 27,168,500                        | 25,718,114            | 26,534,000                        | 25,800,000              | 28,490,000              |
| Farm Expenditures  | 9,700,000                         | 806,336               | 1,043,000                         | 650,000                 | 700,000                 |
| Depreciation   | 62,000,000                        | 65,321,686            | 64,000,000                        | 66,000,000              | 66,000,000              |
| Other operating expenses                                       | 2,000,000                         | 1,679,657             | 2,000,000                         | 2,000,000               | 2,000,000               |
| Other Post-Employment Benefits expense                         | -                                 | 1,663,346             | 1,000,000                         | 1,700,000               | -                       |
| Pension expense  | -                                 | 5,049,735             | -                                 | 5,000,000               | -                       |
| Payment to City of El Paso per bond covenants                  | 15,432,000                        | 14,630,638            | 16,709,000                        | 15,566,000              | 17,277,000              |
| <b>TOTAL OPERATING EXPENSES</b>                                | <b>194,522,800</b>                | <b>188,804,616</b>    | <b>187,200,000</b>                | <b>191,613,000</b>      | <b>197,732,000</b>      |
| <b>OPERATING INCOME</b>  | <b>61,528,200</b>                 | <b>58,332,526</b>     | <b>75,924,000</b>                 | <b>67,754,000</b>       | <b>75,063,000</b>       |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                       |                                   |                       |                                   |                         |                         |
| Interest income  | 1,600,000                         | 4,284,637             | 2,400,000                         | 3,731,000               | 2,000,000               |
| Gain on sale of assets   | 10,200,000                        | 1,447,401             | 15,150,000                        | 19,641,000              | 15,450,000              |
| Other nonoperating   | -                                 | (584,040)             | -                                 | -                       | -                       |
| Interest on bonds and commercial paper **                      | (28,000,000)                      | (22,986,519)          | (28,000,000)                      | (28,000,000)            | (28,000,000)            |
| Franchise Fee Collected City of El Paso                        | 3,550,000                         | 3,588,827             | 3,550,000                         | 3,550,000               | 6,550,000               |
| Franchise Fee Remitted City of El Paso                         | (3,550,000)                       | (3,588,827)           | (3,550,000)                       | (3,550,000)             | (6,550,000)             |
| Impact Fees  | 1,600,000                         | 1,881,923             | 2,200,000                         | 2,339,000               | 2,200,000               |
| Annexation fees  | 1,000,000                         | 1,220,115             | 1,300,000                         | 1,898,000               | 1,600,000               |
| Tap fees and other customer construction related contributions | 2,200,000                         | 2,802,673             | 2,050,000                         | 2,822,000               | 2,500,000               |
| <b>TOTAL NON-OPERATING EXPENSES</b>                            | <b>(11,400,000)</b>               | <b>(11,933,810)</b>   | <b>(4,900,000)</b>                | <b>2,431,000</b>        | <b>(4,250,000)</b>      |
| <b>INCOME BEFORE CONTRIBUTIONS</b>                             | <b>50,128,200</b>                 | <b>46,398,716</b>     | <b>71,024,000</b>                 | <b>70,185,000</b>       | <b>70,813,000</b>       |
| <b>CAPITAL CONTRIBUTIONS</b>                                   | <b>8,000,000</b>                  | <b>11,584,636</b>     | <b>8,000,000</b>                  | <b>8,000,000</b>        | <b>8,000,000</b>        |
| <b>INCREASE IN NET POSITION</b>                                | <b>58,128,200</b>                 | <b>57,983,352</b>     | <b>79,024,000</b>                 | <b>78,185,000</b>       | <b>78,813,000</b>       |
| <b>TOTAL NET POSITION - BEGINNING</b>                          | <b>913,786,208</b>                | <b>913,786,208</b>    | <b>971,769,560</b>                | <b>971,769,560</b>      | <b>1,050,793,560</b>    |
| <b>TOTAL NET POSITION- ENDING</b>                              | <b>\$ 971,914,408</b>             | <b>\$ 971,769,560</b> | <b>\$ 1,050,793,560</b>           | <b>\$ 1,049,954,560</b> | <b>\$ 1,129,606,560</b> |
| <b>DEBT SERVICE COVERAGE</b>                                   | <b>2.01</b>                       | <b>2.22</b>           | <b>2.26</b>                       | <b>2.30</b>             | <b>2.33</b>             |

\* This statement has been revised to reflect the new GASB 34 reporting requirements.

\*\* Interest on long term debt is net of capitalized interest.

|   |                   |
|---|-------------------|
| <b>El Paso Water Utilities / Public Service Board</b>         | <b>Approved</b>   |
| <b>Water and Wastewater Fiscal Year 2020-21 Annual Budget</b> | <b>FY 2020-21</b> |
| <b>(in \$1,000's)</b>   |                   |
| <b>Total Operating and Capital Budget</b>                     | <b>\$448,938</b>  |
| <b>OPERATING REVENUES</b>                                     |                   |
| Water Service   | 130,844           |
| Water Supply & Replacement                                    | 32,504            |
| Reclaimed Water Sales   | 4,926             |
| Fire Protection   | 1,298             |
| Service Charges, Misc. Fees                                   | 2,900             |
| <b>TOTAL WATER REVENUES</b>                                   | <b>172,472</b>    |
| <b>RATE INCREASE - Water</b>                                  | <b>5.0%</b>       |
| <b>RATE INCREASE - Reuse</b>                                  | <b>9.0%</b>       |
| Wastewater Service  | 94,801            |
| Pretreatment Surcharges                                       | 548               |
| <b>TOTAL WASTEWATER REVENUES</b>                              | <b>95,349</b>     |
| <b>RATE INCREASE - Wastewater</b>                             | <b>5.0%</b>       |
| Other Revenue   | 2,700             |
| Farm Lease Revenues   | 1,674             |
| Franchise Fee   | 6,550             |
| Interest Revenue on Operating Funds                           | 600               |
| <b>TOTAL OPERATING REVENUES</b>                               | <b>279,345</b>    |
| <b>LESS OPERATING EXPENSES</b>                                |                   |
| Operations & Maintenance                                      | 111,755           |
| Farm Lease Expenditures                                       | 700               |
| Franchise Fee   | 6,550             |
| <b>TOTAL OPERATING EXPENSES</b>                               | <b>119,005</b>    |
| <b>NET OPERATING REVENUES AVAILABLE</b>                       | <b>160,340</b>    |
| Sale of Assets  | 450               |
| Interest Revenue on Restricted Funds                          | 2,000             |
| <b>REVENUE AVAILABLE FOR DEBT SERVICE</b>                     | <b>162,790</b>    |
| Existing Debt Service - P & I - Bonds                         | 68,523            |
| Commercial Paper Annual Financing                             | 866               |
| New Debt Service - P & I - Bonds                              | 1,376             |
| Annual Contributions to Reserve Fund                          | 1,474             |
| Payment to City - Per Bond Covenant                           | 17,277            |
| <b>REVENUE AVAILABLE FOR CAPITAL IMPROVEMENTS</b>             | <b>73,275</b>     |
| <b>PLUS RESTRICTED NON-OPERATING REVENUES</b>                 |                   |
| Land Sales  | 15,000            |
| Impact Fees   | 2,200             |
| Annexation Fees   | 1,600             |
| Contribution of New Customers                                 | 2,500             |
| <b>TOTAL NON-OPERATING REVENUES</b>                           | <b>21,300</b>     |
| <b>TOTAL REVENUE AVAILABLE FOR CAPITAL IMPROVEMENTS</b>       | <b>94,574</b>     |
| <b>CAPITAL EXPENDITURES</b>                                   |                   |
| Capital Projects - Water                                      | 132,854           |
| Capital Projects - Wastewater                                 | 99,379            |
| Capital Projects - Reuse                                      | 433               |
| Capital Equipment   | 4,958             |
| <b>TOTAL CAPITAL EXPENDITURES</b>                             | <b>237,624</b>    |
| Contingencies   | 2,794             |
| <b>(DEFICIENCY) TO BE FUNDED BY DEBT, GRANTS OR</b>           |                   |
| <b>CONSTRUCTION FUNDS</b>                                     | <b>(145,843)</b>  |
| Less New Bond Issues & Commercial Paper                       | 90,101            |
| Less Grants   | 14,000            |
| Less Restricted Construction Funds                            | 31,465            |
| Less Transfer to Water Supply Reserve                         | (15,000)          |
| <b>Increase /(Decrease) In Fund Balance</b>                   | <b>(\$25,277)</b> |
| <b>Debt Service Coverage - Target 1.5x</b>                    | <b>2.33</b>       |
| <b>Percent Increase In Utility Bill</b>                       | <b>5.0%</b>       |

**EL PASO WATER/PUBLIC SERVICE BOARD**  
**WATER AND WASTEWATER OPERATING BUDGET BY OBJECT**

| EXPENDITURE                         | 2018-19            |                    |               | 2019-20            |                   |              | 2020-2021          |                     |              |
|-------------------------------------|--------------------|--------------------|---------------|--------------------|-------------------|--------------|--------------------|---------------------|--------------|
|                                     | Approved Budget    | Actual             | %             | Approved Budget    | 6 months YTD      | %            | Approved Budget    | Increase (Decrease) | %            |
| <b>GENERAL OPERATING</b>            |                    |                    |               |                    |                   |              |                    |                     |              |
| PERSONAL SERVICES                   | 46,977,700         | 43,908,551         | 93.5%         | 48,700,800         | 22,035,358        | 45.2%        | 50,591,200         | 1,890,400           | 3.88%        |
| MATERIALS & SUPPLIES                | 17,567,410         | 15,418,299         | 87.8%         | 10,332,340         | 7,326,618         | 70.9%        | 16,730,260         | 6,397,920           | 61.92%       |
| MAINTENANCE                         | 16,735,010         | 21,305,494         | 127.3%        | 19,850,735         | 9,835,208         | 49.5%        | 21,742,850         | 1,892,115           | 9.53%        |
| UTILITIES                           | 16,274,680         | 13,768,706         | 84.6%         | 16,434,460         | 6,879,305         | 41.9%        | 14,569,100         | (1,865,360)         | -11.35%      |
| OTHER*                              | 17,779,000         | 16,661,306         | 93.7%         | 17,722,665         | 7,867,517         | 44.4%        | 19,304,590         | 1,581,925           | 8.93%        |
| <b>GROSS O &amp; M BUDGET</b>       | <b>115,333,800</b> | <b>111,062,355</b> | <b>96.3%</b>  | <b>113,041,000</b> | <b>53,944,006</b> | <b>47.7%</b> | <b>122,938,000</b> | <b>9,897,000</b>    | <b>8.76%</b> |
| Less Capital Salaries               | (4,416,000)        | (4,853,656)        | 109.9%        | (4,574,000)        | (2,793,343)       | 61.1%        | (4,856,000)        | (282,000)           | 6.17%        |
| Capital Credits                     | (4,087,000)        | (5,598,992)        | 137.0%        | (4,485,000)        | (3,116,139)       | 69.5%        | (4,829,000)        | (344,000)           | 7.67%        |
| Stormwater Indirect Cost Allocation | (1,440,000)        | (1,440,000)        | 100.0%        | (1,534,000)        | (639,167)         | 41.7%        | (1,498,000)        | 36,000              | -2.35%       |
| <b>NET OPERATING BUDGET</b>         | <b>105,390,800</b> | <b>99,169,707</b>  | <b>94.1%</b>  | <b>102,448,000</b> | <b>47,395,358</b> | <b>46.3%</b> | <b>111,755,000</b> | <b>9,307,000</b>    | <b>8.06%</b> |
| <b>CLEARING ACCOUNTS</b>            |                    |                    |               |                    |                   |              |                    |                     |              |
| PERSONAL SERVICES                   | 4,571,300          | 4,868,958          | 106.5%        | 5,006,800          | 2,585,971         | 51.6%        | 5,220,800          | 214,000             | 4.27%        |
| MATERIALS AND SUPPLIES              | 1,107,000          | 1,469,852          | 132.8%        | 1,109,500          | 627,672           | 56.6%        | 1,315,800          | 206,300             | 18.59%       |
| MAINTENANCE                         | 387,260            | 548,288            | 141.6%        | 453,300            | 252,475           | 55.7%        | 503,305            | 50,005              | 11.03%       |
| UTILITIES                           | 393,400            | 379,615            | 96.5%         | 400,200            | 175,656           | 43.9%        | 390,880            | (9,320)             | -2.33%       |
| OTHER*                              | 1,176,640          | 1,524,375          | 129.6%        | 1,541,200          | 731,993           | 47.5%        | 1,491,215          | (49,985)            | -3.24%       |
| <b>TOTAL CLEARING ACCOUNTS</b>      | <b>7,535,600</b>   | <b>8,791,088</b>   | <b>115.1%</b> | <b>8,511,000</b>   | <b>4,373,766</b>  | <b>51.4%</b> | <b>6,922,000</b>   | <b>411,000</b>      | <b>4.83%</b> |

\*Other expenditures are those which don't fit the other 4 categories. These include, among others, professional services, employee training, prepaid insurance, sludge hauling, water conservation expenses, fees to financial institutions, and postage.

**EL PASO WATER/PUBLIC SERVICE BOARD**  
**SUMMARY OF OPERATING BUDGET APPROPRIATIONS**  
**BY PROGRAM BY ORGANIZATIONAL UNIT**  
**FISCAL YEAR 2020-2021**

| Section Division                                 | FY 2018-19         |                    |               | FY 2019-20         |                   |              | 2020-2021          |                     |               |
|--|--------------------|--------------------|---------------|--------------------|-------------------|--------------|--------------------|---------------------|---------------|
|  | Approved Budget    | Actual             | %             | Approved Budget    | 6 months YTD      | %            | Approved Budget    | Increase (Decrease) | %             |
| <b>ADMINISTRATION</b>                            |                    |                    |               |                    |                   |              |                    |                     |               |
| 100 Public Service Board                         | 365,500            | 462,630            | 126.6%        | 421,000            | 59,910            | 14.2%        | 454,000            | 33,000              | 7.84%         |
| 105 Executive Services                           | 1,414,400          | 1,418,367          | 100.3%        | 1,470,000          | 728,020           | 49.5%        | 1,833,000          | 363,000             | 24.69%        |
| 110 Legal Services                               | 1,121,700          | 1,728,109          | 154.1%        | 1,245,000          | 800,891           | 64.3%        | 1,268,000          | 23,000              | 1.85%         |
| 115 Communications & Government Affairs          | 2,113,200          | 1,695,480          | 80.2%         | 1,911,000          | 945,807           | 49.5%        | 2,136,000          | 225,000             | 11.77%        |
| 120 Human Resources & Risk Management            | 1,207,000          | 997,982            | 82.7%         | 1,339,000          | 541,929           | 40.5%        | 1,383,000          | 44,000              | 3.29%         |
| 130 Water Resources Management                   | 503,400            | 430,269            | 85.5%         | 510,000            | 214,569           | 42.1%        | 602,000            | 92,000              | 18.04%        |
| 140 Land Management                              | 1,303,100          | 938,070            | 72.0%         | 1,438,000          | 465,955           | 32.4%        | 1,327,000          | (111,000)           | -7.72%        |
| 150 Tech20 Learning Center                       | 1,188,600          | 990,405            | 83.3%         | 1,071,000          | 399,121           | 37.3%        | 1,452,000          | 381,000             | 35.57%        |
| <b>TOTAL DIVISION</b>                            | <b>9,216,900</b>   | <b>8,661,312</b>   | <b>94.0%</b>  | <b>9,405,000</b>   | <b>4,156,202</b>  | <b>44.2%</b> | <b>10,455,000</b>  | <b>1,050,000</b>    | <b>11.16%</b> |
| <b>TECHNICAL SERVICES</b>                        |                    |                    |               |                    |                   |              |                    |                     |               |
| 310 Technical Services                           | 970,600            | 964,270            | 99.3%         | 1,043,000          | 533,723           | 51.2%        | 1,079,000          | 36,000              | 3.45%         |
| 315 Water/Wastewater Design                      | 1,238,800          | 950,324            | 76.7%         | 1,255,000          | 479,088           | 38.2%        | 1,265,000          | 10,000              | 0.80%         |
| 320 Planning and Development                     | 3,227,200          | 2,238,109          | 69.4%         | 2,859,000          | 1,174,196         | 41.1%        | 2,928,000          | 69,000              | 2.41%         |
| 325 Engineering Project Management               | 809,500            | 644,607            | 79.6%         | 976,000            | 410,672           | 42.1%        | 1,272,000          | 296,000             | 30.33%        |
| 335 Construction Project Management              | 633,800            | 486,742            | 0.0%          | 689,000            | 275,482           | 0.0%         | 952,000            | 263,000             | 38.17%        |
| <b>TOTAL DIVISION</b>                            | <b>6,879,900</b>   | <b>5,284,053</b>   | <b>76.8%</b>  | <b>6,822,000</b>   | <b>2,873,162</b>  | <b>42.1%</b> | <b>7,496,000</b>   | <b>674,000</b>      | <b>9.88%</b>  |
| <b>OPERATIONS (WATER DIVISION)</b>               |                    |                    |               |                    |                   |              |                    |                     |               |
| 410 Water Division Office                        | 1,189,800          | 1,193,295          | 100.3%        | 1,250,000          | 320,788           | 25.7%        | 1,205,000          | (45,000)            | -3.60%        |
| 420 Water Production                             | 13,117,500         | 11,862,794         | 90.4%         | 14,676,000         | 6,562,539         | 44.7%        | 12,826,000         | (1,850,000)         | -12.61%       |
| 430 Canal Street Water Treatment Plant           | 5,785,300          | 4,186,385          | 72.4%         | 3,256,000          | 1,697,375         | 52.1%        | 5,026,000          | 1,770,000           | 54.36%        |
| 440 Water Distribution                           | 11,947,800         | 14,280,077         | 119.5%        | 14,111,000         | 6,862,116         | 48.6%        | 14,840,000         | 729,000             | 5.17%         |
| 450 Jonathan Rogers Water Treatment Plant        | 10,686,600         | 11,707,342         | 109.6%        | 4,644,000          | 5,306,686         | 114.3%       | 11,774,000         | 7,130,000           | 153.53%       |
| 470 Upper Valley Water Treatment Plant           | 1,737,900          | 1,632,316          | 93.9%         | 1,802,000          | 793,480           | 44.0%        | 1,658,000          | (144,000)           | -7.99%        |
| 480 Kay Bailey Hutchison Desalination Plant      | 3,823,800          | 2,663,035          | 69.6%         | 4,615,000          | 1,563,349         | 33.9%        | 2,934,000          | (1,681,000)         | -36.42%       |
| <b>TOTAL DIVISION</b>                            | <b>48,289,700</b>  | <b>47,626,244</b>  | <b>98.4%</b>  | <b>44,364,000</b>  | <b>23,106,334</b> | <b>52.1%</b> | <b>50,263,000</b>  | <b>5,909,000</b>    | <b>13.32%</b> |
| <b>OPERATIONS (OPERATIONS SUPPORT)</b>           |                    |                    |               |                    |                   |              |                    |                     |               |
| 510 Operations Management                        | 1,060,700          | 843,109            | 79.5%         | 1,158,000          | 453,602           | 39.2%        | 1,456,000          | 298,000             | 25.73%        |
| 520 Environmental Compliance                     | 1,186,200          | 1,062,103          | 89.5%         | 1,284,000          | 556,056           | 43.3%        | 1,252,000          | (32,000)            | -2.49%        |
| 525 Laboratory Services                          | 3,270,200          | 3,324,634          | 101.7%        | 3,446,000          | 1,657,831         | 48.1%        | 3,697,000          | 251,000             | 7.28%         |
| 540 Reclaimed Water System                       | 502,300            | 600,123            | 119.5%        | 550,000            | 154,521           | 28.1%        | 505,000            | (45,000)            | -8.18%        |
| 560 Biosolids Management                         | 1,720,000          | 2,203,800          | 128.1%        | 1,821,000          | 955,146           | 52.5%        | 2,381,000          | 560,000             | 30.75%        |
| 580 Utility Equipment Maintenance                | 369,800            | 213,471            | 0.0%          | 442,000            | 172,697           | 0.0%         | 593,000            | 151,000             | 34.16%        |
| <b>TOTAL DIVISION</b>                            | <b>8,109,200</b>   | <b>8,247,240</b>   | <b>101.7%</b> | <b>8,701,000</b>   | <b>3,948,655</b>  | <b>45.4%</b> | <b>9,884,000</b>   | <b>1,183,000</b>    | <b>13.60%</b> |
| <b>OPERATIONS (WASTEWATER DIVISION)</b>          |                    |                    |               |                    |                   |              |                    |                     |               |
| 610 Wastewater Division Office                   | 590,700            | 785,349            | 133.0%        | 969,000            | 341,867           | 35.3%        | 1,031,000          | 62,000              | 6.40%         |
| 620 Wastewater Lift Stations                     | 2,714,800          | 2,596,596          | 95.6%         | 2,730,000          | 1,107,589         | 40.6%        | 2,723,000          | (7,000)             | -0.26%        |
| 630 Collection System Maintenance                | 2,182,300          | 1,913,776          | 87.7%         | 2,111,000          | 965,324           | 45.7%        | 2,125,000          | 14,000              | 0.66%         |
| 640 John T. Hickerson Water Reclamation Facility | 3,083,300          | 3,310,432          | 107.4%        | 3,194,000          | 1,413,995         | 44.3%        | 3,331,000          | 137,000             | 4.29%         |
| 650 Haskell Street Wastewater Treatment Plant    | 4,598,600          | 4,456,158          | 96.9%         | 4,508,000          | 2,045,749         | 45.4%        | 4,513,000          | 5,000               | 0.11%         |
| 670 Roberto Bustamante WW Treatment Plant        | 4,556,700          | 4,807,981          | 105.5%        | 4,831,000          | 2,134,895         | 44.2%        | 4,960,000          | 129,000             | 2.67%         |
| 680 Fred Hervey Water Reclamation Plant          | 3,690,800          | 3,930,734          | 106.5%        | 3,900,000          | 1,914,924         | 49.1%        | 4,012,000          | 112,000             | 2.87%         |
| 690 Wastewater System Repair & Construction      | 2,209,400          | 2,375,532          | 107.5%        | 2,429,000          | 962,840           | 39.6%        | 2,608,000          | 179,000             | 7.37%         |
| <b>TOTAL DIVISION</b>                            | <b>23,626,600</b>  | <b>24,176,567</b>  | <b>102.3%</b> | <b>24,672,000</b>  | <b>10,887,182</b> | <b>44.1%</b> | <b>26,303,000</b>  | <b>631,000</b>      | <b>2.66%</b>  |
| <b>FINANCIAL &amp; SUPPORT SERVICES</b>          |                    |                    |               |                    |                   |              |                    |                     |               |
| 710 Finance                                      | 927,500            | 655,136            | 70.6%         | 916,000            | 478,424           | 52.2%        | 949,000            | 33,000              | 3.60%         |
| 715 Property & Treasury Management               | 970,700            | 875,618            | 90.2%         | 962,000            | 415,588           | 43.2%        | 955,000            | (7,000)             | -0.73%        |
| 720 Customer Service                             | 7,639,400          | 6,769,289          | 88.6%         | 7,601,000          | 3,156,894         | 41.5%        | 7,299,000          | (302,000)           | -3.97%        |
| 740 Accounting                                   | 771,200            | 819,009            | 106.2%        | 831,000            | 397,797           | 47.9%        | 831,000            | 0                   | 0.00%         |
| 750 Purchasing & Contract Management             | 812,000            | 654,003            | 80.5%         | 821,000            | 366,890           | 44.7%        | 877,000            | 56,000              | 6.82%         |
| <b>TOTAL DIVISION</b>                            | <b>11,120,800</b>  | <b>9,773,065</b>   | <b>87.9%</b>  | <b>11,131,000</b>  | <b>4,816,693</b>  | <b>43.3%</b> | <b>10,911,000</b>  | <b>(220,000)</b>    | <b>-1.98%</b> |
| <b>INFORMATION TECHNOLOGY</b>                    |                    |                    |               |                    |                   |              |                    |                     |               |
| 810 Information Technology                       | 5,686,900          | 4,909,162          | 86.3%         | 5,366,000          | 2,994,508         | 55.8%        | 6,156,000          | 790,000             | 14.72%        |
| 825 Instrumentation and Control                  | 2,404,800          | 2,485,733          | 103.4%        | 2,590,000          | 1,161,169         | 44.8%        | 2,470,000          | (120,000)           | -4.63%        |
| <b>TOTAL DIVISION</b>                            | <b>8,091,700</b>   | <b>7,394,895</b>   | <b>91.4%</b>  | <b>7,956,000</b>   | <b>4,155,677</b>  | <b>52.2%</b> | <b>8,626,000</b>   | <b>670,000</b>      | <b>8.42%</b>  |
| <b>GROSS O &amp; M BUDGET</b>                    |                    |                    |               |                    |                   |              |                    |                     |               |
| Less Capital Salaries                            | (4,416,000)        | (4,853,656)        | 109.9%        | (4,574,000)        | (2,793,343)       | 61.1%        | (4,856,000)        | (282,000)           | 6.17%         |
| Less Capital Credits                             | (4,087,000)        | (5,598,992)        | 137.0%        | (4,485,000)        | (3,116,139)       | 69.5%        | (4,829,000)        | (344,000)           | 7.67%         |
| Less Stormwater Indirect Cost Allocation         | (1,440,000)        | (1,440,000)        | 100.0%        | (1,534,000)        | (639,167)         | 41.7%        | (1,498,000)        | 36,000              | -2.35%        |
| <b>NET OPERATING BUDGET EPWU</b>                 | <b>106,390,800</b> | <b>99,169,787</b>  | <b>94.1%</b>  | <b>102,448,000</b> | <b>47,396,358</b> | <b>46.3%</b> | <b>111,765,000</b> | <b>9,307,000</b>    | <b>9.06%</b>  |
| <b>CLEARING ACCOUNTS</b>                         |                    |                    |               |                    |                   |              |                    |                     |               |
| 912 Meter Repair & Testing                       | 617,800            | 594,659            | 96.3%         | 724,000            | 335,029           | 46.3%        | 713,000            | (11,000)            | -1.52%        |
| 914 Warehouse                                    | 565,200            | 456,631            | 80.8%         | 564,000            | 176,360           | 31.3%        | 538,000            | (26,000)            | -4.61%        |
| 915 Fleet Maintenance                            | 2,411,900          | 3,005,957          | 124.6%        | 2,527,000          | 1,350,177         | 53.4%        | 2,755,000          | 228,000             | 9.02%         |
| 916 Heavy Equipment Operations                   | 2,484,600          | 3,004,028          | 120.9%        | 3,134,000          | 1,697,863         | 54.2%        | 3,105,000          | (28,000)            | -0.93%        |
| 917 Facilities Maintenance                       | 1,556,100          | 1,729,813          | 111.2%        | 1,562,000          | 814,338           | 52.1%        | 1,811,000          | 249,000             | 15.94%        |
| <b>TOTAL CLEARING ACCOUNTS</b>                   | <b>7,635,600</b>   | <b>8,791,088</b>   | <b>115.1%</b> | <b>8,511,000</b>   | <b>4,373,766</b>  | <b>51.4%</b> | <b>8,922,000</b>   | <b>411,000</b>      | <b>4.83%</b>  |
| <b>STORMWATER UTILITY</b>                        |                    |                    |               |                    |                   |              |                    |                     |               |
| 210 Stormwater Management                        | 4,430,100          | 4,384,992          | 99.0%         | 4,503,000          | 1,972,447         | 43.8%        | 6,078,000          | 1,575,000           | 34.98%        |
| 220 Technical Services                           | 788,860            | 778,432            | 0.0%          | 886,000            | 403,752           | 45.6%        | 1,063,000          | 177,000             | 19.98%        |
| <b>TOTAL STORMWATER UTILITY</b>                  | <b>5,218,960</b>   | <b>5,163,424</b>   | <b>98.9%</b>  | <b>5,389,000</b>   | <b>2,376,199</b>  | <b>44.1%</b> | <b>7,141,000</b>   | <b>1,762,000</b>    | <b>32.61%</b> |
| Less Capital Salaries                            | 0                  | 0                  | 0.0%          | 0                  | 0                 | 0.0%         | (1,202,000)        | (1,202,000)         | 0.00%         |
| Plus Indirect Cost Allocation                    | 1,440,000          | 1,440,000          | 100.0%        | 1,534,000          | 639,167           | 41.7%        | 1,498,000          | (36,000)            | -2.35%        |
| <b>NET OPERATING BUDGET STORM</b>                | <b>6,658,960</b>   | <b>6,603,424</b>   | <b>99.2%</b>  | <b>6,923,000</b>   | <b>3,015,366</b>  | <b>43.6%</b> | <b>7,437,000</b>   | <b>514,000</b>      | <b>7.42%</b>  |
| <b>EPWU AND STORMWATER</b>                       | <b>112,049,760</b> | <b>105,773,131</b> | <b>94.4%</b>  | <b>109,371,000</b> | <b>50,410,723</b> | <b>46.1%</b> | <b>119,192,000</b> | <b>9,821,000</b>    | <b>8.96%</b>  |

| EL PASO WATER<br>SUMMARY, FY 2020-2021<br>STAFFING BY DIVISION AND SECTION |  |            |            |               |               |               |
|--|--|------------|------------|---------------|---------------|---------------|
|  | Division/Section                                 | 2016-17    | 2017-18    | 2018-19       | 2019-20       | 2020-21       |
| <b>Administration</b>  | Executive Services                               | 5          | 6          | 7             | 7             | 9             |
|  | Legal Services                                   | 5          | 5          | 5             | 5             | 5             |
|  | Communications & Government Affairs              | 10         | 10         | 9             | 10            | 10            |
|  | Human Resources                                  | 11         | 13         | 14            | 14            | 14            |
|  | Water Resources Management                       | 5          | 5          | 5             | 5             | 5             |
|  | Land Management                                  | 9          | 9          | 10            | 10            | 10            |
|  | TechH <sub>2</sub> O Learning Center             | 10         | 10         | 10            | 8             | 8             |
|  | <b>Total Division</b>                            | <b>55</b>  | <b>58</b>  | <b>60</b>     | <b>59</b>     | <b>61</b>     |
| <b>Technical Services</b>  | Technical Services                               | 3          | 5          | 6             | 6             | 6             |
|  | Water/Wastewater Design                          | 15         | 15         | 15            | 15            | 15            |
|  | Planning and Development                         | 32         | 34         | 37            | 38            | 39            |
|  | Engineering Project Management                   | 9          | 9          | 9             | 11            | 11            |
|  | Construction Project Management                  | 5          | 5          | 6             | 6             | 8             |
|  | <b>Total Division</b>                            | <b>64</b>  | <b>68</b>  | <b>73</b>     | <b>76</b>     | <b>79</b>     |
| <b>Financial &amp; Support Services</b>                                    | Finance  | 3          | 4          | 5             | 4             | 4             |
|  | Property & Treasury Management                   | 15         | 14         | 14            | 14            | 14            |
|  | Customer Service                                 | 105        | 106        | 109           | 111           | 112           |
|  | Accounting                                       | 13         | 13         | 13            | 13            | 13            |
|  | Purchasing & Contract Administration             | 10         | 10         | 11            | 11            | 11            |
|  | Meter Repair Shop                                | 13         | 13         | 13            | 14            | 14            |
|  | Warehouse  | 9          | 9          | 9             | 9             | 9             |
|  | <b>Total Division</b>                            | <b>168</b> | <b>169</b> | <b>174</b>    | <b>176</b>    | <b>177</b>    |
| <b>Information Technology</b>  | Information Technology                           | 33         | 33         | 39            | 43            | 47            |
|  | Instrumentation and Control                      | 29         | 29         | 30            | 30            | 30            |
|  | <b>Total Division</b>                            | <b>62</b>  | <b>62</b>  | <b>69</b>     | <b>73</b>     | <b>77</b>     |
| <b>Operations (Water System)</b>   | Water Division Office                            | 3          | 3          | 2             | 3             | 3             |
|  | Well Production                                  | 44         | 44         | 45            | 45            | 46            |
|  | Canal Water Treatment Plant                      | 20         | 20         | 21            | 21            | 21            |
|  | Water Distribution                               | 104        | 105        | 106           | 109           | 109           |
|  | Jonathan Rogers Water Treatment Plant            | 18         | 18         | 18            | 18            | 18            |
|  | Upper Valley Water Treatment Plant               | 15         | 15         | 13            | 13            | 13            |
|  | Kay Bailey Hutchison Desalination Plant          | 14         | 14         | 13            | 13            | 13            |
|  | <b>Total Division</b>                            | <b>218</b> | <b>219</b> | <b>218</b>    | <b>222</b>    | <b>223</b>    |
| <b>Operations (Wastewater System)</b>                                      | Wastewater Division Office                       | 5          | 6          | 5             | 7             | 7             |
|  | Wastewater Lift Stations                         | 18         | 18         | 18            | 18            | 18            |
|  | Wastewater Collection System Maintenance         | 33         | 33         | 33            | 33            | 33            |
|  | John T. Hickerson Water Reclamation Facility     | 16         | 17         | 18            | 18            | 20            |
|  | Haskell R. Street Wastewater Treatment Plant     | 30         | 30         | 29            | 29            | 29            |
|  | Roberto Bustamante Wastewater Treatment Plant    | 30         | 30         | 29            | 29            | 29            |
|  | Fred Hervey Water Reclamation Plant              | 28         | 28         | 27            | 27            | 27            |
|  | Wastewater System Repair & Construction          | 20         | 20         | 20            | 20            | 23            |
|  | <b>Total Division</b>                            | <b>180</b> | <b>182</b> | <b>179</b>    | <b>181</b>    | <b>186</b>    |
| <b>Operations (Operations Support)</b>                                     | Operations Management                            | 5          | 5          | 7             | 7             | 8             |
|  | Environmental Compliance/Industrial Pretreatment | 10         | 10         | 16            | 18            | 18            |
|  | Laboratory Services                              | 30         | 31         | 31            | 31            | 32            |
|  | Reclaimed Water System                           | 0.75       | 0.75       | 0.75          | 0.75          | 0.75          |
|  | Biosolids Management                             | 0.25       | 0.25       | 0.25          | 0.25          | 0.25          |
|  | Plant Equipment Maintenance                      | 0          | 0          | 7             | 7             | 8             |
|  | <b>Total Division</b>                            | <b>46</b>  | <b>47</b>  | <b>62</b>     | <b>64</b>     | <b>67</b>     |
| <b>Operations (Equipment &amp; Facilities Maintenance)</b>                 | Fleet Maintenance                                | 23.33      | 23.33      | 22.25         | 22.25         | 22.00         |
|  | Heavy Equipment Operations                       | 42.33      | 42.33      | 42.25         | 48.25         | 48.00         |
|  | Facilities Maintenance                           | 19.33      | 19.33      | 20.25         | 20.25         | 28.00         |
|  | <b>Total Division</b>                            | <b>85</b>  | <b>85</b>  | <b>84.75</b>  | <b>90.75</b>  | <b>98.00</b>  |
| <b>TOTAL BUDGETED POSITIONS</b>  |  | <b>878</b> | <b>890</b> | <b>919.75</b> | <b>941.75</b> | <b>968.00</b> |
| <b>TOTAL ACTUAL POSITIONS</b>  |  | <b>770</b> | <b>777</b> | <b>790</b>    | <b>807</b>    |               |

El Paso Water  
Financial Plan  
Water, Reuse, Wastewater

| Water, Reuse & Wastewater Funds                                  | Adopted<br>Budget | Projected<br>Budget | Approved<br>Budget | Projected        | Projected        | Projected        | Projected        |
|--|-------------------|---------------------|--------------------|------------------|------------------|------------------|------------------|
| <b>Total Operating and Capital Budget</b>                        | <b>\$387,675</b>  | <b>\$335,532</b>    | <b>\$448,938</b>   | <b>\$462,667</b> | <b>\$497,228</b> | <b>\$488,862</b> | <b>\$518,749</b> |
| <b>Operating Revenues</b>  |                   |                     |                    |                  |                  |                  |                  |
| Water Service  | 127,188           | 124,235             | 130,844            | 137,875          | 145,291          | 153,116          | 162,908          |
| Water Supply Replacement   | 30,843            | 30,409              | 32,504             | 34,744           | 37,138           | 39,696           | 42,836           |
| Fire Protection  | 1,177             | 1,236               | 1,298              | 1,363            | 1,431            | 1,502            | 1,593            |
| Reclaimed Water Sales  | 4,557             | 4,691               | 4,926              | 5,172            | 5,431            | 5,702            | 6,044            |
| <b>Total Water/Reuse Revenues</b>                                | <b>163,766</b>    | <b>160,571</b>      | <b>169,572</b>     | <b>179,153</b>   | <b>189,290</b>   | <b>200,017</b>   | <b>213,381</b>   |
| <b>Rate Increase - Water</b>                                     | <b>4.0%</b>       | <b>4.0%</b>         | <b>5.0%</b>        | <b>5.0%</b>      | <b>5.0%</b>      | <b>5.0%</b>      | <b>6.0%</b>      |
| <b>Rate Increase - Reuse</b>                                     | <b>8.0%</b>       | <b>8.0%</b>         | <b>9.0%</b>        | <b>5.0%</b>      | <b>5.0%</b>      | <b>5.0%</b>      | <b>6.0%</b>      |
| Wastewater Service   | 90,272            | 89,772              | 94,801             | 99,541           | 104,518          | 109,744          | 116,318          |
| Pretreatment Surcharges  | 565               | 1,024               | 548                | 556              | 571              | 574              | 584              |
| <b>Total Wastewater Revenues</b>                                 | <b>90,837</b>     | <b>90,796</b>       | <b>95,349</b>      | <b>100,097</b>   | <b>105,089</b>   | <b>110,318</b>   | <b>116,902</b>   |
| <b>Rate Increase - Wastewater</b>                                | <b>8.0%</b>       | <b>8.0%</b>         | <b>5.0%</b>        | <b>5.0%</b>      | <b>5.0%</b>      | <b>5.0%</b>      | <b>6.0%</b>      |
| <b>Misc. Operating Revenues</b>                                  |                   |                     |                    |                  |                  |                  |                  |
| Farm Lease Revenues  | 2,140             | 1,695               | 1,674              | 1,516            | 1,491            | 1,350            | 1,350            |
| Service Charges, Misc. Fees                                      | 5,781             | 5,491               | 5,600              | 5,600            | 5,600            | 5,600            | 5,600            |
| Interest Earnings  | 600               | 813                 | 600                | 600              | 600              | 600              | 600              |
| <b>Total Operating Revenues</b>                                  | <b>263,124</b>    | <b>259,366</b>      | <b>272,795</b>     | <b>286,966</b>   | <b>302,070</b>   | <b>317,885</b>   | <b>337,833</b>   |
| <b>Less Operating Expenses</b>                                   |                   |                     |                    |                  |                  |                  |                  |
| O&M Expenses   | 102,448           | 100,697             | 111,755            | 112,201          | 113,323          | 114,456          | 115,600          |
| <b>Total Operating Expenses</b>                                  | <b>102,448</b>    | <b>100,697</b>      | <b>111,755</b>     | <b>112,201</b>   | <b>113,323</b>   | <b>114,456</b>   | <b>115,600</b>   |
| Farm Lease Expenses  | 1,043             | 650                 | 700                | 721              | 743              | 765              | 788              |
| <b>Operating Revenues Available</b>                              | <b>159,633</b>    | <b>158,020</b>      | <b>160,340</b>     | <b>174,045</b>   | <b>188,005</b>   | <b>202,664</b>   | <b>221,445</b>   |
| Sale of Assets   | 150               | 513                 | 450                | 450              | 450              | 450              | 450              |
| Interest Revenue on Restricted Funds                             | 2,400             | 3,731               | 2,000              | 2,000            | 2,000            | 2,000            | 2,000            |
| <b>Revenues Available for Debt Service</b>                       | <b>162,183</b>    | <b>162,265</b>      | <b>162,790</b>     | <b>176,495</b>   | <b>190,455</b>   | <b>205,114</b>   | <b>223,895</b>   |
| Existing Debt Service - P & I - Bonds                            | 70,198            | 70,554              | 68,523             | 68,791           | 68,689           | 68,614           | 67,240           |
| Commercial Paper Annual Interest & Issuance Costs                | 850               | 500                 | 866                | 1,468            | 2,018            | 1,543            | 1,805            |
| New Debt Service - P & I - Bonds                                 | 1,656             | 0                   | 1,376              | 8,102            | 19,472           | 32,058           | 44,725           |
| Annual Contributions to Reserve Fund                             | 3,143             | 2,124               | 1,474              | 1,935            | 2,167            | 2,658            | 3,359            |
| City Franchise Fee Expense                                       | 3,550             | 3,550               | 6,550              | 6,550            | 6,550            | 6,550            | 6,550            |
| Payment to City - Water Only                                     | 16,709            | 15,566              | 17,277             | 17,979           | 18,736           | 19,651           | 21,129           |
| <b>Rev. Avail. For Capital Improvements</b>                      | <b>66,078</b>     | <b>69,971</b>       | <b>66,724</b>      | <b>71,669</b>    | <b>72,824</b>    | <b>74,040</b>    | <b>79,088</b>    |
| <b>Plus Misc. Non-Operating Revenues</b>                         |                   |                     |                    |                  |                  |                  |                  |
| Impact Fees  | 2,200             | 2,339               | 2,200              | 2,000            | 2,000            | 2,000            | 2,000            |
| Contribution of New Customers                                    | 2,050             | 2,822               | 2,500              | 2,500            | 2,500            | 2,500            | 2,500            |
| Land Sales   | 15,000            | 19,128              | 15,000             | 10,000           | 5,000            | 2,000            | 5,000            |
| Annexation Fees  | 1,300             | 1,898               | 1,600              | 1,200            | 1,100            | 1,000            | 900              |
| City Franchise Fee Revenue                                       | 3,550             | 3,550               | 6,550              | 6,550            | 6,550            | 6,550            | 6,550            |
| <b>Total Non-Operating Revenues</b>                              | <b>24,100</b>     | <b>29,737</b>       | <b>27,850</b>      | <b>22,250</b>    | <b>17,150</b>    | <b>14,050</b>    | <b>16,950</b>    |
| <b>Total Rev. Avail. For Capital Rehab/Impr.</b>                 | <b>90,178</b>     | <b>99,708</b>       | <b>94,574</b>      | <b>93,919</b>    | <b>89,974</b>    | <b>88,090</b>    | <b>96,038</b>    |
| <b>Capital Expenses</b>  |                   |                     |                    |                  |                  |                  |                  |
| Capital Projects   | 181,505           | 136,314             | 232,666            | 238,115          | 258,698          | 235,706          | 250,663          |
| Capital Equipment  | 4,012             | 5,577               | 4,958              | 4,000            | 4,000            | 4,000            | 4,000            |
| <b>Total Capital Expenses</b>                                    | <b>185,517</b>    | <b>141,891</b>      | <b>237,624</b>     | <b>242,115</b>   | <b>262,698</b>   | <b>239,706</b>   | <b>254,663</b>   |
| Contingencies  | 2,561             | 0                   | 2,794              | 2,805            | 2,833            | 2,861            | 2,890            |
| <b>(Deficiency) To Be Funded By Debt, Grants Or Construction</b> | <b>(97,900)</b>   | <b>(42,183)</b>     | <b>(145,843)</b>   | <b>(151,001)</b> | <b>(175,557)</b> | <b>(154,477)</b> | <b>(161,515)</b> |
| New Bond Issues & Commercial Paper                               | 72,000            | 40,000              | 90,101             | 122,000          | 174,000          | 155,000          | 166,000          |
| Grants   | 2,145             | 840                 | 14,000             | 5,174            | 900              | 900              | 900              |
| Construction Fund  | 45,000            | 79,600              | 31,465             | -                | -                | -                | -                |
| Transfers from / (to) Water Supply Reserve                       | (15,000)          | (19,128)            | (15,000)           | (10,000)         | (5,000)          | (2,000)          | (5,000)          |
| <b>Increase / Decrease In Fund Balance</b>                       | <b>6,245</b>      | <b>59,129</b>       | <b>(25,277)</b>    | <b>(33,827)</b>  | <b>(5,657)</b>   | <b>(577)</b>     | <b>385</b>       |
|  | <b>2.26</b>       | <b>2.30</b>         | <b>2.33</b>        | <b>2.30</b>      | <b>2.16</b>      | <b>2.04</b>      | <b>2.00</b>      |

\*This financial plan is not approved by the Public Service Board, but is used as a guide for financial purposes

## **FIVE-YEAR FINANCIAL PLAN**

A five-year financial plan is prepared that incorporates best estimates of operating, debt service and capital expenditures over the near-term and projected revenue sources and future revenue requirements. This plan is a guide for management and the Public Service Board to assess and review as it addresses current budget proposals and in considering Utility water, wastewater and reclaimed water initiatives and the short and long-term impact such initiatives will have on the financial condition of the Utility.

### **Increases in Operating Expenses and Capital Improvement Plan (CIP) Expenditures**

The five-year plan includes Operations and Maintenance (O&M) expenses for new infrastructure being placed into service. For fiscal year 2020-2021 there was an increase of \$9.3 million made to the O&M budget mainly due to the expected increase in the surface river water allotment the Utility purchases from the El Paso County Water Improvement District #1, which therefore also increases the chemicals needed at the water treatment plants. In addition to increases of \$1.9 million in personnel costs due to salary adjustments and an addition of 26 new positions and offset by a decrease in utilities expense of \$1.9 million. CIP Expenditures of \$232.7 million in FY 2020-2021 increased by \$51.2 million over the previous year.

### **Alternative Revenue Sources**

The five-year plan includes several assumptions regarding additional revenue sources. The FY 2020-2021 CIP budget includes new funding of \$179.6 million including \$90.1 million of Commercial Paper for interim financing of water and wastewater projects. In addition, all net proceeds from land sales will be deposited in a restricted reserve fund for future water supply projects including the Kay Bailey Hutchison Desalination Plant expansion, direct potable water projects and the importation of water from areas outside El Paso County. The anticipated sale of land currently owned by the Utility will be a source of revenue for years to come. For FY 2020-2021, \$15 million in land sales are budgeted, with \$10 million projected in the following year. The City of El Paso adopted water and wastewater impact fees in May 2009, we anticipate collecting \$2.2 million in impact fees in FY 2020-2021 and an additional \$8 million in the following four years.