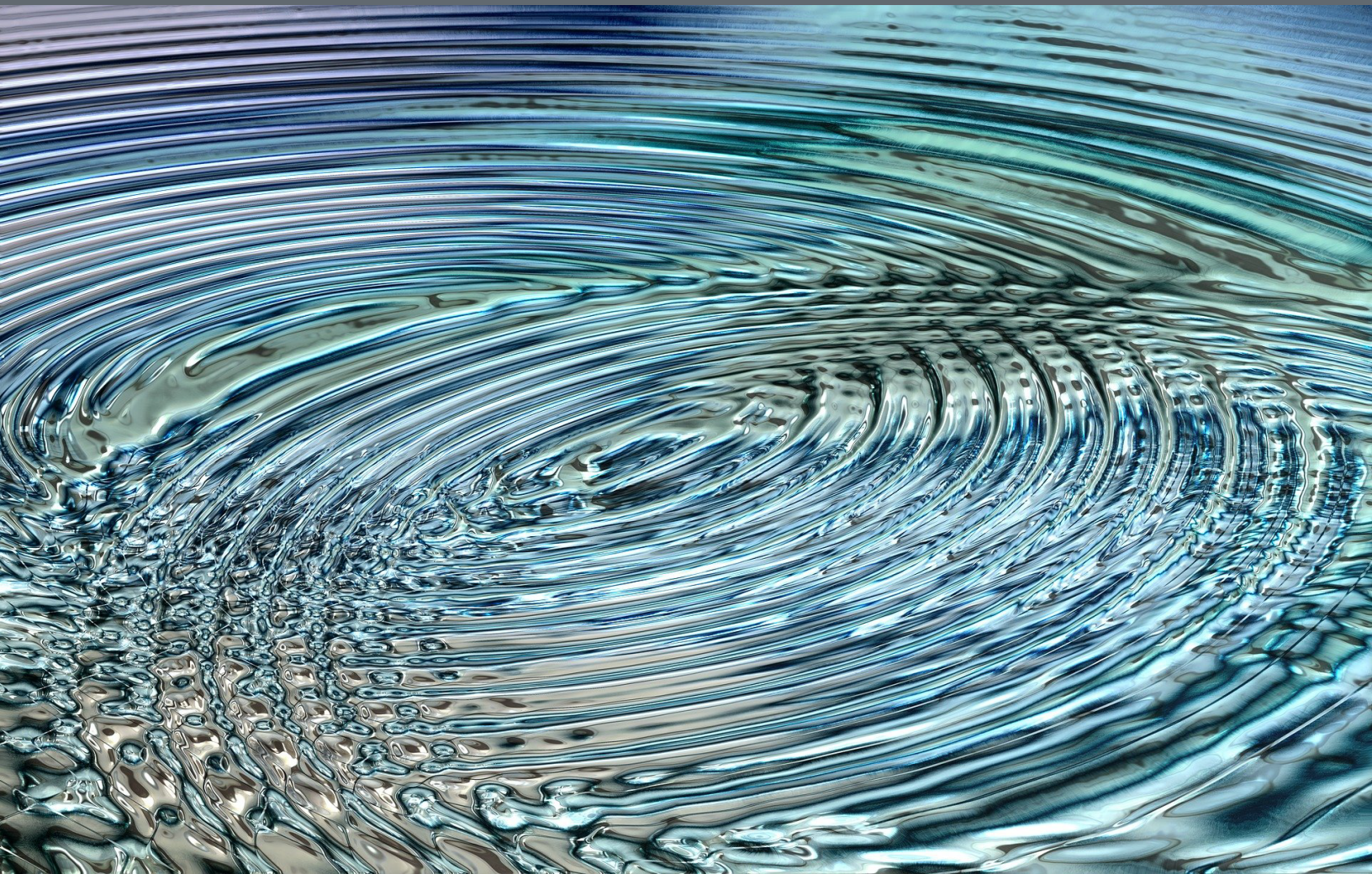




El Paso Water Utilities Public Service Board
A Component Unit of the City of El Paso, Texas

Annual Comprehensive Financial Report

for the Fiscal Years Ended
February 28, 2022 and 2021
El Paso, Texas



Public Service Board El Paso Water Utilities

A Component Unit of the City of El Paso

**Annual Comprehensive
Financial Report
For the Fiscal Years Ended
February 28, 2022 and 2021**

El Paso, Texas

Prepared by:

**Departments of Finance and
Accounting**



PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
A COMPONENT UNIT OF THE CITY OF EL PASO
Annual Comprehensive Financial Report
For the Fiscal Years Ended February 28, 2022 and 2021

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July 13, 2022

Public Service Board
El Paso Water Utilities

Dear Public Service Board Member:

We are pleased to submit the Annual Comprehensive Financial Report of the Public Service Board - El Paso Water Utilities (EPWater) for the fiscal year, which ended February 28, 2022, pursuant to the City of El Paso Bond Ordinance 752, as amended and City Ordinance No. 016668 establishing the Municipal Drainage Utility System. This Annual Comprehensive Financial Report was prepared by the Accounting and Finance Departments of EPWater. We believe the data, as presented, is accurate in all material respects, and it is presented in a manner designed to fairly set forth the financial position and results of operations of EPWater. All disclosures necessary to enable the readers to gain the maximum understanding of EPWater's financial activity have been included.

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

EPWater's financial statements have been audited by Gibson, Ruddock, Patterson LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of EPWater for the fiscal year ended February 28, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that

there was a reasonable basis for rendering an unmodified opinion that the EPWater's financial statements for the fiscal year February 28, 2022, are fairly presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report. For fiscal year ending February 28, 2022, the independent audit of the financial statements of EPWater include a "Single Audit" that is designed to meet the special needs of federal and state grantor agencies. EPWater met the threshold for a single audit since there were expenses of \$750,000 or more related to federal and state awards during the fiscal year.

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

Profile of the Government

The El Paso Water Utilities – Public Service Board provides water, wastewater, reclaimed water, and drainage service to its customers. For financial reporting purposes, EPWater is considered a component unit of the City of El Paso. The Public Service Board (PSB) operates and manages EPWater on behalf of the City of El Paso. It adopts separate annual operating, capital, and debt service budgets for the Water and Wastewater Utility Fund and the Municipal Drainage Utility Fund, along with associated rates and fees for services, and issues updates to its Rules and Regulations, which have the force of law. EPWater recovers the cost of providing water, wastewater, reclaimed water, and drainage services primarily through user charges and fees. EPWater does not assess or collect ad valorem property taxes. As part of the mission and vision statements of the PSB, EPWater strives to balance customer needs with proper resources and financial management as well as regional leadership. See Note 1, Reporting Entity, for more information regarding the establishment of the PSB.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the specific environment with which the EPWater operates.

Local Economy - El Paso is currently the sixth largest city in Texas and the 22nd largest city in the United States. El Paso County has an estimated population of over 840,000 people with another 1.5 million in El Paso's sister city of Juarez, Mexico, and approximately 209,000 in Southern New Mexico. These three areas constitute the Borderplex region, which is the largest international border community in the world.

Additional factors affecting the financial condition of the EPWater.

- Fort Bliss is a diverse community made up of soldiers, family members, students, employees and retirees. The Fort Bliss area is home to 31,420 military personnel. In addition, Fort Bliss supports over 66,400 family members of active duty and retired personnel. Fort Bliss employs over 11,500 civilians.

- El Paso's economy gained 3,500 jobs during the year, representing an annual increase of 1.1% . According to the Texas Labor Market Information, as of December 2021, El Paso's unemployment rate was at 4.5%.

El Paso MSA Total Nonfarm Employment by Industry										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Mining, Logging and Construction	17,300	17,700	17,300	17,400	16,200	15,200	13,500	13,800	12,700	12,800
Manufacturing	17,200	16,800	16,800	16,400	16,500	17,000	17,100	17,100	18,200	17,800
Trade, Transportation, and Utilities	68,400	66,500	70,600	68,700	67,500	66,600	64,700	63,200	61,100	59,400
Information	4,600	4,500	4,900	4,600	5,000	5,100	5,300	5,500	5,900	5,700
Financial Activities	13,300	13,200	13,600	12,900	12,800	12,500	12,000	12,100	12,400	12,600
Professional and Business Services	37,500	37,200	37,200	34,800	35,200	33,400	32,200	31,600	30,200	30,500
Education and Health Services	46,700	47,100	48,700	47,600	45,900	43,700	42,400	40,900	39,500	38,400
Leisure and Hospitality	36,500	33,900	37,700	37,900	35,200	34,500	33,300	32,500	30,900	30,400
Other Services	8,600	8,100	9,100	9,200	9,100	9,500	9,300	9,200	9,200	9,400
Government	68,100	69,700	73,600	73,200	73,000	71,700	70,400	70,400	71,000	70,600
Total	318,200	314,700	329,500	322,700	316,400	309,200	300,200	296,300	291,100	287,600

- The El Paso Tri-State region is the fourth largest manufacturing center in North America.
- In 2021 El Paso ranked 3rd among the safest metro cities in the United States with a population of over 500,000, according to AdvisorSmith.

El Paso is home to the University of Texas at El Paso (UTEP), which is the second oldest member of the University of Texas System. UTEP offers 166 bachelor's, master's and doctoral programs with enrollment of almost 25,000 students.

Budget Process and Controls

EPWater's fiscal year begins March 1 and runs through the last day of February. The operating budget preparation process starts in August with the gathering of operating documents. In September, budget documents containing historical and current financial and statistical data are sent to all sections along with instructions on how to prepare the operating budget and identify new initiatives. The capital budget starts in May with a preliminary list of recommended project priorities for the next fiscal year and by September, a draft Capital Improvement Plan (CIP) is developed. Management reviews the operating and capital budgets and in public meetings presents these budgets to the Public Service Board. The PSB approves the combined annual operating and capital budget and updates to the Rules and Regulations in January, with an effective date of March 1.

The budget and the 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 operating budget is prepared at the object level. The object is the good or service for which the expenditure was made. Operating budget transfers are done at year end to cover actual expenses vs. approved original budget shortfalls for Utility Departments that overspent from Departments that underspent their budget. The transfers are done on a memorandum basis, submitted by the Finance Department with final approval by the President and CEO, and does not

need approval by the PSB. Only the PSB can approve emergency funding authorizations and amendments to the approved operating and capital budgets.

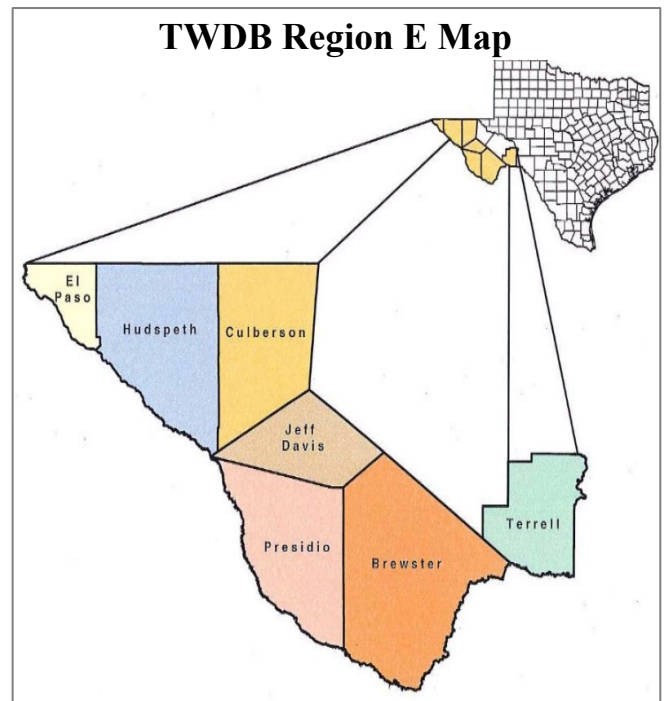
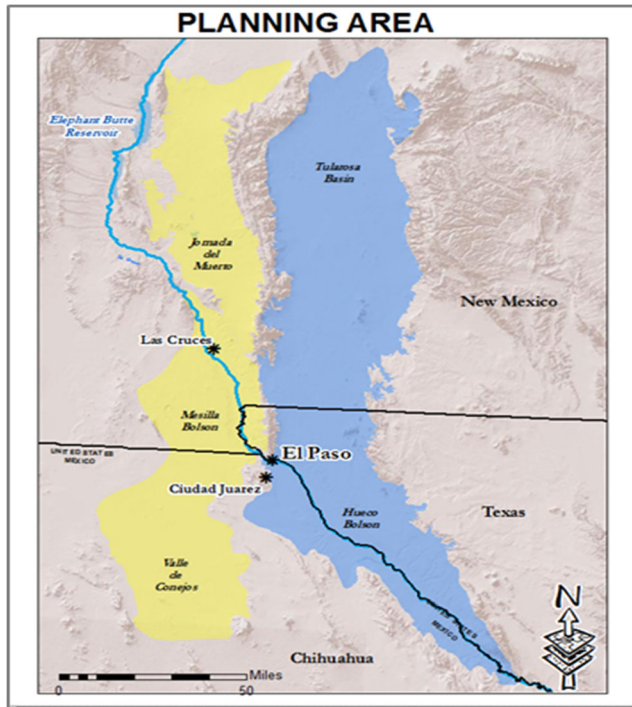
Financial Policies

EPWater consists solely of two enterprise funds, the Water and Wastewater Fund and the Municipal Drainage Fund, which are accounted for separately. EPWater uses these financial policies as a framework in creating the annual budget for both utilities. See Note 1, Fund Accounting, for more information regarding the fund composition of the Utility.

Long-term Financial Planning

Long-term water and wastewater planning continues to be a critical component in managing the region's water resources. The State Legislature designated EPWater as the Regional Planner for El Paso County in 1995, which has resulted in a coordinated approach in developing water resources for this region. This unique regional cooperative effort will help to ensure that there is a reliable water supply to protect the economy, environment, and quality of life for the residents in the region bordering the Rio Grande River. EPWater continues to take a leadership role in working with various entities throughout the region that are all devoted to regional planning efforts. Region E was one of sixteen regions in Texas created in 1997 as part of Senate Bill 1, which required long term water planning by region. Region E Stretches from the city of El Paso at the Texas-New Mexico state line over salt flats and southeastward toward the sparsely populated mountainous Big Bend country and the Pecos River, the Far West Texas Planning Area includes seven counties that lie within the Rio Grande Basin. This past year, EPWater along with other stakeholders in the Far West Texas Region E Planning Group completed and submitted the 2021 Region E Far West Texas Water Plan to the Texas Water Development Board (TWDB). The Region E Far West Texas State Water Plan is included as part of the State Water Plan that will be submitted to the Texas Legislature and provides an evaluation of current and future water demands for all water-use categories and water supplies available during drought-of-record conditions to meet those demands. Where future water demands exceed an entity's ability to supply that need, alternative strategies are considered to meet the potential water shortages. State water planning is updated every 5 years and covers a 50-year time period.

The 2021 Region E Far West Texas Water Plan for EPWater includes continued use of existing supplies from the Rio Grande, groundwater from the Hueco and Mesilla Bolsons, desalination, reclaimed water, and conservation. Additional supplies that EPWater has listed in their 2021 plan include increased use of reclaimed water, aquifer storage and recovery, expansion of the Kay Bailey Hutchison Desalination Plant, the Advanced Water Purification Facility which is planned to start construction in fiscal year 2023-24, and phase I of the importation of groundwater from the Dell City area projected to start around 2040. EPWater will continue to maintain a diversified water supply portfolio to meet the water supply needs of the future.



Capital Improvement Program

EPWater is currently focused on a 10-year planning horizon and has identified specific projects estimated to cost over \$3 billion that will need to be constructed to meet the water, wastewater and reclaimed water needs of the El Paso region, and an additional \$700 million in drainage projects to accelerate the remaining master plan projects and to address new needs in the drainage system. The estimated cumulative water and wastewater rate increases over the next five years is 57% to fund operations, the capital improvements program, debt service, and maintain adequate cash reserves. A nine percent water and a thirteen percent wastewater rate increase were implemented in FY 2022-23. In May 2009, City Council adopted water and wastewater impact fees to help pay for growth infrastructure. In fiscal year 2021-22, EPWater collected \$1.7 million and estimates that in future years \$2 million will be collected annually. The estimated cumulative drainage fee increase over the next five years is 82% to fund drainage projects, debt service, and maintenance of the system. A nine percent fee increase was implemented in FY 2022-23.

EPWater has budgeted \$533 million in fiscal year 2022-23 for water, wastewater, and reclaimed water facilities to meet the growth demands of the city and keep up with the rehabilitation of the system and \$70 million to improve drainage infrastructure throughout the city. Over the next ten years EPWater will continue to address the increased reliance of wells and other sources of water as a result of prolonged drought conditions and its associated capital costs. In addition, the Utility continues targeting major rehabilitation of the four wastewater treatment plants with projected expenditures of over \$1.2 billion over the next ten years, including \$744 million over the next six years for the expansion of the Roberto Bustamante Wastewater Treatment Plant.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the El Paso Water Utilities for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended February 28, 2021. This was the twenty-sixth consecutive year that EPWater has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must have published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, EPWater received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year beginning March 1, 2021, which was the twenty-third consecutive year EPWater has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document must be judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.


The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and Accounting departments. We would like to express our appreciation to Gustavo Hurtado, Fiscal Operations Manager, Jeff Tepsick, Assistant Chief Financial Officer, and all members of the department who contributed to the preparation of this report. Credit also must be given to the Mayor and Public Service Board for their support for maintaining the highest standards of professionalism in the management of the EPWater finances.



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



Marcela Navarrete, C.P.A.
Vice President Strategic, Financial & Management Services



Arturo Duran
Chief Financial Officer



Jeff Tepsick
Assistant Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

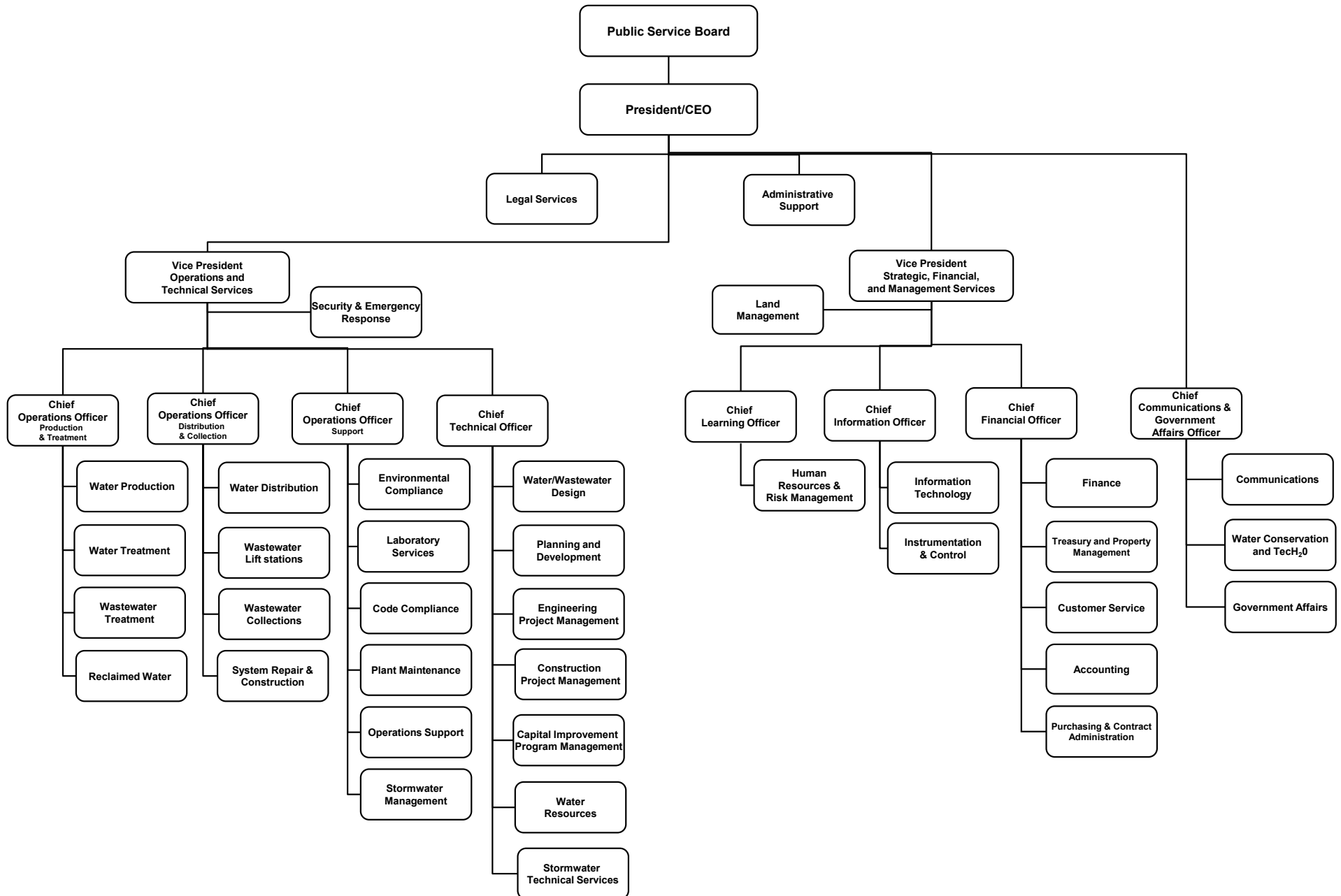
February 28, 2021

Christopher P. Morill

Executive Director/CEO

El Paso Water

Organizational Structure





ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED FEBRUARY 28, 2022

PUBLIC SERVICE BOARD



Kristina D. Mena, Ph.D.
Chair



Ivonne Santiago, P.E., Ph.D.
Vice Chair



Bryan Morris, P.E.
Secretary-Treasurer



Charlie Intebi
Member



Lisa Saenz, CPA
Member



Stefanie Block Uribarri
Member



Oscar Leeser
Mayor, City of El Paso

EXECUTIVE STAFF

John Balliew, P.E., President and CEO

Marcela Navarrete, CPA, Vice President Strategic, Financial and Management Services

Paul Rivas, Interim Vice President Operations and Technical Services

Gilbert Trejo, P.E., Interim Chief Operations Officer – Production & Treatment

Martin Noriega, Chief Operations Officer – Support

Felipe Lopez, Chief Operations Officer – Distribution & Collection

Gisela Dagnino, P.E., Chief Operations Officer – Stormwater

Irazema Solis Rojas, P.E., Interim Chief Technical Officer

Arturo Duran, Chief Financial Officer

ACCOUNTING/FINANCE

Jeff Tepsick, Assistant Chief Financial Officer
Gustavo Hurtado, Fiscal Operations Manager

GENERAL COUNSEL

Daniel Ortiz, General Counsel
Sol Cortez, Deputy General Counsel



INDEPENDENT AUDITOR'S REPORT

Public Service Board - El Paso Water Utilities,
a component unit of the City of El Paso

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the Public Service Board - El Paso Water Utilities, a component unit of the City of El Paso, as of and for the years ended February 28, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Public Service Board - El Paso Water Utilities' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Public Service Board - El Paso Water Utilities, a component unit of the City of El Paso, as of February 28, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Public Service Board - El Paso Water Utilities, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Public Service Board - El Paso Water Utilities' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Public Service Board - El Paso Water Utilities' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Public Service Board - El Paso Water Utilities' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents on pages 13 through 21 and pages 102 through 110, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Public Service Board - El Paso Water Utilities', a component unit of the City of El Paso, basic financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our separate report dated July 8, 2022, on our consideration of the Public Service Board - El Paso Water Utilities', a component unit of the City of El Paso, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Public Service Board - El Paso Water Utilities' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Public Service Board - El Paso Water Utilities' internal control over financial reporting and compliance.

GIBSON, RUDDOCK, PATTERSON LLC

El Paso, Texas
July 8, 2022

Management's Discussion and Analysis

The Management Discussion and Analysis (MD&A) presents an overview and analysis of the financial activities for El Paso Water Utilities (EPWater) for the fiscal year ended February 28, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal as well as EPWater's financial statements.

Financial Highlights

- The assets and deferred outflows of resources of EPWater exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1.39 billion (*net position*).
- EPWater's total assets and deferred outflows of resources increased by \$180.52 million from 2021 to 2022 mainly due to an increase in water, wastewater, and stormwater infrastructure net of accumulated depreciation of \$149.54 million.
- EPWater's total liabilities and deferred inflows of resources increased by \$55.74 million during the fiscal year mainly due to increases in Commercial Paper notes of \$40 million, and an increase in accounts payable of \$22.98 million offset by a decrease in net pension liability of \$28.84 million.
- The debt service coverage for the Water and Wastewater Utility of 2.50 times is well above the required 1.50 times debt service coverage as per its bond ordinance. The Municipal Drainage Utility's debt service coverage of 2.07 times is also well above the required 1.25 times as per its bond ordinance.

Overview of Financial Statements

- Enterprise Funds – EPWater consists of two funds, the Water and Wastewater Utility fund and the Municipal Drainage Utility fund. Enterprise Funds Statements eliminate all transactions between the two funds.
- Statements of Net Position – present information as of the end of each fiscal year on all of EPWater's assets, liabilities, deferred outflows and inflows of resources and total net position. This statement is useful in evaluating the financial health of EPWater.
- Statements of Revenues, Expenses and Changes in Net Position – present information of changes in net position during the fiscal years presented. This statement is useful in evaluating if EPWater recovered all its costs through its rates and other charges.
- Statements of Cash Flows – provides information for the fiscal years presented of cash flows from operating, capital and related financing, and from investing activities.
- Notes to financial statements – present detail information that is essential for a complete understanding of EPWater's financial statements.
- Required Supplemental Information – present information concerning EPWater's progress in funding its other postemployment benefit plan and pension liability.

Other supplemental information is provided for additional analysis and is not a required part of the basic financial statements.

- Supplementary Schedules – Include separate financial statements by fund and other

schedules that provide detail information for each fund.

- Statistical Section – Presents summary information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information say about EPWater’s financial health.

El Paso Service Area and Customer Growth

Over the last ten years, the average annual retail customer growth has been a manageable 1.3%. The following table shows water, wastewater, and drainage customer growth for the past three years:

Water Customers	FY 2022	FY 2021	FY 2020
Metered water customers, beginning of year	216,572	212,985	209,809
Additions, net	2,074	3,587	3,176
Metered water customers, end of year	218,646	216,572	212,985
Wastewater Customers	FY 2022	FY 2021	FY 2020
Wastewater customers, beginning of year	206,541	202,919	199,788
Additions, net	2,177	3,622	3,131
Wastewater customers, end of year	208,718	206,541	202,919
Drainage Customers	FY 2022	FY 2021	FY 2020
Drainage customers, beginning of year	201,860	198,803	196,458
Additions, net	1,330	3,057	2,345
Drainage customers, end of year	203,190	201,860	198,803

Outside the city limits, EPWater provides wholesale water and wastewater services to the Lower Valley Water District, Gaslight Square MHE, Paseo Del Este, Square Dance, and Fort Bliss. Wholesale water service is provided to the County of El Paso for the following areas: East Montana, Haciendas del Norte, Colonia Revolucion, and Mayfair/Nuway and Schuman. Outside city retail water and wastewater service is provided to Westway and Canutillo, and outside city retail water provided to Ponderosa/Western Village, Homestead, Esperanza, and various unincorporated areas including the Village of Vinton. Drainage service is only provided for customers within the city limits of El Paso, Texas.

The Public Service Board (PSB) has established outside city retail water and wastewater rates at 115% of inside city rates. El Paso’s water and wastewater rates remain among the lowest in the Southwest and are extremely competitive with neighboring utilities.

Fiscal Year 2022 Financial Results

The following are the Enterprise Funds Statements of Net Position for the activities for the Water and Wastewater Utility and the Municipal Drainage Utility after elimination of inter-fund payables, receivables, and transfer of land assets.

Enterprise Funds Statements of Net Position

	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
Current Assets	\$336,244,093	\$332,792,863	\$243,654,506
Noncurrent Assets	47,800,637	19,177,064	77,019,749
Capital Assets (Net)	2,150,789,291	2,001,253,590	1,909,720,492
Total Assets	<u>2,534,834,021</u>	<u>2,353,223,517</u>	<u>2,230,394,747</u>
Deferred Outflows of Resources	<u>11,782,698</u>	<u>12,871,772</u>	<u>22,121,746</u>
Total Assets and Deferred Outflows of Resources	<u>\$2,546,616,719</u>	<u>\$2,366,095,289</u>	<u>\$2,252,516,493</u>
Current Liabilities	\$155,836,113	\$131,303,470	\$124,624,657
Noncurrent Liabilities	964,933,198	955,251,605	958,045,709
Total Liabilities	<u>1,120,769,311</u>	<u>1,086,555,075</u>	<u>1,082,670,366</u>
Deferred Inflows of Resources	<u>39,096,405</u>	<u>17,573,468</u>	<u>5,629,406</u>
Net Position:			
Restricted	158,156,042	165,359,249	159,761,208
Net Investment in Capital Assets	1,153,539,595	1,069,230,635	993,792,571
Unrestricted	75,055,366	27,376,862	10,662,942
Total Net Position	<u>1,386,751,003</u>	<u>1,261,966,746</u>	<u>1,164,216,721</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$2,546,616,719</u>	<u>\$2,366,095,289</u>	<u>\$2,252,516,493</u>

Enterprise Funds Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position

Total Assets and Deferred Outflows

- From fiscal year 2021 to 2022, total assets and deferred outflows of resources of \$2.55 billion increased by \$180.52 million mainly due to an increase of \$149.54 million in water, wastewater and stormwater infrastructure put in service during fiscal year 2022.
- From fiscal year 2020 to 2021, total assets and deferred outflows of resources of \$2.37 billion increased by \$113.58 million mainly due to an increase of \$91.53 million in water, wastewater, and stormwater infrastructure put in service during fiscal year 2021, and an increase in customer accounts receivable of \$9.40 million due to the suspension of cut-offs due to the COVID-19 pandemic.

Current Assets

- From 2021 to 2022, current assets increased by \$3.45 million mainly due to an increase of \$60.43 million in cash and cash equivalents offset by a decrease of \$52.40 million in investments, and \$5.16 million in accounts receivable from government grants.
- From 2020 to 2021, current assets increased by \$89.14 million mainly due to an increase of \$59.06 million in investments and an increase in accounts receivable for government grants of \$8.96 million.

Total Liabilities

- From 2021 to 2022, total liabilities increased by \$34.21 million mainly due to increases of \$40 million in Commercial Paper notes and an increase of \$22.98 million in accounts payable and offset by a decrease of \$28.84 million in net pension liability.

- From 2020 to 2021, total liabilities increased by \$3.88 million mainly due to increases of \$25 million in Commercial Paper notes and \$5 million in Stormwater Revolving notes and offset by decreases of \$14.71 million in total combined OPEB and net pension liability and \$18.15 million in revenue bonds payable and unamortized premiums.

Enterprise Funds Statements of Revenues, Expenses, and Changes in Net Position

	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
Operating Revenues:			
Water	\$135,804,563	\$140,546,692	\$125,223,044
Water supply replacement charge	32,858,751	32,509,672	30,489,523
Reclaimed Water	4,927,871	5,816,201	4,264,689
Wastewater	100,789,897	94,808,389	90,021,675
Drainage fees	25,736,316	23,907,690	23,556,888
Other operating revenue	21,714,171	21,142,412	20,221,800
Total Operating Revenues	321,831,569	318,731,056	293,777,619
Operating Expenses:			
O&M – Water and Reclaimed Water	50,026,125	51,948,340	47,360,179
O&M – Wastewater	33,887,372	25,428,725	24,433,593
General, Administrative and Engineering	30,690,537	28,634,309	25,521,517
O&M – Drainage	5,031,289	5,212,894	5,746,603
Other Operating Expenses	2,801,428	2,622,241	2,778,632
Other Post-Employment Benefits	930,016	1,726,560	2,299,036
Pension Expense	-	6,354,248	9,695,671
Depreciation	71,869,881	73,728,173	71,892,234
Payment to City of El Paso Franchise fee	6,550,000	6,550,000	3,469,911
Payment to City of El Paso per Bond Covenants	16,034,025	16,849,709	15,442,395
Total Operating Expenses	217,820,673	219,055,199	208,639,771
Operating Income	104,010,896	99,675,857	85,137,848
Interest Earnings	697,724	2,115,774	5,254,426
Gain on Land Assets Converted by Sale	20,106,347	1,145,805	8,009,544
Gain on Sale of Miscellaneous Assets	519,248	111,980	403,909
Federal Grant Revenue – Non-Capital	1,117,311	-	-
Other nonoperating expenses	(1,715,512)	(1,152,619)	(1,008,052)
Interest on Long-Term Debt	(20,418,758)	(24,195,797)	(26,539,742)
Total Nonoperating Revenue (Expense)	306,360	(21,974,857)	(13,879,915)
Increase in Net Position, Before Contributions	104,317,256	77,701,000	71,257,933
Federal Grant Capital Contributions	1,970,455	3,310,590	432,017

Enterprise Funds Statements of Revenues, Expenses, and Changes in Net Position

	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
Capital and Non-Federal Grant Capital Contributions	18,496,546	16,738,435	13,930,071
Change in Net Position	124,784,257	97,750,025	85,620,021
Total Net Position – Beginning	1,261,966,746	1,164,216,721	1,078,596,700
Total Net Position – Ending	<u>\$1,386,751,003</u>	<u>\$1,261,966,746</u>	<u>\$1,164,216,721</u>

Water and Wastewater Utility Fund

Total operating revenues increased by \$1.06 million from 2021 to 2022 mainly due to an increase of \$5.98 million in wastewater revenue, and an increase of \$805,000 in pension recovery credit and offset by a decrease of \$5.63 million in water and reclaimed water revenue as a result of the decreased billed water of 1.74 billion gallons or 4.9 percent as compared to the previous fiscal year. The decrease in water consumption is attributed to a mild spring and summer and above average rainfall of 12 inches which was 6.5 inches more than the previous fiscal year. In fiscal year 2021, there was a two percent increase in residential water consumption mainly due to the COVID-19 Pandemic, as a large number of residents stayed home.

Total operating expenses of the Water and Wastewater Utility of \$207.57 million for 2022 decreased by \$1.09 million from 2021. The decrease was mainly due to decreases in operations and maintenance for the water and reclaimed water system of \$1.92 million; a decrease of \$6.09 million in pension expense; a decrease of \$2.05 million in depreciation expense, and offset by an increase of \$8.46 million in operations and maintenance for the wastewater system.

Total nonoperating revenue of \$17.70 million for 2022 increased by \$36.15 million from 2021 due to an increase from gain on land sales of \$32.55 million and a decrease in interest on long term debt of \$3.61 million compared to 2021. This was offset by a decrease in interest revenue of \$1.26 million as the Federal Reserve Bank kept the Federal Funds Rate at historic lows in calendar year 2021.

Net position before capital contributions of \$105.58 million increased by \$38.29 million from 2021 to 2022, mainly due to an increase of \$32.55 million in gain from land sales; offset by a decrease in interest on long term debt of \$3.61 million; a decrease in total operating expenses of \$1.09 million and by a decrease of \$1.26 million in interest earnings.

Total contributions of \$20.47 million for 2022 were \$418,000 more than 2021 mainly due to an increase of \$4.43 million in capital contributions and offset by decreases in federal and non-federal grant contributions of \$4.01 million.

Water and Wastewater Capital Improvement Program

EPWater spent \$175.57 million for water, wastewater, and reclaimed water system capital improvements in fiscal year 2022. Major expenditures included \$15.37 million for Information Technology projects including \$14.52 million for the new C2M (Customer to Meter) customer information system, \$15.35 million for the new field operations and customer service building, \$17.19 million for the replacement of the Frontera force main, and \$20.89 million for wastewater plants upgrades and rehabilitation.

Financial Indicators for the Water and Wastewater Utility			
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
Current Assets/Current Liabilities	2.10	2.41	1.78
Operating Ratio	0.47	0.47	0.48
Debt Service Coverage	2.50 times	2.38 times	2.21 times
Debt Ratio	0.35	0.36	0.37

Municipal Drainage Utility Fund

Total operating revenues increased by \$2.06 million from 2021 to 2022 due to normal customer growth. EPWater added 1,330 new drainage accounts and there was an approved six percent stormwater fee increase effective March 1, 2021.

Operating expenses for fiscal year 2022 were \$10.48 million, a decrease of \$138,000 from 2021 mainly due to a decrease of \$180,000 in stormwater operations and maintenance, and a decrease in pension expense of \$263,000, and offset by an increase in depreciation expense of \$187,000.

Drainage Utility Capital Improvement Program

EPWater spent \$29.07 million in fiscal year 2022 on capital improvements for the Municipal Drainage Utility system, which includes \$4.35 million for the Will Ruth Pond Project, and \$3.50 million in open space acquisitions. Total assets are summarized in Note 9 of the financial statements.

Financial Indicators for the Municipal Drainage Utility			
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
Current Assets/Current Liabilities	2.39	3.87	3.93
Operating Ratio	0.25	0.29	0.32
Debt Service Coverage	2.07 times	1.89 times	1.87 times
Debt Ratio	0.41	0.37	0.44

Overall, EPWater met all its financial obligations including operating expenses, debt service, and met the needs of a growing community by rehabilitating or adding water, wastewater, and drainage infrastructure to serve our customers.

Capital Assets

EPWater's investment in water, wastewater, and drainage capital assets as of February 28, 2022, was \$2.15 billion (net of accumulated depreciation), an increase of 7.5% from 2021. The following table reflects the changes within each classification of capital assets net of depreciation. The increase in capital assets was primarily due to the addition of \$152.66 million in new water, wastewater, and reclaimed water and drainage projects placed in service during the year. The capital asset information is detailed in Note 9. The commitments related to construction work in progress are discussed in Note 24.

Capital Assets (Net of Accumulated Depreciation)			
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
Land and Right-of-Way	\$343,814,879	\$337,877,150	\$330,143,113
Irrigation Water Rights Contracts	12,198,706	11,612,002	10,687,729
Buildings and Shops	25,285,998	25,283,519	24,422,808
Vehicles	8,757,138	10,289,230	10,187,739
Equipment and Tools	5,912,839	6,722,183	8,341,344
Water System	796,883,769	741,304,208	731,397,637
Wastewater System	421,693,828	403,289,539	411,983,290
Drainage System	146,707,603	140,420,630	135,761,755
Construction Work in Progress	389,534,531	324,455,129	246,795,077
Total	<u>\$2,150,789,291</u>	<u>\$2,001,253,590</u>	<u>\$1,909,720,492</u>

Debt Administration

EPWater issued the following four bonds during this fiscal year:

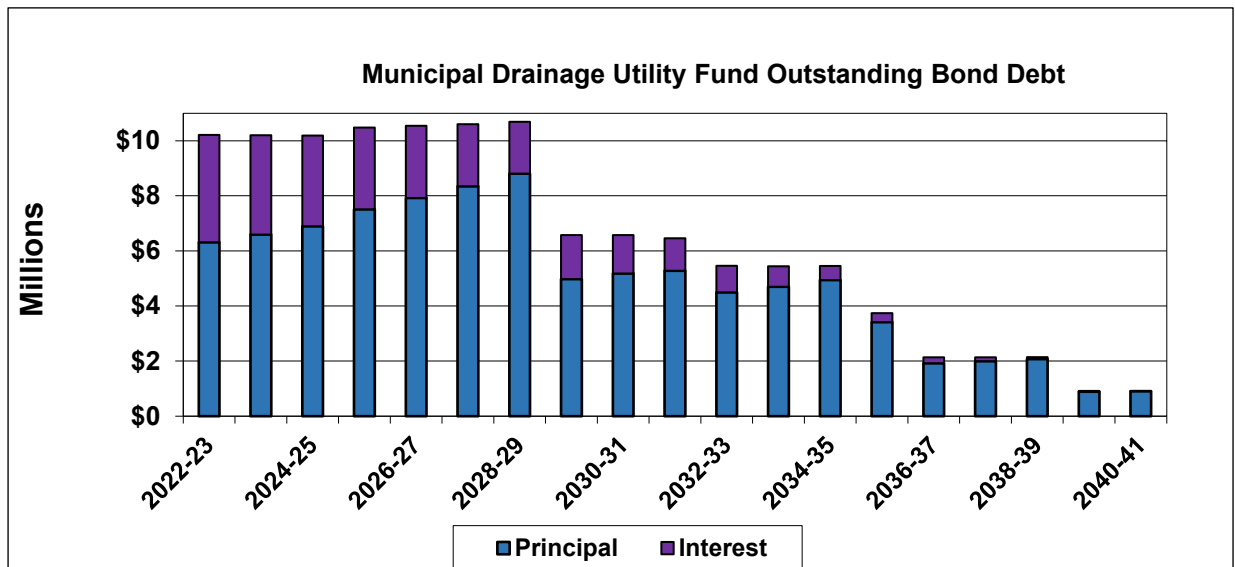
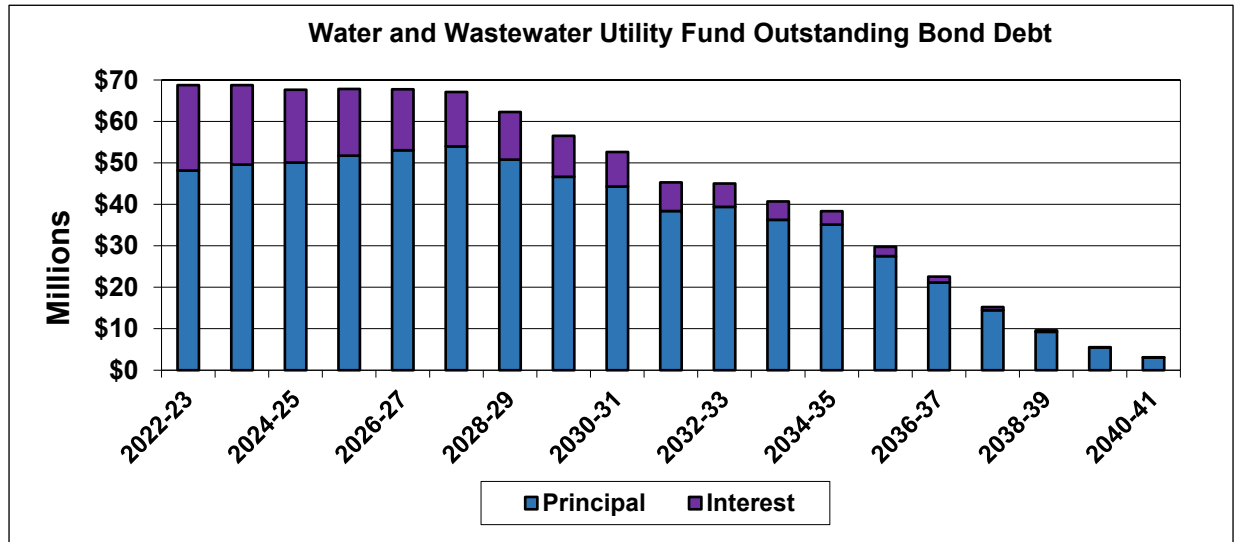
- \$35.5 million Water and Sewer Bonds Series 2021 to refund \$40 million of Commercial Paper Notes
- \$76.3 million Water and Sewer Bonds Series 2021A to refund \$34.7 million of 2014 Bonds, and \$32 million of 2015 Bonds, netting a Present Value Savings of \$4.8 million.
- \$8.9 million Municipal Drainage Utility Bonds Series 2021 to refund \$8.6 million of 2012 Bonds netting a Present Value Savings of \$672,000.
- \$13.3 million Municipal Drainage Utility Bonds Series 2021A to refund \$15 million of Revolving Notes

Total long-term liabilities are summarized in Note 10 of the financial statements and the revenue bonds in Note 11.

The following charts show, as of February 28, 2022, all outstanding principal and interest owed by EPWater. An adequate level of debt and strong financial position reflects superior fiscal management which 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 Ratings (AA+). On August 1, 2015, EPWater through the City of El Paso and Bank of America, N.A. entered into a revolving credit agreement pursuant to which Bank of America N.A. is obligated under the Credit Agreement to loan to the City amounts not to exceed \$40 million for the purpose of paying amounts due on the Commercial Paper Program. On August 14, 2018, the first amendment to the credit agreement was executed to extend the contract until August 23, 2021 and reduced the commitment fee rate from 0.40% to 0.34%. A second amendment was executed on August 20, 2021 and increased the aggregate principal amount not to exceed \$80 million. EPWater issued \$80 million in commercial paper during fiscal year 2022. The commercial paper program information is detailed in Note 12.

Bond and Commercial Paper Ratings

	<u>Standard & Poor's</u>	<u>Fitch</u>	<u>Moody's</u>
Water and Wastewater Revenue Bonds	AA+	AA+	-
Municipal Drainage System Bonds	AA+	AA+	-
Water and Wastewater Commercial Paper	A-1	F1+	P-1



Summary of Significant Outstanding Debt			
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
Water and Wastewater Revenue Bonds	\$724,645,000	\$722,060,000	\$727,315,000
Municipal Drainage System Bonds	99,218,000	90,701,000	95,635,000
Water and Wastewater Commercial Paper	80,000,000	40,000,000	15,000,000
Municipal Drainage System Revolving Note	15,000,000	15,000,000	10,000,000
Unamortized Premiums Net of Discounts	68,358,803	77,679,355	85,645,202
Other Governments Payable	1,547,350	1,723,915	1,892,725
Total	<u>\$988,769,153</u>	<u>\$947,164,270</u>	<u>\$935,487,927</u>

Economic Factors and Next Year's Budget and Rates

- Severe drought conditions are expected to continue in 2022 which will limit the estimated river water allocation to EPWater to an estimated 15,000 acre feet, drastically less than a normal allotment of 60,000 acre feet.
- In 2021, the El Paso MSA home sales increased by 6% with the median sales prices increasing by 14% according to the Texas A&M Real Estate Center. The number of months Single-Family Housing remained in inventory decreased from 1.6 months to 1.1 months during the same period.
- EPWater budgeted over \$466.16 million in Construction Fund bond issues and \$146.62 million in commercial paper for the Water and Wastewater Utility to fund a robust CIP program for Fiscal Year 2022-23. The Municipal Drainage Utility budget includes \$69.92 million in new CIP funding for fiscal year 2022-23 with one new bond issue and over \$46.23 million in Direct Fund Revolving Loan notes to fund CIP projects.

All of these factors were taken into consideration in preparing EPWater's budget for fiscal year 2023. The Water and Wastewater Utility adopted a budget that includes a nine percent rate increase for water and a thirteen percent for wastewater services and a nine percent fee increase for the Municipal Drainage Utility. EPWater will continue to look for efficiencies, refinancing debt opportunities, and cutting costs whenever possible.

Request for Information

The financial report is designed to provide a general overview of the EPWater's finances and for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Chief Financial Officer: 1154 Hawkins Blvd. El Paso, Texas 79925.



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

ENTERPRISE FUNDS

STATEMENT OF NET POSITION

February 28, 2022

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 53,833,287	\$ 3,690,517	\$ -	\$ 57,523,804
Investments	16,006,874	3,000,000	-	19,006,874
Accounts receivable - customers	37,424,088	1,854,017	-	39,278,105
Accounts receivable - other	2,147,465	383,443	-	2,530,908
Leased property investment costs	373,137	-	-	373,137
Due from Municipal Drainage Utility land transfer	2,000,000	-	(2,000,000)	-
Accrued interest receivable	367,005	9,395	-	376,400
Due from Water and Wastewater Utility	-	1,376,331	(1,376,331)	-
Inventory - materials and supplies	5,047,661	-	-	5,047,661
Other current assets	353,877	-	-	353,877
Prepaid expenses	1,692,581	-	-	1,692,581
Accounts receivable - City of El Paso land transfer	806,089	-	-	806,089
Restricted current assets:				
Restricted for bond requirements:				
Cash and cash equivalents	58,196,741	9,251,559	-	67,448,300
Investments	25,692,751	4,030,689	-	29,723,440
Restricted for construction and improvements:				
Cash and cash equivalents	76,700,590	11,808,807	-	88,509,397
Investments	14,712,795	4,000,000	-	18,712,795
Accounts receivable government grants	4,632,081	-	-	4,632,081
Notes receivable	228,644	-	-	228,644
Total current assets	300,215,666	39,404,758	(3,376,331)	336,244,093
Noncurrent assets:				
Accounts receivable - City of El Paso land transfer	26,359,020	-	-	26,359,020
Leased property investment costs	2,238,820	-	-	2,238,820
Due from Municipal Drainage Utility land transfer	12,844,800	-	(12,844,800)	-
Restricted noncurrent assets:				
Restricted for bond requirements:				
Investments	17,551,028	1,591,296	-	19,142,324
Restricted for construction and improvements:				
Investments	60,473	-	-	60,473
Capital assets:				
Water and Wastewater Utility capital assets	2,557,636,680	-	-	2,557,636,680
Municipal Drainage Utility capital assets	-	178,693,667	-	178,693,667
Land and right of way	311,486,399	56,999,449	(24,670,969)	343,814,879
Construction work in progress	341,589,144	47,945,387	-	389,534,531
Less accumulated depreciation	(1,288,100,541)	(30,789,925)	-	(1,318,890,466)
Total capital assets (net of accumulated depreciation)	1,922,611,682	252,848,578	(24,670,969)	2,150,789,291
Total noncurrent assets	1,981,665,823	254,439,874	(37,515,769)	2,198,589,928
Total assets	2,281,881,489	293,844,632	(40,892,100)	2,534,834,021
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on bond refunding	2,396,854	-	-	2,396,854
Deferred pension contributions	2,685,899	126,908	-	2,812,807
Difference in expected and actual pension experience	1,414,271	80,157	-	1,494,428
Change in assumptions pension	3,252	158	-	3,410
Change in proportionate share pension	505,873	10,103	-	515,976
Change in proportionate share OPEB	278,207	-	-	278,207
Change in assumptions OPEB	4,025,681	255,335	-	4,281,016
Total deferred outflows of resources	11,310,037	472,661	-	11,782,698
Total assets and deferred outflows of resources	\$ 2,293,191,526	\$ 294,317,293	\$ (40,892,100)	\$ 2,546,616,719

	Water and Wastewater Utility	Municipal Drainage Utility	Eliminations	Total
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 6,457,030	\$ 937,121	\$ -	\$ 7,394,151
Environmental Services collections and other payments due to City of El Paso	10,202,758	-	-	10,202,758
Customer deposits	12,297,318	-	-	12,297,318
Accrued vacation payable	1,840,461	85,998	-	1,926,459
Accrued payroll and benefits	1,241,785	59,571	-	1,301,356
Due to Municipal Drainage Utility	1,376,331	-	(1,376,331)	-
Due to Water and Wastewater Utility land transfer	-	2,000,000	(2,000,000)	-
Unearned revenue on land leases	1,219,807	15,228	-	1,235,035
Other current liabilities	1,222,503	-	-	1,222,503
Self-insurance workers' compensation and health claims	537,929	-	-	537,929
Other governments payable - current	184,676	-	-	184,676
Customer advances for construction	1,281,585	-	-	1,281,585
Current liabilities payable from restricted assets:				
Revenue bonds payable and unamortized premiums net of discounts	50,638,980	6,878,572	-	57,517,552
Accrued interest on long term debt	11,602,971	2,178,576	-	13,781,547
Accounts payable	37,883,657	4,269,770	-	42,153,427
Retainage payable on construction contracts	4,752,341	47,476	-	4,799,817
Total current liabilities	142,740,132	16,472,312	(3,376,331)	155,836,113
Noncurrent liabilities:				
Revenue bonds payable and unamortized premiums net of discounts	729,702,223	105,002,028	-	834,704,251
Other governments payable	1,362,674	-	-	1,362,674
Commercial paper notes	80,000,000	-	-	80,000,000
Revolving note	-	15,000,000	-	15,000,000
Due to Water and Wastewater Utility land transfer	-	12,844,800	(12,844,800)	-
Total OPEB Liability	16,939,348	954,970	-	17,894,318
Net Pension Liability	13,167,917	641,590	-	13,809,507
Accrued vacation payable	1,547,022	67,505	-	1,614,527
Self-insurance workers' compensation claims	547,921	-	-	547,921
Total noncurrent liabilities	843,267,105	134,510,893	(12,844,800)	964,933,198
Total liabilities	986,007,237	150,983,205	(16,221,131)	1,120,769,311
DEFERRED INFLOWS OF RESOURCES				
Gains on bond refunding	5,455,144	144,074	-	5,599,218
Net difference in projected and actual earnings on pension assets	21,871,609	1,068,560	-	22,940,169
Change in proportionate share pension	507,958	347,594	-	855,552
Difference in expected and actual experience OPEB	6,343,795	387,048	-	6,730,843
Change in proportionate share OPEB	-	278,207	-	278,207
Change in assumptions OPEB	2,536,966	155,450	-	2,692,416
Total deferred inflows of resources	36,715,472	2,380,933	-	39,096,405
NET POSITION				
Restricted:				
Restricted for debt service	89,837,549	12,694,968	-	102,532,517
Restricted for construction and improvements	46,183,657	9,439,868	-	55,623,525
Total restricted	136,021,206	22,134,836	-	158,156,042
Net investment in capital assets	1,065,179,767	113,030,797	(24,670,969)	1,153,539,595
Unrestricted	69,267,844	5,787,522	-	75,055,366
Total net position	1,270,468,817	140,953,155	(24,670,969)	1,386,751,003
Total liabilities, deferred inflows of resources, and net position	\$ 2,293,191,526	\$ 294,317,293	\$ (40,892,100)	\$ 2,546,616,719

The notes to the financial statements are an integral part of this statement.

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

ENTERPRISE FUNDS

STATEMENT OF NET POSITION

February 28, 2021

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 24,429,291	\$ 4,027,623	\$ -	\$ 28,456,914
Investments	30,000,000	-	-	30,000,000
Accounts receivable - customers	35,400,321	1,940,993	-	37,341,314
Accounts receivable - other	3,966,000	24,408	-	3,990,408
Leased property investment costs	373,137	-	-	373,137
Accrued interest receivable	1,518,349	26,095	-	1,544,444
Due from Water and Wastewater Utility	-	183,656	(183,656)	-
Inventory - materials and supplies	4,194,004	-	-	4,194,004
Other current assets	197,077	-	-	197,077
Prepaid expenses	1,860,509	-	-	1,860,509
Accounts receivable - City of El Paso land transfer	329,967	-	-	329,967
Restricted current assets:				
Restricted for bond requirements:				
Cash and cash equivalents	55,879,168	7,438,745	-	63,317,913
Investments	36,631,429	6,456,010	-	43,087,439
Restricted for construction and improvements:				
Cash and cash equivalents	45,872,913	15,400,547	-	61,273,460
Investments	40,754,082	6,000,000	-	46,754,082
Accounts receivable government grants	9,794,614	-	-	9,794,614
Notes receivable	277,581	-	-	277,581
Total current assets	<u>291,478,442</u>	<u>41,498,077</u>	<u>(183,656)</u>	<u>332,792,863</u>
Noncurrent assets:				
Investments	2,000,000	-	-	2,000,000
Accounts receivable - City of El Paso land transfer	8,565,108	-	-	8,565,108
Leased property investment costs	2,611,956	-	-	2,611,956
Due from Municipal Drainage Utility land transfer	4,300,000	-	(4,300,000)	-
Restricted noncurrent assets:				
Restricted for bond requirements:				
Investments	6,000,000	-	-	6,000,000
Capital assets:				
Water and Wastewater Utility capital assets	2,420,992,252	-	-	2,420,992,252
Municipal Drainage Utility capital assets	-	168,609,143	-	168,609,143
Land and right of way	305,597,262	42,954,649	(10,674,761)	337,877,150
Construction work in progress	291,179,879	33,275,250	-	324,455,129
Less accumulated depreciation	(1,223,281,990)	(27,398,094)	-	(1,250,680,084)
Total capital assets (net of accumulated depreciation)	<u>1,794,487,403</u>	<u>217,440,948</u>	<u>(10,674,761)</u>	<u>2,001,253,590</u>
Total noncurrent assets	<u>1,817,964,467</u>	<u>217,440,948</u>	<u>(14,974,761)</u>	<u>2,020,430,654</u>
Total assets	<u>2,109,442,909</u>	<u>258,939,025</u>	<u>(15,158,417)</u>	<u>2,353,223,517</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on bond refunding	2,843,804	-	-	2,843,804
Deferred pension contributions	2,675,999	137,716	-	2,813,715
Difference in expected and actual pension experience	1,659,963	96,834	-	1,756,797
Change in proportionate share pension	556,535	14,302	-	570,837
Change in proportionate share OPEB	242,458	-	-	242,458
Change in assumptions OPEB	4,365,172	278,989	-	4,644,161
Total deferred outflows of resources	<u>12,343,931</u>	<u>527,841</u>	<u>-</u>	<u>12,871,772</u>
Total assets and deferred outflows of resources	<u>\$ 2,121,786,840</u>	<u>\$ 259,466,866</u>	<u>\$ (15,158,417)</u>	<u>\$ 2,366,095,289</u>

	Water and Wastewater Utility	Municipal Drainage Utility	Eliminations	Total
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 2,800,006	\$ 248,888	\$ -	\$ 3,048,894
Environmental Services collections and other payments due to City of El Paso	11,677,658	-	-	11,677,658
Customer deposits	11,860,806	-	-	11,860,806
Accrued vacation payable	1,894,848	89,414	-	1,984,262
Accrued payroll and benefits	1,141,762	54,555	-	1,196,317
Due to Municipal Drainage Utility	183,656	-	(183,656)	-
Unearned revenue on land leases	1,131,859	13,476	-	1,145,335
Other current liabilities	820,489	-	-	820,489
Self-insurance workers' compensation and health claims	315,958	-	-	315,958
Other governments payable - current	176,565	-	-	176,565
Customer advances for construction	2,076,361	-	-	2,076,361
Current liabilities payable from restricted assets:				
Revenue bonds payable and unamortized premiums net of discounts	48,623,884	5,966,309	-	54,590,193
Accrued interest on long term debt	12,707,830	2,128,293	-	14,836,123
Accounts payable	21,734,057	1,783,825	-	23,517,882
Retainage payable on construction contracts	3,625,685	430,942	-	4,056,627
Total current liabilities	120,771,424	10,715,702	(183,656)	131,303,470
Noncurrent liabilities:				
Revenue bonds payable and unamortized premiums net of discounts	739,008,880	96,841,282	-	835,850,162
Other governments payable	1,547,350	-	-	1,547,350
Commercial paper notes	40,000,000	-	-	40,000,000
Revolving note	-	15,000,000	-	15,000,000
Due to Water and Wastewater Utility land transfer	-	4,300,000	(4,300,000)	-
Total OPEB Liability	16,739,127	1,025,682	-	17,764,809
Net Pension Liability	40,516,207	2,138,235	-	42,654,442
Accrued vacation payable	1,553,146	57,542	-	1,610,688
Self-insurance workers' compensation claims	824,154	-	-	824,154
Total noncurrent liabilities	840,188,864	119,362,741	(4,300,000)	955,251,605
Total liabilities	960,960,288	130,078,443	(4,483,656)	1,086,555,075
DEFERRED INFLOWS OF RESOURCES				
Gains on bond refunding	6,137,697	-	-	6,137,697
Difference in expected and actual pension experience	1,221,901	69,824	-	1,291,725
Change in proportionate share pension	12,524	299,216	-	311,740
Difference in expected and actual experience OPEB	6,133,979	379,562	-	6,513,541
Change in proportionate share OPEB	-	242,458	-	242,458
Change in assumptions OPEB	2,898,692	177,615	-	3,076,307
Total deferred inflows of resources	16,404,793	1,168,675	-	17,573,468
NET POSITION				
Restricted:				
Restricted for debt service	85,802,767	11,766,462	-	97,569,229
Restricted for construction and improvements	54,785,249	13,004,771	-	67,790,020
Total restricted	140,588,016	24,771,233	-	165,359,249
Net investment in capital assets	978,391,030	101,514,366	(10,674,761)	1,069,230,635
Unrestricted	25,442,713	1,934,149	-	27,376,862
Total net position	1,144,421,759	128,219,748	(10,674,761)	1,261,966,746
Total liabilities, deferred inflows of resources, and net position	\$ 2,121,786,840	\$ 259,466,866	\$ (15,158,417)	\$ 2,366,095,289

The notes to the financial statements are an integral part of this statement.

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

ENTERPRISE FUNDS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION

For the Year Ended February 28, 2022

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
Operating revenues:				
Water	\$ 135,838,060	\$ -	\$ (33,497)	\$ 135,804,563
Water supply replacement charge	32,858,751	-	-	32,858,751
Reclaimed water	4,927,871	-	-	4,927,871
Wastewater	100,789,897	-	-	100,789,897
Drainage fees	-	25,903,612	(167,296)	25,736,316
Customer connection fees	5,933,650	-	-	5,933,650
Billing fees - City Environmental Services	756,307	324,132	-	1,080,439
Rent revenue	3,761,315	-	(24,000)	3,737,315
City of El Paso Franchise fee	6,550,000	-	-	6,550,000
Pension Recovery Credit	804,631	168,988	-	973,619
Other operating revenue	3,226,236	212,912	-	3,439,148
Total operating revenues	295,446,718	26,609,644	(224,793)	321,831,569
Operating expenses:				
Operations and maintenance - water and reclaimed water	50,090,168	-	(64,043)	50,026,125
Operations and maintenance - wastewater	33,963,906	-	(76,534)	33,887,372
General, administrative and engineering expenses	29,039,256	-	1,651,281	30,690,537
Operations and maintenance - drainage	-	5,088,786	(57,497)	5,031,289
Indirect cost allocation	-	1,678,000	(1,678,000)	-
Other operating expenses	2,801,428	-	-	2,801,428
Other Post-Employment Benefits	923,773	6,243	-	930,016
Depreciation	68,166,195	3,703,686	-	71,869,881
Payment to City of El Paso Franchise fee	6,550,000	-	-	6,550,000
Payment to City of El Paso per bond covenants	16,034,025	-	-	16,034,025
Total operating expenses	207,568,751	10,476,715	(224,793)	217,820,673
Operating income	87,877,967	16,132,929	-	104,010,896
Nonoperating revenues (expenses):				
Interest earnings and net change in fair value of investments	691,160	6,564	-	697,724
Gain on sale of land	33,700,529	402,026	(13,996,208)	20,106,347
Gain on sale of miscellaneous assets	519,248	-	-	519,248
Federal grant revenue - non capital	1,117,311	-	-	1,117,311
Other nonoperating expenses	(1,367,319)	(348,193)	-	(1,715,512)
Interest on long term debt	(16,958,839)	(3,459,919)	-	(20,418,758)
Total nonoperating revenues (expenses)	17,702,090	(3,399,522)	(13,996,208)	306,360
Increase in net position, before contributions	105,580,057	12,733,407	(13,996,208)	104,317,256
Federal grant capital contributions	1,970,455	-	-	1,970,455
Non-Federal grant capital contributions	4,694,824	-	-	4,694,824
Capital contributions	13,801,722	-	-	13,801,722
Total contributions	20,467,001	-	-	20,467,001
Change in net position	126,047,058	12,733,407	(13,996,208)	124,784,257
Total net position - beginning	1,144,421,759	128,219,748	(10,674,761)	1,261,966,746
Total net position - ending	\$ 1,270,468,817	\$ 140,953,155	\$ (24,670,969)	\$ 1,386,751,003

The notes to the financial statements are an integral part of this statement.

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

ENTERPRISE FUNDS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION

For the Year Ended February 28, 2021

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
Operating revenues:				
Water	\$ 140,578,640	\$ -	\$ (31,948)	\$ 140,546,692
Water supply replacement charge	32,509,672	-	-	32,509,672
Reclaimed water	5,816,201	-	-	5,816,201
Wastewater	94,808,389	-	-	94,808,389
Drainage fees	-	24,065,071	(157,381)	23,907,690
Customer connection fees	6,529,722	-	-	6,529,722
Billing fees - City Environmental Services	656,116	281,193	-	937,309
Rent revenue	4,069,879	-	(24,000)	4,045,879
City of El Paso Franchise fee	6,550,000	-	-	6,550,000
Other operating revenue	2,872,109	207,393	-	3,079,502
Total operating revenues	294,390,728	24,553,657	(213,329)	318,731,056
Operating expenses:				
Operations and maintenance - water and reclaimed water	52,008,318	-	(59,978)	51,948,340
Operations and maintenance - wastewater	25,500,922	-	(72,197)	25,428,725
General, administrative and engineering expenses	27,161,515	-	1,472,794	28,634,309
Operations and maintenance - drainage	-	5,268,842	(55,948)	5,212,894
Indirect cost allocation	-	1,498,000	(1,498,000)	-
Other operating expenses	2,622,241	-	-	2,622,241
Other Post-Employment Benefits	1,658,421	68,139	-	1,726,560
Pension expense	6,091,180	263,068	-	6,354,248
Depreciation	70,211,559	3,516,614	-	73,728,173
Payment to City of El Paso Franchise fee	6,550,000	-	-	6,550,000
Payment to City of El Paso per bond covenants	16,849,709	-	-	16,849,709
Total operating expenses	208,653,865	10,614,663	(213,329)	219,055,199
Operating income	85,736,863	13,938,994	-	99,675,857
Nonoperating revenues (expenses):				
Interest earnings and net change in fair value of investments	1,955,699	160,075	-	2,115,774
Gain on sale of land	1,145,805	-	-	1,145,805
Gain on sale of miscellaneous assets	111,980	-	-	111,980
Other nonoperating expenses	(1,094,897)	(57,722)	-	(1,152,619)
Interest on long term debt	(20,566,880)	(3,628,917)	-	(24,195,797)
Total nonoperating expenses	(18,448,293)	(3,526,564)	-	(21,974,857)
Increase in net position, before contributions	67,288,570	10,412,430	-	77,701,000
Federal grant capital contributions	3,310,590	-	-	3,310,590
Non-Federal grant capital contributions	7,362,048	-	-	7,362,048
Capital contributions	9,376,387	-	-	9,376,387
Total contributions	20,049,025	-	-	20,049,025
Change in net position	87,337,595	10,412,430	-	97,750,025
Total net position - beginning	1,057,084,164	117,807,318	(10,674,761)	1,164,216,721
Total net position - ending	\$ 1,144,421,759	\$ 128,219,748	\$ (10,674,761)	\$ 1,261,966,746

The notes to the financial statements are an integral part of this statement.

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

ENTERPRISE FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended February 28, 2022

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 288,436,251	\$ 26,003,052	\$ -	\$ 314,439,303
Cash received from Municipal Drainage Utility	2,928,172	-	(2,928,172)	-
Cash received from Water and Wastewater Utility	-	167,297	(167,297)	-
Environmental Services fees collected for the City of El Paso	83,128,975	-	-	83,128,975
Franchise fees collected	6,550,000	-	-	6,550,000
Cash payments to suppliers for goods and services	(74,864,475)	(3,261,597)	-	(78,126,072)
Cash payments to employees for services	(45,059,095)	(1,351,144)	-	(46,410,239)
Environmental Services fees paid to the City of El Paso	(84,537,229)	-	-	(84,537,229)
Payments to City of El Paso per bond covenants	(16,100,673)	-	-	(16,100,673)
Payments to City of El Paso Franchise fees	(6,549,998)	-	-	(6,549,998)
Cash payments to Municipal Drainage Utility	(167,297)	-	167,297	-
Cash payments to Water and Wastewater Utility	-	(2,928,172)	2,928,172	-
Net cash provided by operating activities	<u>153,764,631</u>	<u>18,629,436</u>	<u>-</u>	<u>172,394,067</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from:				
Revenue bonds	111,800,000	22,275,000	-	134,075,000
Premiums and gains on revenue bonds	4,948,991	2,019,920	-	6,968,911
Commercial paper	80,000,000	-	-	80,000,000
Revolving note	-	15,000,000	-	15,000,000
Cash receipts from grants	14,382,182	-	-	14,382,182
Cash receipts from capital contributions	1,440,000	-	-	1,440,000
Acquisition and construction from capital grants	(8,102,338)	-	-	(8,102,338)
Acquisition and construction of capital assets net of disposals	(160,585,423)	(26,464,037)	3,500,000	(183,549,460)
Refunding revenue bonds	(66,740,000)	(8,550,000)	-	(75,290,000)
Refunding commercial paper	(40,000,000)	-	-	(40,000,000)
Principal payments on revenue bonds	(42,475,000)	(5,208,000)	-	(47,683,000)
Interest and fees on revenue bonds and commercial paper	(34,418,871)	(5,077,666)	-	(39,496,537)
Payments on revolving notes	-	(15,000,000)	-	(15,000,000)
Interest payments on notes and other long term debt	(73,964)	-	-	(73,964)
Proceeds from sale of assets net of related expenses	5,404,944	402,026	(3,500,000)	2,306,970
Net cash used by capital and related financing activities	<u>(134,419,479)</u>	<u>(20,602,757)</u>	<u>-</u>	<u>(155,022,236)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale and maturities of investment securities	169,050,922	20,622,047	-	189,672,969
Purchase of investment securities	(128,016,158)	(20,825,801)	-	(148,841,959)
Interest received on investment securities	2,169,330	61,043	-	2,230,373
Net cash provided (used) by investing activities	<u>43,204,094</u>	<u>(142,711)</u>	<u>-</u>	<u>43,061,383</u>
Net increase (decrease) in cash and cash equivalents	62,549,246	(2,116,032)	-	60,433,214
Cash and cash equivalents:				
Beginning of year	126,181,372	26,866,915	-	153,048,287
End of year	<u>\$ 188,730,618</u>	<u>\$ 24,750,883</u>	<u>\$ -</u>	<u>\$ 213,481,501</u>

The notes to the financial statements are an integral part of this statement.

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

ENTERPRISE FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended February 28, 2022

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 87,877,967	\$ 16,132,929	\$ -	\$ 104,010,896
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	68,166,195	3,703,686	-	71,869,881
(Increase) decrease in assets and deferred outflows:				
Accounts receivable	(156,295)	(272,059)	-	(428,354)
Due from Water and Wastewater Utility	-	(1,192,675)	1,192,675	-
Inventory	(853,657)	-	-	(853,657)
Prepaid expenses	167,928	-	-	167,928
Other current assets	(156,800)	-	-	(156,800)
Deferred outflow-Pension contributions	(9,900)	10,808	-	908
Deferred outflow-Difference in expected and actual pension experience	245,692	16,677	-	262,369
Deferred outflow-Change in assumptions pension	(3,252)	(158)	-	(3,410)
Deferred outflow-Change in proportionate share pension	50,662	4,199	-	54,861
Deferred outflow-Change in proportionate share OPEB	(35,749)	-	-	(35,749)
Deferred outflow-Change in assumptions OPEB	339,491	23,654	-	363,145
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable	3,657,024	688,233	-	4,345,257
Other current liabilities	(547,763)	1,752	-	(546,011)
Due to Municipal Drainage Utility	1,192,675	-	(1,192,675)	-
Accrued vacation payable	(60,511)	6,547	-	(53,964)
Accrued payroll and benefits	100,023	5,016	-	105,039
Total OPEB Liability	200,221	(70,712)	-	129,509
Net Pension Liability	(27,348,290)	(1,496,645)	-	(28,844,935)
Deferred inflow-Net difference in projected and actual earnings on pension assets	20,649,708	998,736	-	21,648,444
Deferred inflow-Change in proportionate share pension	495,434	48,378	-	543,812
Deferred inflow-Difference in expected and actual experience OPEB	209,816	7,486	-	217,302
Deferred inflow-Change in proportionate share OPEB	-	35,749	-	35,749
Deferred inflow-Change in assumptions OPEB	(361,726)	(22,165)	-	(383,891)
Self-insurance claims	(54,262)	-	-	(54,262)
Net cash provided by operating activities	<u>153,764,631</u>	<u>18,629,436</u>	<u>-</u>	<u>172,394,067</u>
Noncash investing, capital, and financing activities:				
Capital contributions from developers	\$ 12,361,722	\$ -	\$ -	\$ 12,361,722
Change in fair value of investments	326,826	37,779	-	364,605
	<u>\$ 12,688,548</u>	<u>\$ 37,779</u>	<u>\$ -</u>	<u>\$ 12,726,327</u>

The notes to the financial statements are an integral part of this statement.

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

ENTERPRISE FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended February 28, 2021

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 277,853,875	\$ 23,878,950	\$ -	\$ 301,732,825
Cash received from Municipal Drainage Utility	1,463,437	-	(1,463,437)	-
Cash received from Water and Wastewater Utility	-	157,381	(157,381)	-
Environmental Services fees collected for the City of El Paso	82,053,377	-	-	82,053,377
Franchise fees collected	6,550,000	-	-	6,550,000
Cash payments to suppliers for goods and services	(71,532,480)	(4,142,676)	-	(75,675,156)
Cash payments to employees for services	(43,714,186)	(1,201,690)	-	(44,915,876)
Environmental Services fees paid to the City of El Paso	(78,583,180)	-	-	(78,583,180)
Payments to City of El Paso per bond covenants	(16,808,423)	-	-	(16,808,423)
Payments to City of El Paso Franchise fees	(6,210,120)	-	-	(6,210,120)
Cash payments to Municipal Drainage Utility	(157,381)	-	157,381	-
Cash payments to Water and Wastewater Utility	-	(1,463,437)	1,463,437	-
Net cash provided by operating activities	<u>150,914,919</u>	<u>17,228,528</u>	<u>-</u>	<u>168,143,447</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from:				
Revenue bonds	96,870,000	-	-	96,870,000
Premiums and gains on revenue bonds	10,799,652	-	-	10,799,652
Commercial paper	65,000,000	-	-	65,000,000
Revolving note	-	15,000,000	-	15,000,000
Cash receipts from grants	1,715,962	-	-	1,715,962
Cash receipts from capital contributions	160,000	-	-	160,000
Acquisition and construction from capital grants	(10,672,639)	-	-	(10,672,639)
Acquisition and construction of capital assets net of disposals	(129,883,122)	(14,330,090)	2,000,000	(142,213,212)
Refunding revenue bonds	(58,565,000)	-	-	(58,565,000)
Refunding commercial paper	(40,000,000)	-	-	(40,000,000)
Principal payments on revenue bonds	(43,560,000)	(4,934,000)	-	(48,494,000)
Interest and fees on revenue bonds and commercial paper	(36,012,239)	(4,563,733)	-	(40,575,972)
Payments on revolving notes	-	(10,000,000)	-	(10,000,000)
Interest payments on notes and other long term debt	(81,719)	-	-	(81,719)
Proceeds from sale of assets net of related expenses	3,587,752	-	(2,000,000)	1,587,752
Net cash used by capital and related financing activities	<u>(140,641,353)</u>	<u>(18,827,823)</u>	<u>-</u>	<u>(159,469,176)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale and maturities of investment securities	124,530,379	11,958,401	-	136,488,780
Purchase of investment securities	(120,408,737)	(18,064,461)	-	(138,473,198)
Interest received on investment securities	1,142,556	177,249	-	1,319,805
Net cash provided (used) by investing activities	<u>5,264,198</u>	<u>(5,928,811)</u>	<u>-</u>	<u>(664,613)</u>
Net increase (decrease) in cash and cash equivalents	15,537,764	(7,528,106)	-	8,009,658
Cash and cash equivalents:				
Beginning of year	110,643,608	34,395,021	-	145,038,629
End of year	<u>\$ 126,181,372</u>	<u>\$ 26,866,915</u>	<u>\$ -</u>	<u>\$ 153,048,287</u>

The notes to the financial statements are an integral part of this statement.

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

ENTERPRISE FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended February 28, 2021

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 85,736,863	\$ 13,938,994	\$ -	\$ 99,675,857
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	70,211,559	3,516,614	-	73,728,173
(Increase) decrease in assets and deferred outflows:				
Accounts receivable	(10,673,640)	(519,862)	-	(11,193,502)
Due from Water and Wastewater Utility	-	90,511	(90,511)	-
Inventory	(1,400,427)	-	-	(1,400,427)
Prepaid expenses	(61,515)	-	-	(61,515)
Other current assets	403,390	-	-	403,390
Deferred outflow-Pension contributions	699	8,121	-	8,820
Deferred outflow-Net difference in projected and actual earnings on pension assets	5,710,341	298,537	-	6,008,878
Deferred outflow-Difference in expected and actual pension experience	489,665	28,564	-	518,229
Deferred outflow-Change in assumptions pension	1,213,181	85,687	-	1,298,868
Deferred outflow-Change in proportionate share pension	161,496	35,400	-	196,896
Deferred outflow-Change in proportionate share OPEB	(23,553)	-	-	(23,553)
Deferred outflow-Change in assumptions OPEB	597,770	38,215	-	635,985
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable	(433,947)	165,087	-	(268,860)
Other current liabilities	4,673,797	2,536	-	4,676,333
Due to Municipal Drainage Utility	(90,511)	-	90,511	-
Accrued vacation payable	263,823	3,471	-	267,294
Accrued payroll and benefits	109,198	3,563	-	112,761
Total OPEB Liability	(6,808,418)	(476,738)	-	(7,285,156)
Net Pension Liability	(7,028,783)	(391,358)	-	(7,420,141)
Deferred inflow-Net difference in projected and actual earnings on pension assets	1,221,901	69,824	-	1,291,725
Deferred inflow-Difference in expected and actual pension experience	(733,866)	(51,832)	-	(785,698)
Deferred inflow-Change in proportionate share pension	(94,200)	(91,261)	-	(185,461)
Deferred inflow-Difference in expected and actual experience OPEB	4,468,319	273,287	-	4,741,606
Deferred inflow-Change in proportionate share OPEB	-	23,553	-	23,553
Deferred inflow-Change in assumptions OPEB	2,898,692	177,615	-	3,076,307
Self-insurance claims	103,085	-	-	103,085
Net cash provided by operating activities	150,914,919	17,228,528	-	168,143,447
Noncash investing, capital, and financing activities:				
Capital contributions from developers	\$ 9,216,387	\$ -	\$ -	\$ 9,216,387
Change in fair value of investments	49,353	18,016	-	67,369
	<u>\$ 9,265,740</u>	<u>\$ 18,016</u>	<u>\$ -</u>	<u>\$ 9,283,756</u>

The notes to the financial statements are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - El Paso City Ordinance No. 752, adopted May 22, 1952, established a five-member board of trustees known as the "Public Service Board" (PSB) which was given the complete management and control of the city's Water and Wastewater Utility System, and as such a separate entity known as Public Service Board - El Paso Water Utilities (EPWater) was created. Ordinance No. 017167 adopted August 11, 2009 increased the number of board members from five to seven. The PSB consists of the Mayor of the City of El Paso and six residents of El Paso County, Texas. With the exception of the Mayor, all other trustees are appointed by the City Council and serve staggered four-year terms.

EPWater prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB), and it complies with the requirements of contracts and grants of agencies from which it receives funds. In accordance with GASB, a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of EPWater are financially accountable, or for which the relationship to EPWater is such that exclusion would cause EPWater's financial statements to be misleading or incomplete. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize they are legally separate from the primary government. Blended component units, although a legally separate entity, are in substance a part of EPWater's operations, and thus the data is combined with data of the primary government.

The criteria used to determine whether an organization is a component unit of EPWater includes: financial accountability of EPWater for the component unit, whether EPWater appoints a voting majority of the entity's board, the ability to impose EPWater's will on the component unit, fiscal dependency criterion, if it is a financial benefit to or burden to EPWater, and whether services are provided entirely or almost entirely to EPWater. As noted below, EPWater has one blended component unit which is the El Paso and Hudspeth Counties Regional Water Supply Corporation. EPWater's basic financial statements include all operations of the financial reporting entity. In addition, EPWater is included as a component unit of the City of El Paso based upon the selection of the governing authority.

The Enterprise Funds Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position are the financial statements for EPWater as a whole. They report information on both of EPWater's funds after elimination of the interfund activities, payables and receivables. The Statement of Net Position reports all financial and capital resources of the EPWater. It presents information on assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. The two funds of EPWater are the Water and Wastewater Utility Fund and the Municipal Drainage Utility Fund.

Nature of Activities - EPWater provides water, wastewater, and drainage services for the El Paso area residents. In addition to the water, wastewater, and drainage system revenue, EPWater receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

During the year ended February 28, 2006, EPWater acquired a municipal golf course and contracted a managing agent to operate the facility. The assets, liabilities, and results of operations are included in these financial statements as part of the Water and Wastewater Utility Fund.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EPWater also purchased agricultural properties in Hudspeth County, Texas commonly referred to as CLM farm and the Carpenter farm (collectively the "Property") in order to obtain the rights to the groundwater. At the time of purchase, much of the Property was being used for farming operations. On December 16, 2016 EPWater contracted with Dell Valley Ranch Management, LLC (DVRM) and its affiliate DanJay Enterprises, LLC (DanJay) on an interim basis to manage and farm the Property and, with the intention of leasing the Property to a third party, continued farming operations into 2018. On December 7, 2018, EPWater entered into a cash farm lease with DVRM and DanJay. The leased property investment costs included in the February 28, 2022 and 2021 financial statements are expenses related to preservation of the farming operations on the Property as part of EPWater's lease of the Property to a third party. The expenses prevented deterioration in the value of the Property investment and facilitated leasing the Property. The leased property investment costs are being amortized over the initial term of the lease, which became effective retroactively to January 1, 2018.

On June 9, 2021, the El Paso and Hudspeth Counties Regional Water Supply Corporation (Corporation) was formed with the purpose of managing the operations and maintenance of the Esperanza Water System in El Paso, County, which is owned by EPWater. The Corporation is managed by the Board of Directors which consists of the seven board members of the Public Service Board. The fiscal year of the Corporation is from March 1 to last day of February. The Esperanza Water System is next to Fort Hancock, Texas and consists of almost 300 water customers. The Corporation is reported as a blended component unit of EPWater in the Water and Wastewater Utility Fund. The assets, liabilities, and results of operations are included in these financial statements. The criteria used to include the Corporation as a blended component unit of EPWater include: EPWater appoints a voting majority of the Corporation's governing body, EPWater is able to impose its will on the Corporation, and a financial benefit or burden relationship exists between EPWater and the Corporation.

Fund Accounting - Public Service Board - El Paso Water Utilities is comprised of two funds, the Water and Wastewater Utility and the Municipal Drainage Utility. The funds are accounted for as enterprise funds, which are proprietary funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

EPWater reports the following major enterprise funds:

- Water and Wastewater Utility - This fund is used to account for the activity related to providing water and wastewater services to El Paso area residents.
- Municipal Drainage Utility - This fund is used to account for the activity related to the management and collection of storm water runoff.

City Ordinance No. 752 established certain "funds" for the Water and Wastewater Utility Fund. These "funds" are mandatory asset segregation and not funds in the sense of governmental fiscal and accounting entities with self-balancing sets of accounts. These "funds" are more fully explained in Note 2.

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annual Budget - EPWater prepares, prior to the beginning of each fiscal year, separate detailed comprehensive annual budgets for the Water and Wastewater Utility and Municipal Drainage Utility funds reflecting estimates of revenues and expenses and other requirements for the ensuing fiscal year in sufficient detail to indicate the probable gross revenues and pledged revenues for such fiscal year. The budgets are prepared using the accrual basis of accounting and are approved by the Public Service Board.

Basis of Accounting - The financial statements are prepared using the accrual basis of accounting. Revenue is recognized as it is earned and expenses are recognized when goods or services are delivered.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of EPWater are charges to customers for sales and services. EPWater also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. In addition, EPWater acts as a billing and collecting agent on behalf of the City of El Paso for environmental services collection, and an administrative fee is recognized as operating revenue for this service. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets as well as payments to the City of El Paso based upon 10% of water sales. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is EPWater's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates - Preparation of these financial statements in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Flows Statement - For purposes of the statement of cash flows, EPWater considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments - All investments with an original maturity greater than one year from date of purchase are stated at fair value based on quoted market prices as of year end. Investments with an original maturity of less than or equal to one year are reported at amortized cost, which approximates fair value. Premiums and discounts on investments are amortized or accreted using the straight-line method, which approximates the interest method, over the terms of the related securities. It is the intent of management to hold securities until maturity, and the securities not maturing within a year after year-end are considered non-current.

Realized gains or losses resulting from the sale of investments are determined by the specific cost of the securities sold.

Inventory - Materials and Supplies - EPWater reports inventories of supplies at average cost. Supplies are recorded as expenses when they are consumed.

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets - Based upon certain bond covenants and other requirements, EPWater is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt and other activities specifically restricted (construction and improvements).

Capital Assets - Effective March 1, 2021 on a prospective basis, EPWater increased the threshold for capitalization from \$5,000 to \$25,000 and increased the estimated useful life from one year to two years. The primary reason for the change is to reduce administrative costs and enhance overall stewardship and control of EPWater's assets by eliminating the requirement to track relatively low valued items. Water and wastewater and drainage additions are recorded at cost, which includes materials, labor, overhead, and interest capitalized during construction. Overhead consists of internal costs that are clearly related to the acquisition of capital assets. New services, meters, newly installed pipe, and associated costs will be capitalized and depreciated when placed into service. Assets acquired through contributions, such as from developers, are capitalized and recorded at acquisition value as of the date of donation. Included in capital assets are intangible assets, which consist of purchased water rights and land easements. It is the policy of EPWater to capitalize infrastructure assets. Maintenance and repairs that do not add to the value or life of the asset are charged to operating expense. Major plant replacements are capitalized.

EPWater records depreciation of capital assets in service on the straight-line method at amounts estimated to amortize costs of assets over their estimated useful lives. At the time of retirement of capital assets, the allowance for depreciation is charged with the original cost of the asset and the cost of removal.

The following estimated useful lives are used in providing for depreciation of capital assets:

Building and shops	25 - 33 years
Vehicles and heavy equipment	5 - 7 years
Equipment and tools	3 - 33 years
Water plant	10 - 50 years
Wastewater plant	5 - 50 years
Water rights contract	75 years
Drainage system	50 - 100 years

Vacation and Sick Pay - Full time, permanent EPWater employees earn vacation leave as follows:

<u>Years Employed</u>	<u>Vacation Leave</u>
1 - 5	12 days/year
6- 15	17 days/year
Over 15	20 days/year

Permanent EPWater employees who work 40 hours per week can accumulate a total of 400 vacation leave hours. Vacation is recorded as an expense and related liability in the year earned. As of February 28, 2022 and 2021, EPWater's total vacation leave liability was \$3,540,986 and \$3,594,950, respectively.

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vacation payable for the Water and Wastewater Utility is as follows:

	<u>2022</u>	<u>2021</u>
Total payable, beginning of year	\$ 3,447,994	\$ 3,184,171
Vacation earned	1,793,092	1,895,518
Vacation used	<u>(1,853,603)</u>	<u>(1,631,695)</u>
Total payable, end of year	<u>\$ 3,387,483</u>	<u>\$ 3,447,994</u>

Vacation payable for the Municipal Drainage Utility is as follows:

	<u>2022</u>	<u>2021</u>
Total payable, beginning of year	\$ 146,956	\$ 143,485
Vacation earned	86,946	93,468
Vacation used	<u>(80,399)</u>	<u>(89,997)</u>
Total payable, end of year	<u>\$ 153,503</u>	<u>\$ 146,956</u>

Sick leave is earned at a rate of 15 days per year for permanent, full time EPWater employees, with an unlimited accumulation of days. Sick pay is recorded as an expense in the year incurred. EPWater does not record any liability for sick pay as employees are not reimbursed upon termination.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement category represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/reduction) until then.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement category represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

EPWater has the following items that qualify for reporting in these categories:

Deferred charges or gains on bond refunding - A deferred charge or gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred pension contributions - These contributions are deferred and reduce net pension liability in the subsequent fiscal year.

Difference in expected and actual experience - For pensions and OPEB, this difference is deferred and amortized over the average remaining service life of all participants in the pension and OPEB plans and recorded as a component of pension or OPEB expense beginning with the period in which the difference occurred.

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net difference in projected and actual earnings on pension assets - This difference is deferred and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Change in assumptions - For pensions and OPEB, this change is deferred and amortized over the average remaining service life of all participants in the pension and OPEB plans and recorded as a component of pension or OPEB expense beginning with the period in which the change occurred.

Change in proportionate share - For pensions and OPEB, this change is deferred and amortized over the average remaining service life of all participants in the pension and OPEB plans and recorded as a component of pension or OPEB expense beginning with the period that first experienced the change in proportionate share.

Pensions - For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of El Paso Employees Retirement Trust (CERT) and additions to/deductions from CERT fiduciary net position have been determined on the same basis as they are reported by the CERT. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB No. 88 - In fiscal year 2021, EPWater implemented *GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which requires that essential information related to debt be disclosed in notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This statement also requires that additional information be provided for direct borrowings and direct placements of debt separately from other debt. The note disclosures on long term debt are presented in accordance with the guidance provided by this statement.

Reclassifications - Certain amounts presented for the prior year data have been reclassified in order to be consistent with the current year's presentation. In the Statement of Revenues, Expenses, and Changes in Net Position certain amounts have been reclassified within operating revenues and expenses to better reflect a more appropriate grouping of accounts. The reclassification did not affect overall operating income. In the Statement of Net Position certain amounts have been reclassified in restricted net position for construction and improvements and net investment in capital assets due to a recalculation of unspent bond, commercial paper, and revolving note construction fund proceeds.

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

2. CITY ORDINANCE NO. 752

On May 22, 1952, City Ordinance No. 752 created the Public Service Board - El Paso Water Utilities for the purpose of providing water and wastewater services that are reported in the Water and Wastewater Utility Fund. This ordinance authorized the issuance of a series of Revenue Bonds entitled "City of El Paso, Texas, Water and Sewer Revenue Bonds Series 1952 (the Series 1952 Bonds)," and the City reserved the right and option in the 1952 resolution to issue, under certain conditions, additional bonds on a parity as to lien and right with the Series 1952 Bonds. This bond ordinance has been amended as a result of subsequent bond issues, but still contains the following key covenants.

Ordinance No. 752, as amended, requires that gross revenues of the System be applied in sequence to: (a) current expenses of maintenance and operations; (b) debt service and reserve requirements; (c) capital expenditures, or unexpected or extraordinary repairs or replacements, or for any other lawful purpose. The following funds have been established to account for the application of the gross revenues: (i) Water and Sewer Revenue Bonds Waterworks and Sewage Fund; (ii) Water and Sewer Revenue Bonds Interest and Sinking Fund; (iii) Water and Sewer Revenue Bonds Reserve Fund; and (iv) Water and Sewer Improvement Fund. All revenues of every nature received through operations of the System shall be paid into the Waterworks and Sewage Fund. The Bond Funds are required to contain an amount of money and investments equal to the principal and interest requirements during the fiscal year.

Ordinance No. 752 also requires that EPWater maintain rates sufficient to produce or yield revenues in each fiscal year in an amount adequate to pay all expenses incurred for the operations and maintenance of the System as such expenses shall accrue during the year and to produce an additional amount equal to 150% of the aggregate amount required to be paid in such year for principal and interest and redemption premiums on bonds payable from the Bond Funds.

Ordinance No. 752 also provides that EPWater will permit no free water or services to be supplied to the City or to any other user. However, the ordinance requires that 10% of the total amounts received by EPWater from the sale of water be paid to the City Treasurer. The money received by the City Treasurer may be expended by the City under the direction of the City Council for any purpose for which revenues of the System may legally be used under the laws of the State of Texas.

3. CITY ORDINANCE NO. 016668 ESTABLISHMENT OF A MUNICIPAL DRAINAGE UTILITY SYSTEM

On June 19, 2007, the City of El Paso adopted Ordinance No. 016668 establishing a Municipal Drainage Utility System. The ordinance states that the Public Service Board - El Paso Water Utilities shall have complete authority and control of the management and operation of the Municipal Drainage Utility on behalf of the City. The Municipal Drainage Utility is necessary and essential to ensure that the management and control of the storm water runoff adequately protects the health, safety, and welfare of the citizens of the City. EPWater assumed full responsibility and control of the Municipal Drainage Utility as of March 1, 2008. City personnel, equipment, and all assets of the Drainage System including infrastructure and land were transferred to EPWater. EPWater began billing drainage fees to fund the operating and capital expenses of the Municipal Drainage Utility as of March 1, 2008.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

3. CITY ORDINANCE NO. 016668 ESTABLISHMENT OF A MUNICIPAL DRAINAGE UTILITY SYSTEM (Continued)

The Ordinance further states that the Board prepare a Master Stormwater Management Plan which was approved by the City Council and took effect in March of 2009. In developing the Stormwater Plan, the Board considered the use of open space as natural drainage and to the extent reasonably possible to preserve the City's open spaces, greenways, arroyos, and wilderness areas in their natural state. The Board also must allocate an amount equal to 10% of the System's annual drainage utility fee revenues for Green Projects which have the potential dual purposes of stormwater management and preservation of the City's open spaces, greenways, arroyos, and wilderness areas. Since March 1, 2008, \$26,250,134 has been set aside from 10% of revenues for Green Projects and from March 1, 2008 to February 28, 2022, \$23,860,940 has been spent including the following purchases:

- 1,056 acres for \$14,044,800 on July 3, 2021, of which the first payment of \$2,000,000 has been made and the remainder to be paid back within six years,
- 1,107 acres for \$11,300,000 on July 23, 2019, of which three payments have been made totaling \$8,500,000 and the remainder to be paid back within 5 to 10 years,
- 202.658 acres for \$2,465,000 on March 31, 2010,
- 140.799 acres for \$2,949,000 on July 14, 2015
- 69.63 acres for \$1,669,000 on November 6, 2015 and,
- Eight Park-Pond Conversions throughout the city for \$1,800,000.

The Ordinance also requires that a drainage utility fee be imposed on each improved parcel within the City for services and facilities provided by the System, except as to exemptions provided for by law or by the ordinance. At least once a year the Board shall present to the City Council a report on the status of the System.

Ordinance No. 016668 also requires that the revenues collected from drainage utility fees must be segregated and completely identifiable from other City or Board accounts. The Board has adopted a debt service coverage ratio of 1.25 times for all Municipal Drainage Utility bonds which is included in the bond ordinances for such bonds.

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The cash, cash equivalents, and investments of EPWater must be deposited and invested under the terms of a contract, contents of which are set out in the depository contract. EPWater accepts as collateral to secure its deposited funds, to the extent not insured by the Federal Deposit Insurance Corporation ("FDIC"), allowable pledged book-entry securities (Eligible Securities) of any type permitted by the provisions of the Public Funds Collateral Act, Title 10, Chapter 2257 of the Texas Government Code, which are eligible to be held in a Securities Account at a Federal Reserve Bank under Federal Reserve Bank Operating Circular 7. The depository bank places these allowable government securities as collateral for safekeeping and trust with EPWater's agent bank in an amount sufficient to protect EPWater deposits on a day-to-day basis during the period of the contract.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

The carrying amount of cash for the Water and Wastewater Utility at February 28, 2022 and 2021, was \$117,085,207 and \$35,667,611, respectively, and the bank balances totaled \$120,631,731 and \$39,266,086, respectively. The carrying amount of cash for the Municipal Drainage Utility at February 28, 2022 and 2021, was \$8,563,467 and \$8,291,753, respectively, and the bank balances totaled \$9,501,128 and \$8,642,886, respectively. As of February 28, 2022, \$1,250,000 of the bank balances were covered by FDIC and the remaining balance was secured by government securities with a fair value of \$145,346,611. As of February 28, 2021, \$1,250,000 of the bank balances were covered by FDIC and the remaining balance was secured by government securities with a fair value of \$61,327,075.

Cash, cash equivalents and investments for the Water and Wastewater Utility consist of the following:

	February 28, 2022			
	<u>Cash and Cash Equivalents</u>			<u>Investments</u>
	<u>Cash</u>	<u>Cash Equivalents</u>	<u>Total</u>	
Unrestricted assets	\$ 49,319,464	\$ 4,513,823	\$ 53,833,287	\$ 16,006,874
Restricted assets				
Bond requirements	-	58,196,741	58,196,741	43,243,779
Construction and improvements	67,765,743	8,934,847	76,700,590	14,773,268
Total restricted assets	67,765,743	67,131,588	134,897,331	58,017,047
Total	<u>\$ 117,085,207</u>	<u>\$ 71,645,411</u>	<u>\$ 188,730,618</u>	<u>\$ 74,023,921</u>
	February 28, 2021			
	<u>Cash and Cash Equivalents</u>			<u>Investments</u>
	<u>Cash</u>	<u>Cash Equivalents</u>	<u>Total</u>	
Unrestricted assets	\$ 16,419,302	\$ 8,009,989	\$ 24,429,291	\$ 32,000,000
Restricted assets				
Bond requirements	-	55,879,168	55,879,168	42,631,429
Construction and improvements	19,248,309	26,624,604	45,872,913	40,754,082
Total restricted assets	19,248,309	82,503,772	101,752,081	83,385,511
Total	<u>\$ 35,667,611</u>	<u>\$ 90,513,761</u>	<u>\$ 126,181,372</u>	<u>\$115,385,511</u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Cash, cash equivalents and investments for the Municipal Drainage Utility consist of the following:

February 28, 2022				
	Cash and Cash Equivalents			Investments
	Cash	Cash Equivalents	Total	
Unrestricted assets	\$ 3,073,501	\$ 617,016	\$ 3,690,517	\$ 3,000,000
Restricted assets				
Bond requirements	-	9,251,559	9,251,559	5,621,985
Construction and improvements	5,489,966	6,318,841	11,808,807	4,000,000
Total restricted assets	5,489,966	15,570,400	21,060,366	9,621,985
Total	<u>\$ 8,563,467</u>	<u>\$ 16,187,416</u>	<u>\$ 24,750,883</u>	<u>\$ 12,621,985</u>

February 28, 2021				
	Cash and Cash Equivalents			Investments
	Cash	Cash Equivalents	Total	
Unrestricted assets	\$ 3,626,032	\$ 401,591	\$ 4,027,623	\$ -
Restricted assets				
Bond requirements	-	7,438,745	7,438,745	6,456,010
Construction and improvements	4,665,721	10,734,826	15,400,547	6,000,000
Total restricted assets	4,665,721	18,173,571	22,839,292	12,456,010
Total	<u>\$ 8,291,753</u>	<u>\$ 18,575,162</u>	<u>\$ 26,866,915</u>	<u>\$ 12,456,010</u>

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires EPWater to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Texas statutes and ordinances of the City of El Paso authorize EPWater to expend funds for the operation of EPWater, including the purchase of investments. EPWater is permitted to invest available funds in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market mutual funds, (5) investment pools, (6) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; obligations of states, agencies, counties, cities, and other political subdivisions of any state having a rating of not less than A or its equivalent, and (7) fully collateralized repurchase agreements having a defined termination date and secured by obligations of the United States or its agencies and instrumentalities.

The Act also requires EPWater to have independent auditors perform test procedures related to investment practices as provided by the Act. EPWater's management asserts that they are in substantial compliance with the requirements of the Act and with local policies.

EPWater participates in TEXPOOL, which is a government investment pool in the State of Texas. The State Comptroller of Public Accounts maintains oversight responsibility for TEXPOOL. This responsibility includes the ability to influence operations, designation of management and accountability for fiscal matters. There is also the TEXPOOL Advisory Board which advises on TEXPOOL's Investment Policy and approves any fee increases. The Advisory Board is composed equally of participants in TEXPOOL and other persons who are qualified to advise TEXPOOL. The TEXPOOL Portfolios are comprised of two investment alternatives: TEXPOOL and TEXPOOL PRIME. Federated Investors manage the daily operations of the pool under a contract with the Comptroller. TEXPOOL has elected to continue reporting assets at amortized cost.

EPWater also participates in TexSTAR which is an investment service created by local governments for local governments. TexSTAR was organized in conformity with the interlocal cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These acts provide for the creation of public funds investment pools such as TexSTAR and authorize eligible governmental entities to invest their public funds in investment pools. So long as the Fund continues to utilize amortized accounting, although all securities are marked to market daily using the fair value method, amortized cost, which generally approximates the market value of the securities, has been deemed to be a proxy for fair value. For financial reporting purposes, TexSTAR uses the fair value method to report its investments. The stated objective of TexSTAR is to maintain a stable \$1 per unit net asset value. The amortized cost approximates fair value as of February 28, 2022 and 2021. Section 2256.016(g)(1) of the Public Funds Investment Act requires TexSTAR to establish and maintain an advisory board composed of Participants in TexSTAR and other persons who do not have a business relationship with TexSTAR. Members are appointed and serve at the will of the Board. The names of the Advisory Board members are available on the TexSTAR website at www.texstar.org. The business and affairs of TexSTAR are managed by the Board in accordance with the bylaws (the "Bylaws"). The Bylaws set forth procedures governing the selection of, and action taken by, the Board. Board oversight of TexSTAR is maintained through various reporting requirements.

Management is not aware of the presence of any limitations or restrictions on withdrawals such as redemption notice periods, maximum transaction amounts, or the investment pool's authority to impose liquidity fees or redemption gates.

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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

The Water and Wastewater Utility investments at February 28, 2022 and 2021 are categorized as summarized below:

February 28, 2022							
Investment Type	Value	Original Maturities - EPWater Position		EPWater's	Pool's/Fund's	Credit Rating Standard and Poor's	Percent of Grand Total
		Less than 1 year	1-5 years	Weighted Average Maturity (days)	Weighted Average Maturity (days)		
Government Investment Pools Account							
TexPool	\$ 1,035,863	\$ 1,035,863	\$ -	1	34	AAA	0.71%
TexPool Prime	7,165,115	7,165,115	-	1	31	AAA	4.92%
TexSTAR	5,247,692	5,247,692	-	1	26	AAA	3.60%
Total Pools	13,448,670	13,448,670	-				9.23%
Money Market Funds							
Fidelity Investment Money Market Treasury	58,196,741	58,196,741	-	1	34	AAA	39.95%
Total Money Market Funds	58,196,741	58,196,741	-				39.95%
Securities							
<u>Agency Securities:</u>							
Federal Home Loan Bank	7,492,112	3,648,508	3,843,604	231		AAA	5.14%
Federal National Mortgage Association	3,906,735	-	3,906,735	289		AAA	2.68%
Federal Home Loan Bank Mortgage Corporation	1,360,653	1,360,653	-	100		AAA	0.93%
Federal Farm Credit Bank	17,038,617	664,433	16,374,184	381		AAA	11.70%
Freddie Mac	6,735,037	1,231,339	5,503,698	417		AAA	4.62%
US Treasury Notes	12,674,265	12,674,265	-	174		N/A	8.70%
Certificate of Deposit*	22,031,114	13,000,000	9,031,114	107		Not Rated	15.12%
Municipal Bonds	2,785,388	175,000	2,610,388	147		AA	1.91%
Total Securities	74,023,921	32,754,198	41,269,723	233			50.82%
Portfolio Total	\$ 145,669,332	\$ 104,399,609	\$ 41,269,723	118			100.00%

*Certificates of Deposit are not rated but are fully collateralized or FDIC insured.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

February 28, 2021							
Investment Type	Value	Original Maturities - EPWater Position		EPWater's	Pool's/Fund's	Credit Rating Standard and Poor's	Percent of Grand Total
		Less than 1 year	1-5 years	Weighted Average Maturity (days)	Weighted Average Maturity (days)		
Government Investment Pools Account							
TexPool	\$ 3,561,297	\$ 3,561,297	\$ -	1	32	AAA	1.73%
TexPool Prime	15,771,217	15,771,217	-	1	52	AAA	7.66%
TexSTAR	13,866,886	13,866,886	-	1	46	AAA	6.73%
Total Pools	33,199,400	33,199,400	-				16.12%
Money Market Funds							
Federal US Treasury Money Market	1,435,194	1,435,194	-	1	41	AAA	0.70%
Fidelity Investment Money Market Treasury	55,879,168	55,879,168	-	1	41	AAA	27.14%
Total Money Market Funds	57,314,362	57,314,362	-				27.84%
Securities							
<u>Agency Securities:</u>							
Federal Home Loan Bank Discount Notes	4,219,544	4,219,544	-	124		AAA	2.05%
Federal Home Loan Bank	5,980,667	1,891,208	4,089,459	179		AAA	2.90%
Federal National Mortgage Association	1,502,666	1,502,666	-	170		AAA	0.73%
Federal Farm Credit Bank	3,690,828	3,690,828	-	268		AAA	1.79%
Freddie Mac	169,781	169,781	-	165		AAA	0.08%
Farmer Mac	2,418,565	-	2,418,565	173		AAA	1.17%
US Treasury Coupon	3,400,880	-	3,400,880	92		N/A	1.65%
Certificate of Deposit*	81,000,000	22,000,000	59,000,000	197		Not Rated	39.34%
Municipal Bonds	13,002,579	3,397,164	9,605,415	122		AA	6.32%
Total Securities	115,385,510	36,871,191	78,514,319	183			56.04%
Portfolio Total	\$ 205,899,272	\$ 127,384,953	\$ 78,514,319	103			100.00%

*Certificates of Deposit are not rated but are fully collateralized or FDIC insured.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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February 28, 2022 and 2021

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

The Municipal Drainage Utility investments at February 28, 2022 and 2021 are categorized as summarized below:

February 28, 2022							
Investment Type	Value	Original Maturities - EPWater Position		EPWater's	Pool's/Fund's	Credit Rating Standard and Poor's	Percent of Grand Total
		Less than 1 year	1-5 years	Weighted Average Maturity (days)	Weighted Average Maturity (days)		
Government Investment Pools							
TexPool	\$ 343,859	\$ 343,859	\$ -	1	34	AAA	1.19%
TexPool Prime	5,478,323	5,478,323	-	1	31	AAA	19.02%
TexStar	1,113,675	1,113,675	-	1	26	AAA	3.87%
Total Pools	6,935,857	6,935,857	-				24.08%
Money Market Funds							
Allspring 100% Treasury Money Market Fund	9,251,559	9,251,559	-	1	34	AAA	32.11%
Total Money Market Funds	9,251,559	9,251,559	-				32.11%
Securities							
<u>Agency Securities:</u>							
Federal Home Loan Bank	89,997	89,997	-	93		AAA	0.31%
Federal National Mortgage Association	1,033,538	-	1,033,538	325		AAA	3.59%
Federal Farm Credit Bank	2,356,860	97,623	2,259,237	373		AAA	8.18%
Freddie Mac	2,141,590	2,141,590	-	70		AAA	7.43%
Certificate of Deposit*	7,000,000	7,000,000	-	180		Not Rated	24.30%
Total Securities	12,621,985	9,329,210	3,292,775	222			43.81%
Portfolio Total	\$ 28,809,401	\$ 25,516,626	\$ 3,292,775	97			100.00%

*Certificates of Deposit are not rated but are fully collateralized or FDIC insured.

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February 28, 2022 and 2021

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

February 28, 2021							
Investment Type	Value	Original Maturities - EPWater Position		EPWater's	Pool's/Fund's	Credit Rating Standard and Poor's	Percent of Grand Total
		Less than 1 year	1-5 years	Weighted Average Maturity (days)	Weighted Average Maturity (days)		
Government Investment Pools							
TexPool	\$ 828,686	\$ 828,686	\$ -	1	32	AAA	2.67%
TexPool Prime	5,717,418	5,717,418	-	1	52	AAA	18.42%
TexStar	4,590,313	4,590,313	-	1	46	AAA	14.79%
Total Pools	11,136,417	11,136,417	-				35.89%
Money Market Funds							
Wells Fargo 100% Treasury MM Fund	7,438,745	7,438,745	-	1	41	AAA	23.97%
Total Money Market Funds	7,438,745	7,438,745	-				23.97%
Securities							
<u>Agency Securities:</u>							
Federal Home Loan Bank	524,063	346,154	177,909	231		AAA	1.69%
Federal Farm Credit Bank	362,958	362,958	-	229		AAA	1.17%
Freddie Mac	2,045,409	2,045,409	-	165		AAA	6.59%
US Treasury Notes	1,060,392	-	1,060,392	92		N/A	3.42%
Certificate of Deposit*	7,000,000	7,000,000	-	235		Not Rated	22.56%
Municipal Bonds	1,463,188	-	1,463,188	138		AA	4.72%
Total Securities	12,456,010	9,754,521	2,701,489	200			40.14%
Portfolio Total	\$ 31,031,172	\$ 28,329,683	\$ 2,701,489	80			100.00%

*Certificates of Deposit are not rated but are fully collateralized or FDIC insured.

Disclosures about Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Unadjusted inputs using quoted prices in active markets for identical investments.
- Level 2** Other significant observable inputs other than level 1 prices, including, but are not limited to, quoted prices for similar investments, inputs other than quoted prices that are observable for investments (such as interest rates, prepayment speeds, credit risk, etc.) or other market corroborated inputs.
- Level 3** Significant inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Recurring Measurements

The following tables present the fair value measurements of assets for the Water and Wastewater Utility recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy at which the assets are measured at February 28, 2022 and 2021:

February 28, 2022		Fair Value Measurements Using			
Investments by Fair Value	Level	Fair Value	Level 1	Level 2	Level 3
Securities					
U.S. Agencies		\$ 49,207,419	\$ -	\$ 49,207,419	\$ -
Municipal Bonds		2,785,388	-	2,785,388	-
Total Securities		\$ 51,992,807	\$ -	\$ 51,992,807	\$ -

February 28, 2021		Fair Value Measurements Using			
Investments by Fair Value	Level	Fair Value	Level 1	Level 2	Level 3
Securities					
U.S. Agencies		\$ 21,382,932	\$ -	\$ 21,382,932	\$ -
Municipal Bonds		13,002,579	-	13,002,579	-
Total Securities		\$ 34,385,511	\$ -	\$ 34,385,511	\$ -

Per GASB No. 72, non-negotiable certificates of deposit are not subject to fair value and are not subject to the fair value level disclosures.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

The following tables present the fair value measurements of assets for the Municipal Drainage Utility recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy at which the assets are measured at February 28, 2022 and 2021:

February 28, 2022	Fair Value Measurements Using			
	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Securities				
U.S. Agencies	\$ 5,621,985	\$ -	\$ 5,621,985	\$ -
Total Securities	<u>\$ 5,621,985</u>	<u>\$ -</u>	<u>\$ 5,621,985</u>	<u>\$ -</u>

February 28, 2021	Fair Value Measurements Using			
	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Securities				
U.S. Agencies	\$ 3,992,822	\$ -	\$ 3,992,822	\$ -
Municipal Bonds	1,463,188	-	1,463,188	-
Total Securities	<u>\$ 5,456,010</u>	<u>\$ -</u>	<u>\$ 5,456,010</u>	<u>\$ -</u>

Securities classified as Level 2 are valued using market closing prices under the market approach.

Credit Risk

Credit risk is the risk of loss due to failure of an issuer not fulfilling its obligations.

EPWater minimizes credit risk by limiting investments to the safest types of securities as authorized by the investment policy and described on pages 41 and 42, and by pre-qualifying the financial institutions and broker/dealers that EPWater conducts business with.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

EPWater minimizes concentration of credit risk by diversifying the investment portfolio so that potential losses on individual securities will be minimized. In addition, they also invest in securities with varying maturities, and are continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) and money market funds.

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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Diversification by investment type shall be established by the following maximum percentages of investment type to the total EPWater portfolio:

U.S. Government Securities	100%
State, Agencies, Counties, Cities, and other	50%
Certificates of Deposit	50%
Money Market Mutual Funds	80%
Eligible Investment Pools	100%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, EPWater will not be able to recover deposits or collateral securities that are in the possession of an outside party. For investments, the custodial credit risk, is the risk that, in the event of the failure of the counterparty to a transaction, EPWater will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

EPWater minimizes depository custodial credit risk by depositing and investing under the terms of a contract, contents of which are set out in the depository contract. The depository bank places approved pledged securities for safekeeping and trust with EPWater's agent bank in an amount sufficient to protect EPWater funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

EPWater minimizes investment custodial credit risk by requiring that all collateral securities be held by a third party institution. EPWater requires full collateralization of all EPWater investments, other than investments which are obligations of the U.S. government and its agencies and instrumentalities, or by the Federal Reserve Bank, except the collateral for certificates of deposits in banks. The collateral for certificates of deposits in banks will be registered in EPWater's name in the bank's trust department or, alternatively, in a Federal Reserve Bank account in EPWater's name.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of investments.

EPWater minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. It is also minimized by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. The operating funds portfolio should have a weighted average maturity less than 270 days with a maximum of two years.

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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

EPWater does not directly invest in foreign securities; however, the money market funds might invest a minimal amount of the fund's portfolio in foreign securities.

5. RECEIVABLES

No reserve has been provided for doubtful accounts as EPWater charges directly to income those accounts determined to be uncollectible. The accounts written off for the Water and Wastewater Utility during the years ended February 28, 2022 and 2021, totaled \$870,398 and \$896,347, respectively. The write-off for the Municipal Drainage Utility for fiscal year ending February 28, 2022 and 2021, totaled \$72,112 and \$64,014, respectively. Management is of the opinion that any additional losses resulting from the collection of receivables will not be material.

EPWater uses the cycle method of billing customers for services. Under this method, customer billings are made by specified cycles established for the service area and each cycle is billed on a specific day each month. For financial reporting purposes, billings made in March which relate to services provided for the month of February are included in customer accounts receivable as unbilled charges. These amounts are summarized as follows for the fiscal years included in the accompanying financial statements:

	<u>2022</u>	<u>2021</u>
Water and Wastewater Utility		
Water	\$ 5,653,321	\$ 3,376,170
Wastewater	<u>4,780,415</u>	<u>3,522,266</u>
Total unbilled accounts receivable	<u><u>\$ 10,433,736</u></u>	<u><u>\$ 6,898,436</u></u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

6. INTERFUND BALANCES AND TRANSACTION ACTIVITY

Interfund Balances - The following interfund balances are the result of normal operations and are periodically cleared out. Management intends to pay these balances within one year.

February 28, 2022			
		Due from Other Funds	Due to Other Funds
Water and Wastewater Utility		\$ -	\$ 1,376,331
Municipal Drainage Utility		1,376,331	-
Total		\$ 1,376,331	\$ 1,376,331

February 28, 2021			
		Due from Other Funds	Due to Other Funds
Water and Wastewater Utility		\$ -	\$ 183,656
Municipal Drainage Utility		183,656	-
Total		\$ 183,656	\$ 183,656

Interfund Charges - The following eliminations were done in order to eliminate duplicate transactions at the overall entity level for revenue and expenses between the two funds.

	February 28, 2022	
	Water and Wastewater Utility	Municipal Drainage Utility
Water revenue	\$ 33,497	\$ -
Drainage fee revenue	-	167,296
Rent revenue - water and wastewater	24,000	-
Operations and maintenance - water and reclaimed water	(64,043)	-
Operations and maintenance - wastewater	(76,534)	-
General, administrative and engineering	1,651,281	-
Operation and maintenance - drainage	-	(57,497)
Indirect cost allocation	-	(1,678,000)
Total	\$ 1,568,201	\$ (1,568,201)

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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February 28, 2022 and 2021

6. INTERFUND BALANCES AND TRANSACTION ACTIVITY (Continued)

	February 28, 2021	
	Water and Wastewater Utility	Municipal Drainage Utility
Water revenue	\$ 31,948	\$ -
Drainage fee revenue	-	157,381
Rent revenue - water and wastewater	24,000	-
Operations and maintenance - water and reclaimed water	(59,978)	-
Operations and maintenance - wastewater	(72,197)	-
General, administrative and engineering	1,472,794	-
Operation and maintenance - drainage	-	(55,948)
Indirect cost allocation	-	(1,498,000)
Total	<u>\$ 1,396,567</u>	<u>\$ (1,396,567)</u>

Indirect Cost Allocation - The indirect cost allocation from the Water and Wastewater Utility to the Municipal Drainage Utility is to pay for indirect costs that the Water and Wastewater Utility incurs related to the general and administrative functions to manage the Municipal Drainage Utility. For fiscal years 2022 and 2021, the budgeted and actual indirect cost were \$1,678,000 and \$1,498,000, respectively. During the budget process the indirect cost allocation will be adjusted based on estimated indirect costs.

Interfund Land Transfer - The following balances are the result of land transactions between the Water and Wastewater Utility and the Municipal Drainage Utility to preserve the land as open space. In fiscal year ended February 28, 2022, the Water and Wastewater Utility sold 1,056 acres to the Municipal Drainage Utility for a sales price of \$14,044,800 of which the first payment of \$2,000,000 was made in fiscal year 2022 with the remaining balance to be paid in six years. In fiscal year February 29, 2020, the Water and Wastewater Utility sold 1,005.79 acres to the Municipal Drainage Utility for \$11,300,000 of which the first payment of \$5,000,000 was made in fiscal year 2020, a second payment of \$2,000,000 was made in fiscal year 2021, and a third payment of \$1,500,000 was made in fiscal year 2022. Management intends to pay the remaining balance within five to ten years. The elimination of \$24,670,969 is presented on the Enterprise Funds Balance Sheet for fiscal year 2022 related to two land sales. The land sale that occurred in fiscal year 2022 had a sales price of \$14,044,800 and the carrying cost of the land was \$48,592. The net gain of \$13,996,208 was eliminated in the Enterprise Funds Statement of Revenues, Expenses, and Changes in Net Position for fiscal year 2022. The other land sale occurred in fiscal year 2020. The sales price was \$11,300,000 and the carrying cost of the land sold was \$625,239. An elimination of \$10,674,761 is presented on the Enterprise Funds-Statement of Revenues, Expenses, and Changes in Net Position for fiscal year 2021 for the net of that land sale.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

6. INTERFUND BALANCES AND TRANSACTION ACTIVITY (Continued)

	February 28, 2022	
	Due from Municipal Drainage	Due to Water and Wastewater
Water and Wastewater Utility	\$ 14,844,800	\$ -
Municipal Drainage Utility	-	14,844,800
Total	\$ 14,844,800	\$ 14,844,800

	February 28, 2021	
	Due from Municipal Drainage	Due to Water and Wastewater
Water and Wastewater Utility	\$ 4,300,000	\$ -
Municipal Drainage Utility	-	4,300,000
Total	\$ 4,300,000	\$ 4,300,000

7. WATER AND WASTEWATER UTILITY GOVERNMENT GRANTS RECEIVABLE

The Water and Wastewater Utility had \$4,632,081 and \$9,794,614 in government grants receivable for years ended February 28, 2022 and 2021, respectively. EPWater received funding from the Texas Water Development Board through the Economically Distressed Areas Program and in accordance with Texas Water Code, Chapter 16, Section 16.356. EPWater did not use any revenue received from fees collected from water supply or sewer service constructed in whole or in part from funds from the economically distressed areas program account for purposes other than utility purposes.

<u>Government Grant Projects</u>	2022	2021
<u>Federal Grants</u>		
Fred Hervey Reclamation Diversion Project - USBR #R16AP00217	\$ -	\$ 5,400
Kay Bailey Hutchison Desalination Facility - USBR #R20AP00339	322,278	148,286
Advanced Water Purification Facility - USBR #R20AP00332	-	2,213,396
Texas COVID-19 Pandemic - DR-4485-TX-FEMA #141-UWJ9I-00	1,117,311	-
<u>Non Federal Grants</u>		
Agricultural Water Conservation Fund Demonstration Grant - TWDB Project #1813582260	13,000	13,000
Montana Vista Collector - TWDB Project #10438 G1000915	1,164,692	7,414,532
Kay Bailey Hutchison Desalination Facility - DEAAG #2020-01-05	1,875,265	-
Aquifer Storage and Recharge - DEAAG #2020-02-09	139,535	-
Totals	\$ 4,632,081	\$ 9,794,614

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8. ACCOUNTS RECEIVABLE LAND TRANSFERS - CITY OF EL PASO

During the fiscal year ending February 28, 2022, EPWater transferred 2,313 acres of land to the City of El Paso's land inventory for economic development. The City of El Paso agreed to pay EPWater \$18,600,000 over 30 years with payments beginning August 31, 2022 at an interest rate of 1.758%.

During the fiscal year ending February 28, 2017, EPWater transferred land totaling 42.7209 acres to the City of El Paso's land inventory. The City of El Paso agreed to pay EPWater \$4,275,542 when the City of El Paso completes the sale of a parcel of land for economic development. In addition, the City agreed to pay EPWater \$4,949,500 for a parcel of land in 15 equal payments commencing September 30, 2020. As of February 28, 2022, the City had not yet sold the parcel of land that the \$4,275,542 payment is contingent upon and thus it is reported as long term.

The following is a list of the payments due from the City.

<u>Year ended February</u>	<u>Amount</u>
2023	\$ 806,089
2024	814,459
2025	822,976
2026	831,643
2027	840,463
2028 - 2032	4,340,128
2033 - 2037	3,925,134
2038 - 2042	3,202,473
2043 - 2047	3,494,043
2048 - 2052	<u>3,812,159</u>
Total	22,889,567
Due upon sale of land	<u>4,275,542</u>
Total Receivable	<u>\$ 27,165,109</u>
Less current portion	<u>(806,089)</u>
Noncurrent receivable	<u>\$ 26,359,020</u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

9. CAPITAL ASSETS

Components of the capital assets for the Water and Wastewater Utility are summarized as follows:

	Beginning Balance 03/01/2021	Additions	Transfers	Deletions	Ending Balance 02/28/2022
Utility plant, not being depreciated:					
Land and right-of-way	\$ 16,583,136	\$ 161,834	\$ 3,020,765	\$ -	\$ 19,765,735
Land	289,014,126	-	3,146,646	440,108	291,720,664
Construction work in progress	291,179,879	187,248,576	(136,839,311)	-	341,589,144
Total utility plant, not being depreciated:	596,777,141	187,410,410	(130,671,900)	440,108	653,075,543
Utility plant and irrigation water rights being depreciated:					
Irrigation water rights contracts	13,682,078	774,294	-	-	14,456,372
Buildings and shops	42,779,195	104,411	909,154	-	43,792,760
Vehicles	33,700,270	74,326	2,284,586	1,034,123	35,025,059
Equipment and tools	54,261,739	119,406	369,138	73,008	54,677,275
Water system	1,367,163,486	6,671,968	86,966,784	2,237,542	1,458,564,696
Wastewater system	909,405,484	1,575,767	40,142,238	2,971	951,120,518
Total utility plant, being depreciated:	2,420,992,252	9,320,172	130,671,900	3,347,644	2,557,636,680
Less accumulated depreciation for:					
Irrigation water rights contracts	(2,070,076)	(187,590)	-	-	(2,257,666)
Buildings and shops	(17,552,820)	(1,657,967)	-	-	(19,210,787)
Vehicles	(24,044,758)	(3,679,842)	-	(1,034,123)	(26,690,477)
Equipment and tools	(47,639,113)	(1,267,889)	-	(73,008)	(48,833,994)
Water system	(625,859,278)	(38,059,191)	-	(2,237,542)	(661,680,927)
Wastewater system	(506,115,945)	(23,313,716)	-	(2,971)	(529,426,690)
Total accumulated depreciation	(1,223,281,990)	(68,166,195)	-	(3,347,644)	(1,288,100,541)
Total utility plant and irrigation water rights being depreciated, net	1,197,710,262	(58,846,023)	130,671,900	-	1,269,536,139
Utility plant	\$1,794,487,403	\$ 128,564,387	\$ -	\$ 440,108	\$1,922,611,682

Total depreciation charged to operations for the year ended February 28, 2022 was \$68,166,195.

Land is essentially unimproved land that EPWater has purchased for its surface and ground water rights. EPWater owns a total of 167,341.72 acres of land, which includes 20,600.76 acres in El Paso County, 74,867.39 acres in Hudspeth, Presidio, Jeff Davis, and Culberson County, 71,005.12 acres in Dell City, and 868.45 acres in New Mexico.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

9. CAPITAL ASSETS (Continued)

Components of the capital assets for the Water and Wastewater Utility are summarized as follows:

	Beginning Balance 03/01/2020	Additions	Transfers	Deletions	Ending Balance 02/28/2021
Utility plant, not being depreciated:					
Land and right-of-way	\$ 11,529,883	\$ 682	\$ 5,052,571	\$ -	\$ 16,583,136
Land	286,350,637	-	3,084,440	420,951	289,014,126
Construction work in progress	217,949,816	139,683,205	(66,453,142)	-	291,179,879
Total utility plant, not being depreciated:	515,830,336	139,683,887	(58,316,131)	420,951	596,777,141
Utility plant and irrigation water rights being depreciated:					
Irrigation water rights contracts	12,582,706	1,099,372	-	-	13,682,078
Buildings and shops	40,324,538	-	2,454,657	-	42,779,195
Vehicles	30,208,097	1,327	3,854,781	363,935	33,700,270
Equipment and tools	53,540,773	582,366	250,564	111,964	54,261,739
Water system	1,320,299,862	6,990,987	41,082,937	1,210,300	1,367,163,486
Wastewater system	893,929,124	4,808,049	10,673,192	4,881	909,405,484
Total utility plant, being depreciated:	2,350,885,100	13,482,101	58,316,131	1,691,080	2,420,992,252
Less accumulated depreciation for:					
Irrigation water rights contracts	(1,894,977)	(175,099)	-	-	(2,070,076)
Buildings and shops	(15,962,931)	(1,589,889)	-	-	(17,552,820)
Vehicles	(20,794,957)	(3,613,736)	-	(363,935)	(24,044,758)
Equipment and tools	(45,260,587)	(2,490,490)	-	(111,964)	(47,639,113)
Water system	(588,902,225)	(38,167,353)	-	(1,210,300)	(625,859,278)
Wastewater system	(481,945,834)	(24,174,992)	-	(4,881)	(506,115,945)
Total accumulated depreciation	(1,154,761,511)	(70,211,559)	-	(1,691,080)	(1,223,281,990)
Total utility plant and irrigation water rights being depreciated, net	1,196,123,589	(56,729,458)	58,316,131	-	1,197,710,262
Utility plant	\$1,711,953,925	\$ 82,954,429	\$ -	\$ 420,951	\$1,794,487,403

Total depreciation charged to operations for the year ended February 28, 2021 was \$70,211,559.

As of February 28, 2021, EPWater owns a total of 170,159.86 acres of land which includes 24,276.39 acres in El Paso County, 74,678.68 acres in Hudspeth, Presidio, Jeff Davis, and Culberson County, 70,336.34 acres in Dell City, and 868.45 acres in New Mexico.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

9. CAPITAL ASSETS (Continued)

Components of the capital assets for the Municipal Drainage Utility are summarized as follows:

	Beginning Balance 03/01/2021	Additions	Transfers	Deletions	Ending Balance 02/28/2022
Drainage Work in Progress, not being depreciated					
Land and right-of-way	\$ 42,954,649	\$ 10,544,800	\$ 3,500,000	\$ -	\$ 56,999,449
Construction work in progress	33,275,250	28,552,381	(13,882,244)	-	47,945,387
Total drainage Work in Progress, not being depreciated:	76,229,899	39,097,181	(10,382,244)	-	104,944,836
Drainage System, being depreciated:					
Drainage implementation costs	544,106	-	-	-	544,106
Buildings and shops	101,432	-	664,223	-	765,655
Vehicles	6,513,056	-	65,176	311,855	6,266,377
Equipment and tools	1,198,969	12,206	-	-	1,211,175
Drainage system	160,251,580	1,929	9,652,845	-	169,906,354
Total Drainage system, being depreciated:	168,609,143	14,135	10,382,244	311,855	178,693,667
Less accumulated depreciation for:					
Drainage implementation costs	(544,106)	-	-	-	(544,106)
Buildings and shops	(44,288)	(17,342)	-	-	(61,630)
Vehicles	(5,879,338)	(276,338)	-	(311,855)	(5,843,821)
Equipment and tools	(1,099,412)	(42,205)	-	-	(1,141,617)
Drainage system	(19,830,950)	(3,367,801)	-	-	(23,198,751)
Total accumulated depreciation	(27,398,094)	(3,703,686)	-	(311,855)	(30,789,925)
Total Drainage System, being depreciated, net	141,211,049	(3,689,551)	10,382,244	-	147,903,742
Drainage System	\$217,440,948	\$ 35,407,630	\$ -	\$ -	\$252,848,578

Total depreciation charged to operations for the year ended February 28, 2022 was \$3,703,686.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

9. CAPITAL ASSETS (Continued)

Components of the capital assets for the Municipal Drainage Utility are summarized as follows:

	Beginning Balance 03/01/2020	Additions	Transfers	Deletions	Ending Balance 02/28/2021
Drainage Work in Progress, not being depreciated					
Land and right-of-way	\$ 42,937,354	\$ -	\$ 17,295	\$ -	\$ 42,954,649
Construction work in progress	28,845,261	12,440,049	(8,010,060)	-	33,275,250
Total drainage Work in Progress, not being depreciated:	71,782,615	12,440,049	(7,992,765)	-	76,229,899
Drainage System, being depreciated:					
Drainage implementation costs	544,106	-	-	-	544,106
Buildings and shops	101,432	-	-	-	101,432
Vehicles	6,382,701	-	155,355	25,000	6,513,056
Equipment and tools	1,122,784	76,185	-	-	1,198,969
Drainage system	152,414,170	-	7,837,410	-	160,251,580
Total Drainage system, being depreciated:	160,565,193	76,185	7,992,765	25,000	168,609,143
Less accumulated depreciation for:					
Drainage implementation costs	(544,106)	-	-	-	(544,106)
Buildings and shops	(40,231)	(4,057)	-	-	(44,288)
Vehicles	(5,608,102)	(296,236)	-	(25,000)	(5,879,338)
Equipment and tools	(1,061,626)	(37,786)	-	-	(1,099,412)
Drainage system	(16,652,415)	(3,178,535)	-	-	(19,830,950)
Total accumulated depreciation	(23,906,480)	(3,516,614)	-	(25,000)	(27,398,094)
Total Drainage System, being depreciated, net	136,658,713	(3,440,429)	7,992,765	-	141,211,049
Drainage System	\$ 208,441,328	\$ 8,999,620	\$ -	\$ -	\$ 217,440,948

Total depreciation charged to operations for the year ended February 28, 2021 was \$3,516,614.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

9. CAPITAL ASSETS (Continued)

Water and Wastewater Utility construction work in progress at February 28, 2022 and 2021, composed of the following:

	February 28, 2022	
	Estimated Cost	Cost Incurred To Date
<u>Water Projects</u>		
Customer Information System Replacement	\$ 28,601,691	\$ 25,316,194
Field Operations Yard - Construction	24,184,248	23,281,403
Aquifer Storage and Recovery - Phase I	12,856,830	-
Riverside International Industrial Center - Phase I	11,364,000	920,852
Drought Wells Equipping - Construction	9,741,000	3,724,048
Pumping System Installation, Improvements and Rehabilitation	9,239,934	7,296,846
Advanced Water Treatment Plant - Engineering	9,134,546	8,915,809
Source Water Augmentation Parallel Pipeline - Construction	7,634,700	4,549,832
Sunset Reservoir Rehabilitation - Construction	7,140,000	6,171,406
Vista Del Este and Ranchos Real Tanks	6,814,517	6,279,914
NE Franklin 24" Water Main - Phase II	6,120,000	-
Canal Street WTP Discharge Lines - Construction	5,882,340	5,790,872
Water Construction On-Call Service Program	5,560,274	3,692,623
North 2 Pump Station - Construction	5,441,374	3,913,846
Ranchos Real Tank - Construction	5,182,300	4,667,860
Northwest Water Distribution Mains	4,590,000	-
Jonathan Rogers WTP Raw Water Improvement - Construction	4,532,641	2,455,171
Montana East 24" Water Main Extension	4,488,000	2,572,388
Ortho-Polyphosphate Treatment - Construction	4,386,000	1,086,162
Canal Street WTP Chlorine Handling - Construction	4,354,594	4,214,526
Well Construction, Equipping, Drilling and Testing	4,182,000	3,652,608
Redd Road Reservoir Rehabilitation - Construction	4,053,480	2,375,974
Airport Well Field Electrical Improvements Corridor C	4,035,387	3,092,626
Jonathan Rogers WTP Process Automation SCADA	3,174,750	2,471,222
Water and Wastewater Vehicles and Heavy Equipment	3,036,453	-
EPWater Headquarters New Building	3,000,000	-
Jonathan Rogers WTP Transmission Pipeline Surge Protection Tanks - Construction	2,831,624	2,796,660
Vinton (Westway) 1.25 MG Construction	2,723,400	1,887,334
Canal Street WTP Raw Water Intake Screens	2,499,000	2,424,861
Leak Detection Loggers	2,361,300	1,228,463
TXDOT US 62 Montana Global Reach to Tierra Este	2,217,700	2,052,845
Supplement Oversized Water Lines	2,078,750	273,930
Vista Del Sol Water Main Extension - Construction	2,041,710	2,003,964
Northeast Dyer/Railroad 16" Water Line Extension	2,040,000	126
Pellicano Widening Water Line - Construction	1,980,093	1,941,491
Plant Equipment Maintenance Shop - Construction	1,938,000	564,202
Jonathan Rogers WTP Plant Small Upgrades and Rehabilitation	1,795,200	153,328
Canal Street WTP Flocculators Replacement - Construction	1,734,000	651,054
Electromagnetic Conditional Assessment	1,651,897	1,332,522
Montwood 16" Waterline Extension	1,632,000	-

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

9. CAPITAL ASSETS (Continued)

	February 28, 2022	
	Estimated Cost	Cost Incurred To Date
Water Rights - Land Acquisition	1,493,173	-
Field Operations Phase II Servers/Network Equipment	1,448,400	40,798
EDA Northwest Development Waterline Extension	1,434,000	-
Jonathan Rogers WTP Process Pumps Replacement	1,428,000	846,490
Iron Media Replacement	1,316,616	-
Sunset Heights - Upson Waterline Replacement	1,224,000	1,187,940
Kay Bailey Hutchison Desalination Plant Interstage Booster Pumps	1,224,000	1,115,374
Radio Frequency Safety Upgrade	1,144,825	888,490
Vista Del Este Elevated Water Storage Tank - Engineering	1,137,092	1,001,616
Alameda Avenue - Presa to Loop 375	1,077,720	773,806
Canal Street WTP Emergency Access Road Improvements	1,020,000	326,149
Sam Snead Waterline Relocation	1,009,274	515,064
Cimarron Square/Cimarron Plaza Water Line	1,007,260	971,608
Other Water Projects Under \$1,000,000	79,062,241	41,704,296
Subtotal - Water Projects	323,282,334	193,124,593
<u>Wastewater Projects</u>		
John T. Hickerson WRF Train Improvements	31,221,402	11,037,598
Frontera Force Main Replacement Phase I - Construction	20,198,012	17,641,139
Montana Vista Wastewater Collection System Phase I	13,708,730	12,765,141
Haskell R. Street WWTP Headworks Effluent Piping Improvements - Construction	11,076,522	11,074,359
Roberto R. Bustamante WWTP Grit Screen	8,071,393	3,607,600
Roberto R. Bustamante WWTP Expansion and Upgrade - Design	8,012,100	7,557,023
Sewer Construction On-Call Services Program	6,280,477	2,285,859
Canutillo Bosque Wastewater Lift Station and Force Main - Construction	5,736,233	4,632,019
Sunland Park Lift Station Rehabilitation - Construction	5,712,000	67,102
Fred Hervey WRP Blower Building - Construction	5,508,000	2,003,603
Frontera Force Main Replacement Phase II - Construction	5,100,000	5,050,000
North East Interceptor System - Construction	4,500,000	-
Grouse Lift Station Phase VI - Construction	4,465,806	3,923,710
Doniphan Collector - Construction	4,080,000	-
North East Dyer/Railroad 18" and 36" Interceptor	3,519,000	7,280
Fred Hervey WRP Digester #2 Mixer Improvements - Construction	3,014,100	2,402,220
Fred Hervey WRP Digester #1 Cover and Mixer - Construction	2,636,700	2,579,700
Wastewater Plant Upgrades	2,522,533	2,237,144
Montoya 2/Carolina/Navarette Lift Stations	2,467,328	2,280,475
John T. Hickerson WRF Ultraviolet System Upgrade - Construction	2,284,800	1,136,819
Boone Interceptor Phase II - Construction	2,193,000	2,193,000
Air Release Valves and Force Mains/Lift Stations - Westside - Construction	2,148,217	826,389
Pellicano Wastewater Improvements Loop 375 County Project - Construction	2,079,984	1,807,705

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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

9. CAPITAL ASSETS (Continued)

	February 28, 2022	
	<u>Estimated Cost</u>	<u>Cost Incurred To Date</u>
Canutillo Vacuum Wastewater Collection System Replacement - Construction	2,078,240	1,917,554
Fred Hervey WRP Carbon Feed Upgrade - Construction	1,978,800	1,120,401
John T. Hickerson WRF Train 1 Rehabilitation	1,914,759	1,113,216
Haskell R. Street and Roberto R. Bustamante WWTP Digester Pressure and Vacuum Valves	1,785,000	1,675,181
Sam Snead Wastewater Relocation	1,632,000	1,439,831
Wastewater Plant Power Upgrades	1,632,000	688,969
Roberto R. Bustamante WWTP Aeration Basin Inlet Gate Replacement Project	1,519,652	1,447,112
Pellicano Widening Sewer Line Construction	1,428,000	1,343,983
Sunset Heights Sewer Line Replacement - Construction	1,344,733	1,344,733
Frontera Force Main - Design	1,290,925	1,020,000
Boone Interceptor Phase II - Engineering	1,282,930	984,668
Haskell R. Street WWTP Belt Press	1,255,000	1,160,196
Blower Control Panels Upgrade	1,254,189	1,172,671
Haskell R. Street WWTP Plant Small Upgrades	1,195,440	768,200
Haskell R. Street WWTP Secondary Clarifier RAS Pump J-Box Gate Replacement	1,122,000	465,184
John T. Hickerson WRF Bar Screens/Grit System	1,082,399	79,344
Fred Hervey WRP Equalization Pump - Construction	1,020,000	547,291
Roberto R. Bustamante WWTP Headworks Improvements	1,020,000	354,986
Canutillo Vacuum Pits Removal	1,005,300	673,379
Other Sewer Projects Under \$1,000,000	54,472,344	32,031,767
Subtotal-Wastewater Projects	237,850,048	148,464,551
Totals	<u>\$ 561,132,382</u>	<u>\$ 341,589,144</u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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February 28, 2022 and 2021

9. CAPITAL ASSETS (Continued)

	February 28, 2021	
	Estimated Cost	Cost Incurred To Date
<u>Water Projects</u>		
Field Operations Yard - Construction	\$ 24,431,242	\$ 6,346,345
Customer Information System Replacement	24,077,200	10,794,925
Jonathan Rogers WTP Upgrade - Ozone Generator - Construction	20,835,133	19,657,684
Pumping System Installation, Improvements and Rehabilitation	8,824,386	3,497,690
Advanced Water Treatment Plant - Engineering	8,480,280	5,172,832
Source Water Augmentation Parallel Pipeline - Construction	8,211,000	25,554
Sunset Reservoir Rehabilitation - Construction	7,140,000	4,776,794
Well Construction, Equipping, Drilling and Testing	6,937,946	2,440,417
Vista Del Este and Ranchos Real Tanks	6,763,517	6,113,393
Franklin East 1A 3 MG Elevated Tank - Construction	6,755,652	6,490,714
Water Construction On-Call Service Program	6,211,745	2,570,400
Land Acquisition - Hudspeth County	5,952,501	60,852
Canal Street WTP Discharge Lines - Construction	5,882,340	5,790,872
Water and Wastewater Vehicles and Heavy Equipment	5,758,054	-
North 2 Pump Station - Construction	5,441,374	3,098,930
North 2 Elevated Storage Tank - Construction	5,293,960	5,241,592
Jonathan Rogers WTP Raw Water Improvement - Construction	5,100,587	-
Ranchos Real Tank - Construction	5,080,300	4,276,719
Memphis Elevated Storage Tank - Construction	4,960,579	4,772,062
Jackson Reservoir 2.5 MG - Construction	4,847,820	4,841,889
Montana East 24" Water Main Extension	4,488,000	69,899
Canal Street WTP Chlorine Handling - Construction	4,354,594	3,295,540
Ventanas Elevated Storage Tank - Construction	4,090,296	4,050,195
Northwest Water Distribution Mains	4,080,000	-
Canal Street WTP HMI Upgrades	3,123,750	2,856,000
Canal Water Treatment Plant Emergency Access Road Improvements	3,060,000	28,628
Jonathan Rogers WTP Transmission Pipeline Surge Protection Tanks - Construction	2,805,104	2,563,628
Vinton (Westway) 1.25 MG Construction	2,723,400	13
Canal Street WTP Raw Water Intake Screens	2,499,000	2,424,861
TXDOT US 62 Montana Global Reach to Tierra Este	2,217,700	1,837,331
Emergency Back-Up Power	2,057,721	998,579
Vista Del Sol Water Main Extension - Construction	2,041,710	1,984,129
Pellicano Widening Water Line - Construction	1,980,093	1,918,178
Yandell/Wyoming Poplar - Raynor - Construction	1,888,000	1,887,445
Northeast Dyer/Railroad 16" Water Line Extension	1,836,000	-
JDF Injection Test Wells	1,771,459	1,680,896
Franklin East 1 to Vista Del Norte 24" Waterline Extension - Construction	1,683,000	449,653
Roseway 24" Water Line Replacement - Construction	1,626,797	1,626,468
Electromagnetic Conditional Assessment	1,447,897	1,104,174

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February 28, 2022 and 2021

9. CAPITAL ASSETS (Continued)

	February 28, 2021	
	Estimated Cost	Cost Incurred To Date
EDA Northwest Development Waterline Extension	1,434,000	-
Jonathan Rogers WTP Process Pumps Replacement	1,428,000	-
Plant Equipment Maintenance Shop - Construction	1,428,000	1,907
Montwood 16" Waterline Extension	1,326,000	-
Airport and Well Field Improvement	1,288,581	1,133,275
Kay Bailey Hutchison Desalination Plant Interstage Booster Pumps	1,224,000	959,065
Leak Detection Loggers	1,178,100	981,750
Vista Del Este Elevated Water Storage Tank - Engineering	1,137,092	993,343
Supplement Oversized Water Lines	1,085,750	179,599
Alameda Avenue - Presa to Loop 375	1,077,720	823,935
Sam Snead Waterline Relocation	1,009,274	220,486
Other Water Projects Under \$1,000,000	65,823,439	38,148,119
Subtotal - Water Projects	306,200,093	168,186,760
<u>Wastewater Projects</u>		
Frontera Force Main - Construction	17,691,214	6,405,137
Montana Vista Wastewater Collection System Phase I	13,708,730	10,390,784
Roberto R. Bustamante WWTP Grit Screen	12,293,000	908,068
Roberto R. Bustamante WWTP Headworks Improvement - Design	11,283,357	8,760,622
Haskell R. Street WWTP Headworks Effluent Piping Improvements - Construction	10,696,850	10,657,222
John T. Hickerson WRP Train Improvements	10,100,000	1,649,839
Roberto R. Bustamante Expansion and Upgrade - Design	8,012,100	1,538,815
Sanitary Sewer Construction On-Call Services Program	7,483,297	4,016,515
Fred Hervey WRP Blower Building - Construction	5,814,000	25,138
Canutillo Bosque Wastewater Lift Station/Force Main - Construction	5,736,233	4,394,887
Diversion - Haskell R. Street WWTP to Fred Hervey WRP - Construction	4,916,400	4,513,583
Grouse Lift Station Phase VI - Construction	4,465,806	3,919,914
Wastewater Plant Upgrades	4,036,433	3,260,733
Lift Station Reconstruction - Inglewood - Roseway - LeBarron Construction	3,088,560	3,013,169
Fred Hervey WRP Digester #2 Mixer Improvements - Construction	3,014,100	2,402,220
Doniphan Collector Construction	3,009,000	-
Roberto R. Bustamante WWTP Headworks Switchgear Replacement - Construction	2,711,822	2,539,587
Fred Hervey WRP Digester #1 Cover and Mixer - Construction	2,585,700	2,431,245
Montoya 2/Carolina/Navarette Lift Stations	2,400,958	2,263,064
Canutillo Vacuum Wastewater Collection System Replacement - Construction	2,291,736	1,915,288
Boone Interceptor Phase II - Construction	2,193,000	2,193,000

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

9. CAPITAL ASSETS (Continued)

	February 28, 2021	
	Estimated Cost	Cost Incurred To Date
Air Release Valves and Force Mains/Lift Stations-Westside - Construction	2,148,217	86,015
Pellicano Wastewater Improvements Loop 375 County Project - Construction	2,079,984	1,807,705
Roberto R. Bustamante WWTP Digester 2 Rehabilitation	2,065,500	38,316
Fred Hervey WRP Carbon Feed Upgrade - Construction	1,978,800	520
Wastewater Plant Power Upgrades	1,938,082	480,434
Haskell R. Street and Roberto R. Bustamante WWTP Digester Pressure and Vacuum Valves	1,785,000	-
Sunset Heights Sewer Line Replacement - Construction	1,545,300	946,475
Sam Snead Wastewater Relocation	1,530,000	1,324,818
Roberto R. Bustamante WWTP Aeration Basin Inlet Gate Replacement	1,519,652	1,168,552
Pellicano Widening Sewer Line Construction	1,428,000	1,320,858
Haskell R. Street WWTP Belt Press	1,255,000	1,160,196
Blower Control Panels Upgrade	1,254,189	905,957
Fred Hervey WRP Blowers 1 and 3 - Construction	1,224,000	690,907
Fred Hervey WRP Equalization Basin - Construction	1,152,600	1,111,809
Haskell R. Street WWTP Secondary Clarifier RAS Pump J-Box Gate Replacement	1,122,000	520
Roberto R. Bustamante WWTP Belt Filter Press - Construction	1,025,718	1,021,786
Fred Hervey WRP Equalization Pump - Construction	1,020,000	-
Wastewater Field Office Reconstruction	1,020,000	-
Other Sewer Projects Under \$1,000,000	59,299,480	33,729,421
Subtotal-Wastewater Projects	223,923,818	122,993,119
Totals	\$ 530,123,911	\$ 291,179,879

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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

9. CAPITAL ASSETS (Continued)

Municipal Drainage Utility construction work in progress as of February 28, 2022 and 2021 composed of the following:

	February 28, 2022	
	Estimated Cost	Cost Incurred To Date
<u>Drainage Projects</u>		
Sam Snead Storm Drainage System Phase I	\$ 10,418,012	\$ 9,905,319
Will Ruth Pond	7,294,020	6,172,000
Clardy Fox Street and Drainage Improvements - Construction	5,670,080	5,667,319
Stormwater Land Acquisition	5,300,000	3,838,110
Doniphan and Frontera - Construction	4,146,661	3,958,415
Copia Pond - Construction	2,539,550	2,539,240
Silver Springs Arroyo Dam - Construction	1,581,000	1,538,717
Monsoonal Emerging Projects	1,550,400	1,027,924
Socorro Athletic Complex 2 - Land Acquisition	1,500,000	-
Northgate Diversion Channel - Design	1,377,000	-
Flow Path 20 Improvements - Construction	1,207,191	1,058,887
San Lorenzo Avenue Construction	1,122,000	796,702
Morehead Dam Desilting and Improvements	1,022,040	210,326
Other Drainage Projects Under \$1,000,000	20,441,388	11,232,428
Total Drainage Projects	\$ 65,169,342	\$ 47,945,387

	February 28, 2021	
	Estimated Cost	Cost Incurred To Date
<u>Drainage Projects</u>		
Sam Snead Storm Drainage System Phase I	\$ 6,660,012	\$ 4,110,376
Thomas Manor Park Pond and Pump Station Improvements - Construction	5,683,218	5,519,089
Clardy Fox Street and Drainage Improvements - Construction	4,590,000	4,075,998
Various Open Space Projects	4,336,322	-
Doniphan and Frontera - Construction	4,030,429	2,748,157
Copia Pond - Construction	2,539,550	2,510,347
Silver Springs Arroyo Dam - Construction	1,581,000	1,538,312
Thomas Manor Pump Station and Force Main Improvements - Engineering	1,458,761	1,380,700
Will Ruth Pond - Engineering	1,291,320	934,172
San Lorenzo Avenue Construction	1,122,000	281,051
Other Drainage Projects Under \$1,000,000	18,969,037	10,177,048
Total Drainage Projects	\$ 52,261,649	\$ 33,275,250

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10. LONG-TERM LIABILITIES

Long-term liabilities activity for the Water and Wastewater Utility for the years ended February 28, 2022 and 2021 was as follows:

	Beginning Balance 03/01/2021	Additions	Reductions	Ending Balance 02/28/2022	Due Within One Year	Long-term Portion
Water and Wastewater Utility:						
Revenue Bonds Payable:						
Revenue Bonds	\$ 538,300,000	\$ 111,800,000	\$ 103,830,000	\$ 546,270,000	\$ 38,075,000	\$ 508,195,000
Unamortized premiums net of discounts	65,572,764	4,886,153	14,762,714	55,696,203	4,148,980	51,547,223
Direct Placements:						
Revenue bonds	183,760,000	-	5,385,000	178,375,000	8,415,000	169,960,000
Commercial Paper payable	40,000,000	80,000,000	40,000,000	80,000,000	-	80,000,000
Total Revenue bonds payable and Direct placements	827,632,764	196,686,153	163,977,714	860,341,203	50,638,980	809,702,223
Other governments payable	1,723,915	-	176,565	1,547,350	184,676	1,362,674
Net Pension Liability	40,516,207	4,555,934	31,904,224	13,167,917	-	13,167,917
Total OPEB Liability	16,739,127	1,606,609	1,406,388	16,939,348	-	16,939,348
Self-insurance claims	1,140,112	3,469,976	3,524,238	1,085,850	537,929	547,921
Accrued vacation	3,447,994	1,793,092	1,853,603	3,387,483	1,840,461	1,547,022
Total Long-term liabilities						
Water and Wastewater Utility	\$ 891,200,119	\$ 208,111,764	\$ 202,842,732	\$ 896,469,151	\$ 53,202,046	\$ 843,267,105
	Beginning Balance 03/01/2020	Additions	Reductions	Ending Balance 02/28/2021	Due Within One Year	Long-term Portion
Water and Wastewater Utility:						
Revenue Bonds Payable:						
Revenue Bonds	\$ 538,195,000	\$ 96,870,000	\$ 96,765,000	\$ 538,300,000	\$ 37,090,000	\$ 501,210,000
Unamortized premiums net of discounts	72,780,301	6,500,012	13,707,549	65,572,764	6,148,884	59,423,880
Direct Placements:						
Revenue bonds	189,120,000	-	5,360,000	183,760,000	5,385,000	178,375,000
Commercial Paper payable	15,000,000	65,000,000	40,000,000	40,000,000	-	40,000,000
Total Revenue bonds payable and Direct placements	815,095,301	168,370,012	155,832,549	827,632,764	48,623,884	779,008,880
Other governments payable	1,892,725	-	168,810	1,723,915	176,565	1,547,350
Net Pension Liability	47,544,990	5,191,409	12,220,192	40,516,207	-	40,516,207
Total OPEB Liability	23,547,545	2,228,947	9,037,365	16,739,127	-	16,739,127
Self-insurance claims	1,037,027	3,212,911	3,109,826	1,140,112	315,958	824,154
Accrued vacation	3,184,171	1,895,518	1,631,695	3,447,994	1,894,848	1,553,146
Total Long-term liabilities						
Water and Wastewater Utility	\$ 892,301,759	\$ 180,898,797	\$ 182,000,437	\$ 891,200,119	\$ 51,011,255	\$ 840,188,864

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February 28, 2022 and 2021

10. LONG-TERM LIABILITIES (Continued)

Long-term liabilities activity for the Municipal Drainage Utility for the years ended February 28, 2022 and 2021 was as follows:

	Beginning Balance 03/01/2021	Additions	Reductions	Ending Balance 02/28/2022	Due Within One Year	Long-term Portion
Municipal Drainage Utility:						
Revenue Bonds Payable:						
Revenue Bonds	\$ 89,520,000	\$ 13,330,000	\$ 13,650,000	\$ 89,200,000	\$ 5,845,000	\$ 83,355,000
Unamortized premiums net of discounts	12,106,591	1,862,640	1,306,631	12,662,600	805,572	11,857,028
Direct Placements:						
Revenue bonds	1,181,000	8,945,000	108,000	10,018,000	228,000	9,790,000
Revolving notes	15,000,000	15,000,000	15,000,000	15,000,000	-	15,000,000
Total Revenue bonds payable and Direct placements	117,807,591	39,137,640	30,064,631	126,880,600	6,878,572	120,002,028
Accrued vacation	146,956	86,946	80,399	153,503	85,998	67,505
Due to Water and Wastewater Utility Land Transfer	4,300,000	14,044,800	3,500,000	14,844,800	2,000,000	12,844,800
Net Pension Liability	2,138,235	214,871	1,711,516	641,590	-	641,590
Total OPEB Liability	1,025,682	86,198	156,910	954,970	-	954,970
Total Long-term liabilities Municipal Drainage Utility	<u>\$ 125,418,464</u>	<u>\$ 53,570,455</u>	<u>\$ 35,513,456</u>	<u>\$ 143,475,463</u>	<u>\$ 8,964,570</u>	<u>\$ 134,510,893</u>
	Beginning Balance 03/01/2020	Additions	Reductions	Ending Balance 02/28/2021	Due Within One Year	Long-term Portion
Municipal Drainage Utility:						
Revenue Bonds Payable:						
Revenue Bonds	\$ 94,345,000	\$ -	\$ 4,825,000	\$ 89,520,000	\$ 5,100,000	\$ 84,420,000
Unamortized premiums net of discounts	12,864,901	-	758,310	12,106,591	758,309	11,348,282
Direct Placements:						
Revenue bonds	1,290,000	-	109,000	1,181,000	108,000	1,073,000
Revolving notes	10,000,000	15,000,000	10,000,000	15,000,000	-	15,000,000
Total Revenue bonds payable and Direct placements	118,499,901	15,000,000	15,692,310	117,807,591	5,966,309	111,841,282
Accrued vacation	143,485	93,468	89,997	146,956	89,414	57,542
Due to Water and Wastewater Utility Land Transfer	6,300,000	-	2,000,000	4,300,000	-	4,300,000
Net Pension Liability	2,529,593	273,335	664,693	2,138,235	-	2,138,235
Total OPEB Liability	1,502,420	133,139	609,877	1,025,682	-	1,025,682
Total Long-term liabilities Municipal Drainage Utility	<u>\$ 128,975,399</u>	<u>\$ 15,499,942</u>	<u>\$ 19,056,877</u>	<u>\$ 125,418,464</u>	<u>\$ 6,055,723</u>	<u>\$ 119,362,741</u>

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February 28, 2022 and 2021

11. REVENUE BONDS

Water and Wastewater Utility

Water and Sewer Revenue Bonds payable and Texas Water Development Board (TWDB) direct placement revenue bonds for the Water and Wastewater Utility Fund, in the amount of \$724,645,000 and \$722,060,000, as of February 28, 2022 and 2021, respectively, are equally and ratably secured by and payable from an irrevocable first lien on and pledge of the net revenue of the Water and Wastewater Utility Fund which is presented in Note 15. The pledge of net revenue is in effect until the bonds are extinguished in 2041. The general purpose of the debt is to improve the water and wastewater services EPWater provides to area residents. The Revenue Bonds payable and TWDB direct placement revenue bonds as of February 28, 2022 and 2021 include the following individual issues:

	Amounts Outstanding 2/28/21	Issued	Retired/ Refunded	Amounts Outstanding 2/28/22	Due Within One Year
*\$1,000,000 2003A Series due in annual installments of \$50,000 with interest at 0.00%. Final payment due 2024.	\$ 200,000	\$ -	\$ 50,000	\$ 150,000	\$ 50,000
\$52,780,000 2012 Series with final installment of \$4,235,000 and interest of 5.00% due in fiscal year 2023. Refunded \$26,300,000 with the 2020A Bonds in fiscal year 2021.	8,475,000	-	4,240,000	4,235,000	4,235,000
\$75,715,000 2012A Series with final installment of \$5,990,000 and interest of 5.00% due in fiscal year 2023. Refunded \$32,265,000 with the 2020A Bonds in fiscal year 2021.	11,740,000	-	5,750,000	5,990,000	5,990,000
\$64,900,000 2014 Series due in annual installments of \$3,625,000 to \$4,945,000 with interest due at 5.00%. Final payment due 2025. Refunded \$34,705,000 with the 2021A Bonds.	54,800,000	-	38,415,000	16,385,000	4,945,000
\$131,650,000 2015 Series due in annual installments of \$1,405,000 to \$9,680,000 with interest due at 3.25% to 5.00%. Final payment due 2035. Refunded \$32,035,000 with the 2021A Bonds.	83,950,000	-	41,045,000	42,905,000	8,350,000
\$18,600,000 2015A Series due in annual installments of \$760,000 to \$1,330,000 with interest due at 3.00% to 5.00%. Final payment due 2035.	15,055,000	-	725,000	14,330,000	760,000

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NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

11. REVENUE BONDS (Continued)

	Amounts Outstanding 2/28/21	Issued	Retired/ Refunded	Amounts Outstanding 2/28/22	Due Within One Year
*\$50,000,000 2015B Series due in annual installments of \$2,305,000 to \$2,995,000 with interest due at 1.16% to 2.41%. Final payment due 2035.	38,705,000	-	2,275,000	36,430,000	2,305,000
\$48,565,000 2015C Series due in annual installments of \$2,205,000 to \$3,200,000 with interest due at 3.97% to 5.00%. Final payment due 2035.	39,885,000	-	2,105,000	37,780,000	2,205,000
\$68,670,000 2016 Series due in annual installments of \$2,345,000 to \$5,085,000 with interest due at 4.00% to 5.00%. Final payment due 2037.	60,500,000	-	3,595,000	56,905,000	3,700,000
*\$100,000,000 2016A Series due in annual installments of \$5,000,000 to \$7,000,000 with interest due at 0.83% to 2.12%. Final payment due 2036.	95,000,000	-	2,000,000	93,000,000	5,000,000
\$83,880,000 2017 Series due in annual installments of \$1,735,000 to \$5,505,000 with interest due at 4.00% to 5.00%. Final payment due 2038.	76,385,000	-	775,000	75,610,000	1,735,000
*\$50,000,000 2017A Series due in annual installments of \$1,000,000 to \$4,000,000 with interest due at 0.90% to 2.29%. Final payment due 2037.	48,500,000	-	1,000,000	47,500,000	1,000,000
\$26,670,000 2018 Series due in annual installments of \$1,015,000 to \$2,790,000 with interest due at 5.00%. Final payment due 2039.	26,670,000	-	-	26,670,000	-
*\$1,415,000 2019 Series due in annual installments of \$60,000 to \$90,000 with interest due at 1.82% to 3.60%. Final payment due 2039.	1,355,000	-	60,000	1,295,000	60,000
\$33,400,000 2019A Series due in annual installments of \$1,850,000 to \$3,500,000 with interest due at 3.00% to 5.00%. Final payment due 2039.	33,400,000	-	-	33,400,000	-
\$30,570,000 2019B Series due in annual installments of \$385,000 to \$4,160,000 with interest due at 5.00%. Final payment due 2031.	30,570,000	-	6,930,000	23,640,000	3,750,000

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11. REVENUE BONDS (Continued)

	Amounts Outstanding 2/28/21	Issued	Retired/ Refunded	Amounts Outstanding 2/28/22	Due Within One Year
\$33,880,000 2020 Series due in annual installments of \$2,020,000 to \$3,270,000 with interest due at 3.00% to 5.00%. Final payment due 2040.	33,880,000	-	-	33,880,000	-
\$62,990,000 2020A Series due in annual installments of \$1,110,000 to \$11,395,000 with interest due at 0.41% to 1.89%. Final payment due 2033.	62,990,000	-	250,000	62,740,000	1,110,000
\$35,490,000 2021 Series due in annual installments of \$1,900,000 to \$3,075,000 with interest due at 2.00% to 5.00%. Final payment due 2041.	-	35,490,000	-	35,490,000	-
\$76,310,000 2021A Series due in annual installments of \$1,215,000 to \$15,640,000 with interest due at 0.26% to 2.27%. Final payment due 2034.	-	76,310,000	-	76,310,000	1,295,000
Total bonds outstanding	722,060,000	<u>\$111,800,000</u>	<u>\$ 109,215,000</u>	724,645,000	<u>\$ 46,490,000</u>
Less current maturities	<u>42,475,000</u>			<u>46,490,000</u>	
Total long term portion	<u>\$ 679,585,000</u>			<u>\$ 678,155,000</u>	

**Direct placement revenue bonds*

Interest costs incurred on revenue bonds totaled \$31,905,838 in 2022 and \$34,004,804 in 2021.

Water and Wastewater Utility Fund Annual Debt Service Requirements

Year Ending February	Revenue Bonds		Direct Placements	
	Principal	Interest	Principal	Interest
2023	\$ 38,075,000	\$ 19,224,281	\$ 8,415,000	\$ 3,045,919
2024	38,180,000	17,685,685	9,945,000	2,955,397
2025	38,590,000	16,337,229	10,980,000	2,842,942
2026	39,085,000	14,861,747	10,970,000	2,716,006
2027	40,535,000	13,502,573	11,215,000	2,577,627
2028 - 2032	190,460,000	47,306,738	58,245,000	10,202,500
2033 - 2037	112,275,000	18,524,210	64,340,000	3,942,918
2038 - 2042	49,070,000	2,635,294	4,265,000	60,137
	<u>\$ 546,270,000</u>	<u>\$ 150,077,757</u>	<u>\$ 178,375,000</u>	<u>\$ 28,343,446</u>

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11. REVENUE BONDS (Continued)

On September 1, 2020, EPWater issued \$62,990,000 in Water and Sewer Revenue Refunding Bonds, Taxable Series 2020A with an average interest rate of 1.21% to refund the following outstanding bonds:

Series	Amount	Average Coupon
2012	\$ 26,300,000	4.63%
2012A	32,265,000	4.20%

The liabilities associated with these bonds were removed from the related payables. As of February 28, 2022 and 2021, \$58,565,000 and \$58,565,000 of the bonds remained outstanding with an estimated escrow balance of \$59,851,017 and \$62,442,411, respectively.

The refunding of the 2012 and 2012A bonds reduced debt service by \$6,160,173 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$5,876,416.

On September 1, 2020, EPWater issued \$33,880,000 in Water and Sewer Revenue Refunding Bonds, Series 2020 with an average interest rate of 3.52% to refund \$40 million of Water and Sewer Commercial Paper Notes with an average interest rate of 0.22%.

On April 1, 2021, EPWater issued \$35,490,000 in Water and Sewer Revenue Refunding Bonds, Series 2021 with an average interest rate of 3.18% to refund \$40 million of Water and Sewer Commercial Paper Notes with an average interest rate of 0.09%.

On April 1, 2021, EPWater issued \$76,310,000 in Water and Sewer Revenue Refunding Bonds, Taxable Series 2021A with an average interest rate of 1.70% to refund the following outstanding bonds:

Series	Amount	Average Coupon
2014	\$ 34,705,000	4.76%
2015	32,035,000	4.63%

The liabilities associated with these bonds were removed from the related payables. As of February 28, 2022, \$66,740,000 of the bonds remained outstanding with an estimated escrow balance of \$74,148,792.

The refunding of the 2014 and 2015 bonds reduced debt service by \$5,110,663 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$4,834,217.

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February 28, 2022 and 2021

11. REVENUE BONDS (Continued)

Municipal Drainage Utility

Municipal Drainage Revenue Bonds payable and direct placement revenue bonds for the Municipal Drainage Utility Fund in the amount of \$99,218,000 and \$90,701,000 as of February 28, 2022 and 2021 are equally and ratably secured by and payable from an irrevocable first lien on and pledge of the net revenue of the Municipal Drainage Utility Fund which is presented in Note 15. The pledge of net revenue is in effect until the bonds are extinguished in 2041. The general purpose of the debt is to improve the drainage services EPWater provides to area residents. The Revenue Bonds payable and direct placement revenue bonds as of February 28, 2022 and 2021 include the following individual issues:

	Amounts Outstanding 2/28/21	Issued	Retired/ Refunded	Amounts Outstanding 2/28/22	Due Within One Year
*\$2,163,000 2009A Series due in annual installments of \$107,000 to \$108,000 with interest at 0.00%. Final payment due 2031.	\$ 1,181,000	\$ -	\$ 108,000	\$ 1,073,000	\$ 108,000
\$14,075,000 2012 Series with final installment of \$680,000 and interest of 5.00% due in fiscal year 2023. Refunded \$8,550,000 with the 2021 Bonds.	9,880,000	-	9,200,000	680,000	680,000
\$22,240,000 2015 Series due in annual installments of \$880,000 to \$1,665,000 with interest due at 5.00%. Final payment due 2035.	18,145,000	-	855,000	17,290,000	880,000
\$19,790,000 2016 Series due in annual installments of \$780,000 to \$1,565,000 with interest due at 5.00%. Final payment due 2036.	17,700,000	-	745,000	16,955,000	780,000
\$48,940,000 2017 Series due in annual installments of \$820,000 to \$4,815,000 with interest due at 4.00% to 5.00%. Final payment due 2039.	43,795,000	-	2,850,000	40,945,000	3,040,000
*\$8,945,000 2021 Series due in annual installments of \$120,000 to \$1,000,000 with interest due at 1.60%. Final payment due 2032.	-	8,945,000	-	8,945,000	120,000
\$13,330,000 2021A Series due in annual installments of \$440,000 to \$905,000 with interest due at 2.00% to 5.00%. Final payment due 2041.	-	13,330,000	-	13,330,000	465,000
Total bonds outstanding	90,701,000	<u>\$ 22,275,000</u>	<u>\$ 13,758,000</u>	99,218,000	<u>\$ 6,073,000</u>
Less current maturities	<u>5,208,000</u>			<u>6,073,000</u>	
Total long term portion	<u>\$ 85,493,000</u>			<u>\$ 93,145,000</u>	

*Direct placement revenue bonds

Interest costs incurred on revenue bonds totaled \$4,736,641 in 2022 and \$4,223,206 in 2021.

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February 28, 2022 and 2021

11. REVENUE BONDS (Continued)

Municipal Drainage Utility Fund Annual Debt Service Requirements

Year Ending February	Revenue Bonds		Direct Placements	
	Principal	Interest	Principal	Interest
2023	\$ 5,845,000	\$ 4,043,806	\$ 228,000	\$ 142,160
2024	5,435,000	3,761,806	878,000	135,040
2025	5,775,000	3,481,556	818,000	123,200
2026	6,120,000	3,184,181	772,000	112,200
2027	6,490,000	2,868,931	1,017,000	99,600
2028 - 2032	29,930,000	9,466,955	5,305,000	273,280
2033 - 2037	21,830,000	3,710,405	1,000,000	8,000
2038 - 2042	7,775,000	458,815	-	-
	<u>\$ 89,200,000</u>	<u>\$ 30,976,455</u>	<u>\$ 10,018,000</u>	<u>\$ 893,480</u>

On March 15, 2021, EPWater issued \$8,945,000 in Municipal Drainage Revenue Refunding Bonds, Taxable Series 2021, through a private placement with Alliance Bank with an average interest rate of 1.60% to refund the following outstanding bonds:

Series	Amount	Average Coupon
2012	\$ 8,550,000	3.54%

The liabilities associated with these bonds were removed from the related payables. As of February 28, 2022, \$8,550,000 of the bonds remained outstanding with an estimated escrow balance of \$8,702,482.

The refunding of the 2012 bonds reduced debt service by \$709,549 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$672,342.

On April 1, 2021, EPWater issued \$13,330,000 in Municipal Drainage Revenue Refunding Bonds, Series 2021A with an average interest rate of 3.29% to refund \$15 million of Municipal Drainage Revolving Notes with an average interest rate of 1.04%.

Arbitrage - The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. Arbitrage is evaluated and estimated on an annual basis by a third party arbitrage rebate service company. The company has estimated no liability for EPWater as of February 28, 2022 and 2021.

EPWater is required to comply with various requirements in the ordinances authorizing the bond issuances. EPWater management has indicated they are in compliance with all significant requirements.

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12. COMMERCIAL PAPER

In October 1997, EPWater, through the City of El Paso, approved a Commercial Paper Program for the Water and Wastewater Utility in the amount of \$50 million and in August 2021, the City of El Paso Council approved an increase to the program up to \$80 million. The purpose of the Commercial Paper Program is to provide funds for the interim financing of a portion of the costs of capital improvements to the system.

The borrowings under the Commercial Paper Program are equally and ratably secured by and are payable from (i) the proceeds from the sale of bonds or additional borrowing under the Commercial Paper Program and (ii) borrowing under and pursuant to the revolving credit agreement.

On August 1, 2015, EPWater, through the City of El Paso and Bank of America, N.A., entered into a direct placement Revolving Credit Agreement pursuant to which Bank of America, N.A. is obligated under the Credit Agreement to loan to the City amounts not to exceed \$40 million for the purpose of paying amounts due on the Commercial Paper Program. Any borrowing under the Credit Agreement is equally and ratably secured by and payable from the above-described sources pledged for payment of the Commercial Paper Program and from a pledge of the Net Revenues of the Water and Wastewater Utility, such pledge being subordinate to the pledge of Net Revenues securing all Senior Lien Obligations. Per the Agreement, the outstanding commercial paper resulting from direct borrowing have a termination event for failure to pay any interest or principal on the loan note, or commitment fees when due for a period of five business days from the date given by the bank. The revolving credit agreement also contains a clause to accelerate payment of principal and accrued interest to become immediately due, if EPWater defaults on any payment on specified debt within the agreement or any other "events of default" as defined in the agreement. Management intends to continue the remarketing of the tax exempt commercial paper notes as it intends to maintain a portion of its debt in variable rates. On August 14, 2018, the first amendment to the credit agreement was executed to extend the contract until August 23, 2021, and reduced the commitment fee rate from 0.040% to 0.037%. On August 20, 2021, the second amendment to the credit agreement was executed to extend the contract until August 21, 2026, and with an option to increase the Commitment (as defined in the credit Agreement), from time to time, with a maximum aggregate amount not to exceed \$80 million.

Since the commercial paper represents activity that is the result of EPWater's long-term financing plan, the amounts outstanding are presented as long-term. The "paper" can be sold in \$100,000 increments and matures from one to 270 days. As of February 28, 2021, there was \$40 million outstanding and as of February 28, 2022, the following amounts were outstanding:

	<u>2022</u>	<u>Maturity Date</u>	<u>Coupon Rate</u>
\$	15,000,000	03/04/2022	0.15%
	30,000,000	03/04/2022	0.10%
	20,000,000	03/17/2022	0.21%
	15,000,000	04/05/2022	0.19%
\$	<u>80,000,000</u>		

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13. REVOLVING NOTE

EPWater, through the City of El Paso and Bank of America, N.A., entered into a direct placement Note Purchase Agreement in June 2018 for the Municipal Drainage Utility with an available commitment of \$25 million. Any borrowing under this agreement is equally and ratably secured from a pledge of the Net Revenues of the Municipal Drainage Utility, such pledge being subordinate to the pledge of Net Revenues securing all Senior Lien Obligations.

The borrowings under the agreement are ratably secured by and are payable from (i) the proceeds from the sale additional bonds hereafter issued and to be used to pay outstanding Notes, (ii) borrowings under the agreement, (iii) the amounts held in the Note Payment Fund until the amounts deposited therein are used for authorized purposes, (iv) the Net Revenues, such lien and pledge of Net Revenues, however, being subordinated to the prior and superior lien on and pledge of securing the payment of borrowings made under and pursuant to the agreement, (v) the amounts remaining on deposit in the Note Construction Fund after the payment of all project costs; and the principal of and interest on the Notes and any amounts due under the agreement shall be and hereby equally and ratably secured by and payable from a lien on and pledge of the sources hereby identified. Per the Agreement, the outstanding notes resulting from direct borrowing have a termination event for failure to pay any interest or principal on the loan note, or commitment fees when due for a period of five business days from the date such obligation was due. The Note Purchase Agreement also contains a clause to accelerate payment of principal and accrued interest to become immediately due, if EPWater defaults on any payment on specified debt within the agreement or any other "events of default" as defined in the agreement.

Since these notes represent activity that is the result of EPWater's Municipal Drainage Utility's long-term financing plan, the amounts outstanding are presented as long term. As of February 28, 2021, there was \$15 million outstanding and as of February 28, 2022 the following amounts were outstanding:

	2022	Maturity Date	Coupon Rate
Note # 9	\$ 5,000,000	08/12/2022	0.82%
Note #10	5,000,000	01/05/2023	1.07%
Note #11	5,000,000	02/17/2023	1.58%
	<u>\$ 15,000,000</u>		

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14. OTHER GOVERNMENT PAYABLES

During the fiscal year ending February 28, 2010, EPWater entered into a wholesale contract with Fort Bliss to provide water services for a 20 year period effective June 1, 2009. The El Paso Water Utility is to credit Fort Bliss \$3,300,000 with an interest rate of 4.5% totaling \$5,010,583 over 20 years (\$20,877 monthly) for the engineering/environmental analysis in connection with the Desalination Plant. The following is a list of the principal and interest payments due to Fort Bliss as of February 28, 2022:

Year Ending February	Principal	Interest	Total
2023	\$ 184,676	\$ 65,853	\$ 250,529
2024	193,160	57,369	250,529
2025	202,034	48,495	250,529
2026	211,316	39,214	250,530
2027	221,023	29,506	250,529
2028 - 2030	535,141	28,550	563,691
	<u>\$ 1,547,350</u>	<u>\$ 268,987</u>	<u>\$ 1,816,337</u>

15. REVENUE PLEDGED AND DEBT SERVICE COVERAGE

Water and Wastewater Utility

The bond ordinances require EPWater to maintain revenues in each fiscal year, after deductions for maintenance and operation expenses, in an amount equal to at least 1.5 times the debt service requirements in such year for the Water and Wastewater Utility Fund. The computations of this ratio are summarized below for the years ended February 28, 2022 and 2021.

Revenues available for debt service are determined as follows:

	2022	2021
Water and wastewater revenue	\$ 274,414,579	\$ 273,712,902
Operating revenue deductions	<u>114,017,103</u>	<u>112,420,356</u>
Net water and wastewater revenue	<u>160,397,476</u>	<u>161,292,546</u>
Other revenues available for debt service:		
Interest income	691,160	1,955,699
Property rentals	3,761,315	4,069,879
Administration fees - City Environmental Services	756,307	656,116
Other miscellaneous operating revenue	3,226,236	2,872,109
Gain on sale of miscellaneous assets	519,248	111,980
Pension Recovery Credit	804,631	-
Other miscellaneous expenses	<u>(4,168,747)</u>	<u>(3,717,138)</u>
Net other revenues available for debt service	<u>5,590,150</u>	<u>5,948,645</u>
Revenues available for debt service	<u>\$ 165,987,626</u>	<u>\$ 167,241,191</u>

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15. REVENUE PLEDGED AND DEBT SERVICE COVERAGE (Continued)

Comparison of pledged revenues to debt requirements:

	<u>2022</u>	<u>2021</u>
Revenues available for debt service	<u>\$ 165,987,626</u>	<u>\$ 167,241,191</u>
Debt service requirements		
Principal	42,475,000	43,560,000
Interest	<u>24,042,499</u>	<u>26,658,167</u>
Total requirements	<u>\$ 66,517,499</u>	<u>\$ 70,218,167</u>
Debt service ratio	<u>2.50</u>	<u>2.38</u>

As calculated above, the approximate amount of pledged revenue for the years ended February 28, 2022 and 2021 were \$165,987,626 and \$167,241,191, respectively.

The proportion of the specific revenue stream that has been pledged to cover the debt requirements to the total revenue was 56.18% and 56.81% for the years ended February 28, 2022 and 2021, respectively.

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

Municipal Drainage Utility

The bond ordinances require EPWater to maintain revenues in each fiscal year, after deductions for maintenance and operation expenses, in an amount equal to at least 1.25 times the debt service requirements in such year for the Municipal Drainage Utility Fund. The computations of this ratio are summarized below for the years ended February 28, 2022 and 2021.

Revenues available for debt service are determined as follows:

	<u>2022</u>	<u>2021</u>
Municipal drainage utility revenue	<u>\$ 25,903,612</u>	<u>\$ 24,065,071</u>
Operating revenue deductions	<u>6,773,029</u>	<u>7,098,049</u>
Net municipal drainage utility revenue	<u>19,130,583</u>	<u>16,967,022</u>
Other revenues available for debt service:		
Interest income	6,564	160,075
Property rentals	126,096	108,037
Pension Recovery Credit	168,988	-
Other miscellaneous operating revenue	410,948	380,549
Other miscellaneous expenses	<u>(348,193)</u>	<u>(57,722)</u>
Net other revenues available for debt service	<u>364,403</u>	<u>590,939</u>
Revenues available for debt service	<u>\$ 19,494,986</u>	<u>\$ 17,557,961</u>

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15. REVENUE PLEDGED AND DEBT SERVICE COVERAGE (Continued)

Comparison of pledged revenues to debt requirements:

	<u>2022</u>	<u>2021</u>
Revenues available for debt service	<u>\$ 19,494,986</u>	<u>\$ 17,557,961</u>
Debt service requirements		
Principal	5,208,000	4,934,000
Interest	<u>4,213,926</u>	<u>4,331,931</u>
Total requirements	<u>\$ 9,421,926</u>	<u>\$ 9,265,931</u>
Debt service ratio	<u>2.07</u>	<u>1.89</u>

As calculated above, the approximate amount of pledged revenue for the years ended February 28, 2022 and 2021 were \$19,494,986 and \$17,557,961, respectively.

The proportion of the specific revenue stream that has been pledged to cover the debt requirements to the total revenue were 73.26% and 71.51% for the years ended February 28, 2022 and 2021, respectively.

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

16. RISK MANAGEMENT

EPWater is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters and is covered under certain policies purchased from independent insurance carriers. Additionally, EPWater, through the City of El Paso, maintains insurance policies acquired from independent insurance carriers covering material structural properties.

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

The City maintains group health insurance administered through Aetna which is self-insured for active employees and their eligible dependents and fully insured for retired employees and their eligible dependents. Reinsurance coverage limits the annual liability of EPWater to \$275,000 per claim per covered member for the self-insured plans. Effective January 1, 2022, the amount increased to \$300,000. Contributions are shared by EPWater, participating employees, and retirees. Eligible health expenses and liabilities are paid and recorded separately for the City of El Paso and EPWater.

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16. RISK MANAGEMENT (Continued)

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

For the years ended February 28, 2022, February 28, 2021, and February 29, 2020, the amount of settlements did not exceed insurance coverage and there were no significant reductions in the coverage from the prior year. The estimated liability for unpaid health claims is based upon the claim lag report. The estimated liability for unpaid workers' compensation claims is the discounted future payments, as actuarially determined, of case reserves plus claims incurred but not reported as of the actuarial report date of February 28, 2022. Accrued liabilities for these self-insurance programs are summarized below for the years ended February 28, 2022, February 28, 2021, and February 29, 2020:

	2022	2021	2020
Health Insurance	\$ 119,758	\$ 227,866	\$ 124,781
Workers' Compensation	966,092	912,246	912,246
Total payable	1,085,850	1,140,112	1,037,027
Less current portion	537,929	315,958	418,327
Estimated Long-term portion	\$ 547,921	\$ 824,154	\$ 618,700

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

	2022	2021	2020
Total payable, beginning of year	\$ 1,140,112	\$ 1,037,027	\$ 900,029
Additional claims incurred	3,469,976	3,212,910	3,356,661
Claims paid during the year	(3,524,238)	(3,109,825)	(3,219,663)
Total payable, end of year	\$ 1,085,850	\$ 1,140,112	\$ 1,037,027

17. PENSION AND RETIREMENT PLAN

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

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17. PENSION AND RETIREMENT PLAN (Continued)

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

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

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

The collective net pension liability was measured as of August 31, 2021 and August 31, 2020. The total pension liability is based on the actuarial valuation as of September 1, 2020 and September 1, 2018, respectively, and update procedures were used to roll forward the total pension liability to the measurement dates of August 31, 2021 and August 31, 2020.

	<u>2021</u>	<u>2020</u>
Total Pension Liability	\$ 1,108,078,648	\$ 1,083,475,771
Less: Fiduciary Net Position	(1,038,684,146)	(869,131,842)
Net Pension Liability	<u>\$ 69,394,502</u>	<u>\$ 214,343,929</u>
Fiduciary Net Position as percentage of Total Pension Liability	<u>93.74%</u>	<u>80.22%</u>

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

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17. PENSION AND RETIREMENT PLAN (Continued)

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

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

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

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

A pension benefit is available to surviving spouses and dependents. The plan includes no automatic increase in retirement benefits, including automatic COLAs. However, the Board, at its discretion after consideration of a recent actuarial review of the funding status, may provide ad hoc cost of living or other increases in retirement benefits. There were no ad-hoc payments issued for the plan years ended August 31, 2021 and August 31, 2020.

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17. PENSION AND RETIREMENT PLAN (Continued)

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

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

For the September 1, 2020 and September 1, 2018 actuarial valuations, rolled forward to the measurement dates of August 31, 2021 and August 31, 2020, respectively, the entry-age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions at September 1, 2020 included a 7.25% investment rate of return (net of expenses), projected salary increases of 2.5%, which is solely due to the effect of inflation on salaries, with no allowance for future membership growth. The actuarial assumptions at September 1, 2018 included a 7.50% investment rate of return (net of expenses), projected salary increases of 3.0%, which included an inflation rate of 3.0% and no cost of living increases. The remaining amortization period at September 1, 2020 was 25 years using closed periods ("layers"). The remaining amortization at September 1, 2018 was 17 years using a level percent, open basis, amortization period. For the September 1, 2020 actuarial valuation, rolled forward to August 31, 2021, mortality rates for active and deferred participants were based on the RP-2014 employee tables with Blue Collar adjustment projected with Scale MP-2019 on a fully generational basis. Mortality rates for healthy retirees and survivors were based on the 2014 healthy annuitant tables with Blue Collar adjustment projected with Scale MP-2019 on a fully generational basis. Mortality rates for disabled participants were based on the RP-2014 disabled annuitant table projected with Scale MP-2019 on a fully generational basis. For the September 1, 2018 actuarial valuation, rolled forward to August 31, 2020, mortality rates for non-disabled participants were based on the RP-2014 employee/healthy annuitant tables with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants were based on the RP-2014 disabled annuitant table. Table for Disabled Lives. The actuarial assumptions and methods used in the September 1, 2020 valuation were based on the experience study for the period September 1, 2014 through August 31, 2018, and the funding policy that was formalized in 2019. The actuarial assumptions used in the September 1, 2018 valuation were based on the results of an actuarial experience study performed in 2016.

Changes of Assumptions since August 31, 2020 -

The assumed investment return assumption was lowered from 7.50% to 7.25% to better reflect anticipated experience. This change increased the total pension liability.

The assumed separations before normal retirement were updated across ages and years of service to better reflect actual experience and future expectations. This change decreased the total pension liability.

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17. PENSION AND RETIREMENT PLAN (Continued)

The assumed mortality improvement was updated from a static projection to 2030 using Scale BB to generational mortality improvement using scale MP-2019. This change decreased the total pension liability.

Salaries were assumed to increase at 2.75% for participants with at least 16 years of service, where in the prior valuation these participants had an assumed 3% increase in salary. This change decreased the total pension liability.

Assumed retirements were updated to better reflect actual experience and future expectations. This change decreased the total pension liability.

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of returns by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the CERT's asset allocations as of August 31, 2021 and August 31, 2020 are summarized in the following table:

Asset Class	2021 Target Allocation	2020 Target Allocation	2021 Long- term Expected Real Rate of Return	2020 Long- term Expected Real Rate of Return
Domestic Equity	31%	31%	6.98%	6.99%
International Equity	21%	21%	5.26%	6.45%
Fixed Income	24%	24%	1.07%	0.37%
Real Estate	10%	10%	5.73%	4.81%
Private Equity	13%	13%	9.65%	10.62%
Alternatives	-	-	4.48%	3.03%
Cash	1%	1%	-	-

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17. PENSION AND RETIREMENT PLAN (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.25 percent for plan year ended August 31, 2021, which reflects a decrease of 0.25 percentage points from the 7.50 percent discount rate for plan year ended August 31, 2020. The projection of cash flows used to determine the discount rate assumed that contributions will be based on the rates established by Ordinance. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

Contributions Required and Contributions Made - Contribution rates for the CERT are based upon local statutes as enacted by the El Paso City Council and are not actuarially determined. However, each time a new actuarial valuation is performed, contribution requirements are compared to the actuarially determined amount necessary to fund service costs and amortize the unfunded actuarial accrued liability (using entry-age-normal cost method) over twenty-five years. As of the most recent actuarial valuation, the contribution rate was 23.00 percent of annual covered payroll with employer contributions of 14.05 percent and employee contributions of 8.95 percent.

EPWater Contributions for the years ended February 28, 2022 and 2021 were as follows:

	2022 - Contributions Required and Made		2021 - Contributions Required and Made	
	Water and Wastewater Utility	Municipal Drainage Utility	Water and Wastewater Utility	Municipal Drainage Utility
Employer contributions	\$ 5,115,316	\$ 249,017	\$ 5,150,746	\$ 271,386
Employee contributions	3,258,500	158,831	3,281,084	172,876
Total contributions	<u>\$ 8,373,816</u>	<u>\$ 407,848</u>	<u>\$ 8,431,830</u>	<u>\$ 444,262</u>

Sensitivity to Changes in the Discount Rate: The following presents the EPWater's proportionate share for the Water and Wastewater Utility and Municipal Drainage Utility of the resulting net pension liability calculated using the discount rate of 7.25 percent for measurement year ended August 31, 2021, and 7.50 percent for measurement year ended August 31, 2020, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

8/31/2021 - Water and Wastewater Utility's proportionate share of the net pension liability	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Water and Wastewater Utility	<u>\$ 33,855,541</u>	<u>\$ 13,167,917</u>	<u>\$ (5,554,740)</u>

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17. PENSION AND RETIREMENT PLAN (Continued)

8/31/2021 - Municipal Drainage			
Utility's proportionate share of the net pension liability	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Municipal Drainage Utility	\$ 1,649,568	\$ 641,590	\$ (270,648)

8/31/2020 - Water and Wastewater			
Utility's proportionate share of the net pension liability	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Water and Wastewater Utility	\$ 63,903,453	\$ 40,516,207	\$ 20,885,007

8/31/2020 - Municipal Drainage			
Utility's proportionate share of the net pension liability	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Municipal Drainage Utility	\$ 3,372,493	\$ 2,138,235	\$ 1,102,202

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At February 28, 2022, EPWater reported a net pension liability for its proportionate share of the CERT's net pension liability of \$13,167,917 for the Water and Wastewater Utility and \$641,590 for the Municipal Drainage Utility. At February 28, 2021, EPWater reported a net pension liability for its proportionate share of the CERT's net pension liability of \$40,516,207 for the Water and Wastewater Utility and \$2,138,235 for the Municipal Drainage Utility. EPWater's net pension liability reported at February 28, 2022 was measured at August 31, 2021. EPWater's net pension liability reported at February 28, 2021 was measured at August 31, 2020.

EPWater's proportion of the net pension liability was based on EPWater's contributions to the pension plan relative to the contributions of the City to the plan for the periods from September 1, 2020 through August 31, 2021 and September 1, 2019 to August 31, 2020. At August 31, 2021 and August 31, 2020, EPWater's proportion of the collective net pension liability was 19.90 percent.

For the years ended February 28, 2022 and 2021, EPWater recognized pension (recovery)/expense as measured in accordance with GASB Statement No. 68, of (\$804,631) and \$6,091,180, respectively, for the Water and Wastewater Utility, and (\$168,988) and \$263,068, respectively, for the Municipal Drainage Utility.

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February 28, 2022 and 2021

17. PENSION AND RETIREMENT PLAN (Continued)

At February 28, 2022 and 2021, EPWater reported its proportionate share of the deferred outflows of resources and deferred inflows of resources related to the CERT from the following sources:

	2022 - Water and Wastewater Utility		2022 - Municipal Drainage Utility	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual pension experience	\$ 1,414,271	\$ -	\$ 80,157	\$ -
Changes of assumptions	3,252	-	158	-
Net difference between projected and actual earnings on pension assets	-	21,871,609	-	1,068,560
Changes in proportionate share	505,873	507,958	10,103	347,594
Employer contributions subsequent to the measurement date	2,685,899	-	126,908	-
Total	<u>\$ 4,609,295</u>	<u>\$ 22,379,567</u>	<u>\$ 217,326</u>	<u>\$ 1,416,154</u>
	2021 - Water and Wastewater Utility		2021 - Municipal Drainage Utility	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual pension experience	\$ 1,659,963	\$ -	\$ 96,834	\$ -
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension assets	-	1,221,901	-	69,824
Changes in proportionate share	556,535	12,524	14,302	299,216
Employer contributions subsequent to the measurement date	2,675,999	-	137,716	-
Total	<u>\$ 4,892,497</u>	<u>\$ 1,234,425</u>	<u>\$ 248,852</u>	<u>\$ 369,040</u>

For the year ended February 28, 2022, EPWater reported \$2,685,899 for the Water and Wastewater Utility and \$126,908 for the Municipal Drainage Utility as deferred outflows of resources related to pensions resulting from EPWater contributions subsequent to the measurement date and prior to year-end. These amounts will be recognized as a reduction of the net pension liability for the year ending February 28, 2023.

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17. PENSION AND RETIREMENT PLAN (Continued)

For the year ended February 28, 2021, EPWater reported \$2,675,999 for the Water and Wastewater Utility and \$137,716 for the Municipal Drainage Utility as deferred outflows of resources related to pensions resulting from EPWater contributions subsequent to the measurement date and prior to year-end. These amounts were recognized as a reduction of the net pension liability for the year ending February 28, 2022.

For the year ended February 28, 2022, the amount recognized as pension (recovery)/expense for the deferred outflows and inflows related to pensions was (\$5,214,612) for the Water and Wastewater Utility and (\$383,859) for the Municipal Drainage Utility. For the year ended February 28, 2021, the amount recognized as pension expense for the deferred outflows and inflows related to pensions was \$911,905 for the Water and Wastewater Utility and (\$10,267) for the Municipal Drainage Utility.

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

Year Ended February	Water and Wastewater Utility	Municipal Drainage Utility
2023	\$ (4,459,433)	\$ (339,857)
2024	(4,185,900)	(280,087)
2025	(6,478,608)	(374,808)
2026	(5,299,865)	(296,046)
2027	(24,014)	(26,093)
Thereafter	(8,351)	(8,845)
Total	\$ (20,456,171)	\$ (1,325,736)

Payable to the Pension Plan: At February 28, 2022 and 2021, EPWater reported a payable, including accruals where applicable, of \$208,947 for the Water and Wastewater Utility and \$9,806 for the Municipal Drainage Utility and \$183,043 for the Water and Wastewater Utility and \$8,789 for the Municipal Drainage Utility, respectively, for the outstanding amount of contributions to the pension plan required for each fiscal year.

18. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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18. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Benefits Provided - The contribution requirements of plan members are established by City ordinance and may be amended as needed. Retiree coverage for health care benefits for retirees under age 65 is the same as the coverage provided to active City employees. Retirees over age 65 are covered through a Medicare Advantage Plan. Retirees pay premiums ranging from \$135 per month to \$2,828 per month depending on the coverage elected. The cost of retiree health care benefits in the form of a share of the premiums is recognized on a pay-as-you go financing method and is recorded as an expense as liabilities are incurred. Retirees contributed approximately 52% of the total current year cost.

Employees Covered by Benefit Terms - At February 28, 2022 and 2021, the following employees were covered by the benefit terms:

	2022		2021	
	Water and Wastewater Utility	Municipal Drainage Utility	Water and Wastewater Utility	Municipal Drainage Utility
Inactive employees or beneficiaries currently receiving benefits	145	3	153	2
Active employees	745	42	816	50
Total	890	45	969	52

Total OPEB Liability - The EPWater's total OPEB liability of \$17,894,318 and \$17,764,809 reported at February 28, 2022 and 2021, respectively, is based on the actuarial valuation performed as of January 1, 2021. Update procedures were used to roll forward the total OPEB liability to the measurement dates of February 28, 2022 and 2021.

Actuarial assumptions and other inputs - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial assumptions for OPEB are based on the experience study for the period September 1, 2014 through August 31, 2018 performed for the pension plan. OPEB specific assumptions, such as healthcare trend rates and plan participation, are reviewed during each full actuarial valuation.

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18. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The EPWater's total OPEB liability is based on the actuarial valuation as of January 1, 2021, and was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	2.37% as of February 28, 2022 2.50% as of February 28, 2021
Inflation	2.50%
Salary Increases	2.75% to 4.50%
Demographic Assumptions	The demographic assumptions are the same as those used in the City of El Paso Employees Retirement Trust actuarial valuation as of September 1, 2020.
Mortality	For healthy retirees, the gender-distinct RP-2014 Healthy Annuitant Tables with Blue Collar Adjustment (92% of male rates and 100% of female rates) were used, projected using Scale MP-2019 on a fully generational basis.
Health Care Trend Rates	Initial rate of 6.80% declining to an ultimate rate of 4.25% after 12 years.
Participation Rates	35% for eligible retirees between the ages of 50 and 65; 40% for eligible retirees with age greater than 65; 0% for eligible retirees with age less than 50. 45% of retirees were assumed to have 2-person coverage.

The discount rate at February 28, 2022 and at February 28, 2021 is based on the Fidelity 20-Year Municipal GO AA Index.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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February 28, 2022 and 2021

18. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Changes in the Total OPEB Liability:

	2022	
	Water and Wastewater Utility	Municipal Drainage Utility
Balance at March 1, 2021	\$ 16,739,127	\$ 1,025,682
Changes for the year:		
Service cost	1,101,938	62,123
Interest	427,047	24,075
Differences between expected and actual experience	(1,128,149)	(63,600)
Changes of assumptions	293,481	16,545
Change in proportionate share	77,624	(77,624)
Benefit payments	(571,720)	(32,231)
Net changes	200,221	(70,712)
Balance at February 28, 2022	<u>\$ 16,939,348</u>	<u>\$ 954,970</u>
	2021	
	Water and Wastewater Utility	Municipal Drainage Utility
Balance at March 1, 2020	\$ 23,547,545	\$ 1,502,420
Changes for the year:		
Service cost	1,734,662	106,290
Interest	438,168	26,849
Differences between expected and actual experience	(5,251,336)	(321,773)
Changes of assumptions	(3,260,418)	(199,780)
Change in proportionate share	56,117	(56,117)
Benefit payments	(525,611)	(32,207)
Net changes	(6,808,418)	(476,738)
Balance at February 28, 2021	<u>\$ 16,739,127</u>	<u>\$ 1,025,682</u>

Changes of assumptions reflect the change in the discount rate from 2.50% as of February 28, 2021 to 2.37% as of February 28, 2022.

The difference between expected and actual experience is mostly related to the favorable premium changes for both years presented.

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February 28, 2022 and 2021

18. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of EPWater by utility, calculated using the discount rate of 2.37% as of February 28, 2022, and 2.50% as of February 28, 2021, as well as what EPWater's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the respective discount rate:

	1% Decrease (1.37%)	Discount Rate (2.37%)	1% Increase (3.37%)
02/28/2022			
Water and Wastewater Utility			
Total OPEB Liability	\$ 19,491,025	\$ 16,939,348	\$ 14,870,399

	1% Decrease (1.37%)	Discount Rate (2.37%)	1% Increase (3.37%)
02/28/2022			
Municipal Drainage Utility			
Total OPEB Liability	\$ 1,098,823	\$ 954,970	\$ 838,331

	1% Decrease (1.50%)	Discount Rate (2.50%)	1% Increase (3.50%)
02/28/2021			
Water and Wastewater Utility			
Total OPEB Liability	\$ 19,225,148	\$ 16,739,127	\$ 14,717,203

	1% Decrease (1.50%)	Discount Rate (2.50%)	1% Increase (3.50%)
02/28/2021			
Municipal Drainage Utility			
Total OPEB Liability	\$ 1,178,012	\$ 1,025,682	\$ 901,789

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

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
02/28/2022			
Water and Wastewater Utility			
Total OPEB Liability	\$ 14,404,106	\$ 16,939,348	\$ 20,180,313

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18. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

		Current Healthcare Cost Trend Rate Assumption	
02/28/2022	1% Decrease		1% Increase
Municipal Drainage Utility			
Total OPEB Liability	\$ 812,044	\$ 954,970	\$ 1,137,682

		Current Healthcare Cost Trend Rate	
02/28/2021	1% Decrease		1% Increase
Water and Wastewater Utility			
Total OPEB Liability	\$ 14,312,506	\$ 16,739,127	\$ 19,841,081

		Current Healthcare Cost Trend Rate Assumption	
02/28/2021	1% Decrease		1% Increase
Municipal Drainage Utility			
Total OPEB Liability	\$ 876,992	\$ 1,025,682	\$ 1,215,753

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB -
For the fiscal years ended February 28, 2022 and 2021, EPWater recognized OPEB expense of \$923,773 and \$1,658,421, respectively, for the Water and Wastewater Utility, and \$6,243 and \$68,139, respectively, for the Municipal Drainage Utility.

At February 28, 2022 and 2021, EPWater reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022 - Water and Wastewater Utility		2022 - Municipal Drainage Utility	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,343,795	\$ -	\$ 387,048
Changes of assumptions	4,025,681	2,536,966	255,335	155,450
Change in proportionate share	278,207	-	-	278,207
Total	\$ 4,303,888	\$ 8,880,761	\$ 255,335	\$ 820,705

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18. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

	2021 - Water and Wastewater Utility		2021 - Municipal Drainage Utility	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,133,979	\$ -	\$ 379,562
Changes of assumptions	4,365,172	2,898,692	278,989	177,615
Change in proportionate share	242,458	-	-	242,458
Total	\$ 4,607,630	\$ 9,032,671	\$ 278,989	\$ 799,635

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

Year Ended February	Water and Wastewater Utility	Municipal Drainage Utility
2023	\$ (605,212)	\$ (79,955)
2024	(605,212)	(79,955)
2025	(605,212)	(79,955)
2026	(605,212)	(79,955)
2027	(605,212)	(79,955)
Thereafter	(1,550,813)	(165,595)
Total	\$ (4,576,873)	\$ (565,370)

19. DEFERRED COMPENSATION

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

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

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

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

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20. LEASING ARRANGEMENTS WITH EPWATER AS LESSOR

EPWater leases real properties under various long-term lease agreements under the operating method of accounting for leases. Minimum future rentals to be received on non-cancelable leases as of February 28, 2022, for each of the next five years and in the aggregate are:

Water and Wastewater Utility

Year ended February	Amount
2023	\$ 3,147,149
2024	2,972,752
2025	2,640,897
2026	2,298,975
2027	2,110,930
2028-2032	5,606,050
2033-2037	1,369,847
2038-2042	476,581
2043-2047	479,992
2048-2052	489,562
2053-2057	499,324
2058-2062	448,419
Total minimum future rentals	<u>\$ 22,540,478</u>

The value of the real properties under lease for the years ended February 28, 2022 and 2021 was \$347,440,320 and \$351,271,787, respectively.

Municipal Drainage Utility

Year ended February	Amount
2023	\$ 55,039
2024	51,647
2025	23,308
2026	8,337
2027	7,921
2028-2032	39,605
2033-2037	25,097
2038-2041	1,561
Total minimum future rentals	<u>\$ 212,515</u>

The value of the real properties under lease for the years ended February 28, 2022 and 2021 was \$7,657,052 and \$7,353,366, respectively.

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21. LEASING ARRANGEMENTS WITH EPWATER AS LESSEE

EPWater leases buildings, land, computer equipment, uniforms, golf carts, and copiers for the Water and Wastewater Utility and the Municipal Drainage Utility under various long-term lease agreements which are recognized using the operating method of accounting for leases. Minimum future payments as of February 28, 2022 are as follows:

Water and Wastewater Utility

Year ended February	Amount
2023	\$ 612,800
2024	606,442
2025	507,989
2026	412,404
2027	409,500
2028 - 2032	2,047,500
2033 - 2037	2,047,500
2038 - 2042	2,047,500
2043 - 2047	2,047,500
2048 - 2052	2,047,500
2053 - 2057	2,047,500
2058 - 2060	921,375
	\$ 15,755,510

Rental expense for the years ended February 28, 2022 and 2021 was \$1,117,709 and \$1,121,681, respectively.

Municipal Drainage Utility:

Year ended February	Amount
2023	\$ 3,374
2024	3,374
2025	3,374
	\$ 10,122

Rental expense for the years ended February 28, 2022 and 2021 was \$13,872 and \$18,536, respectively.

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22. WHOLESALE WATER SUPPLY AND WASTEWATER TREATMENT CONTRACTS

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

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

Name of Entity	Water Rate	Wastewater Rate
Lower Valley Water District	\$1.68 per ccf	\$2.07 per ccf
County - East Montana	\$4.05 per ccf	N/A
Haciendas Del Norte WID	\$2.15 per ccf	N/A
Gaslight Square MHE	\$2.98 per ccf	\$2.24 per ccf
Paseo del Este MUD (includes fixed base differential rate of \$0.26 for water and \$0.33 for wastewater)	\$3.53 per ccf	\$2.51 per ccf
Fort Bliss	\$1.39 per ccf	\$2.14 per ccf
County - Mayfair/Nuway and Schuman	\$3.24 per ccf	N/A
County - Colonia Revolucion	\$2.94 per ccf	N/A
County - Square Dance	\$3.33 per ccf	\$2.51 per ccf

Transactions with these entities are summarized below:

	2022	2021
Water Sales	<u>\$ 11,652,315</u>	<u>\$ 8,968,707</u>
Wastewater Services	<u>\$ 6,626,377</u>	<u>\$ 5,613,803</u>

23. SURFACE WATER CONTRACTS

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

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23. SURFACE WATER CONTRACTS (Continued)

In a full allocation year, EPWater is currently entitled to receive approximately 11,908.53 acre feet (AF) of District water under two contracts titled the “1941 Contract” and the “1962 Contract”. The 1941 Contract authorizes EPWater to purchase up to 2,000 acres of water rights and to receive the water appurtenant to such land. The 1962 Contract authorizes EPWater to lease the water rights from residential land tracts inside the city limits and to receive the annual water allotment up to a maximum of 3.50 AF per acre. Under these two contracts, EPWater currently receives water based on its full land purchase authorization of 2,000 acres and 5,939.02 acres of leased water rights, whose terms range from 25 years to 75 years. During calendar year 2021, the cost of the water purchased from the District for the water associated with the land owned was composed of two parts; a land assessment fee of \$25 per acre, plus a water assessment fee of \$20 per AF. These two charges plus a one-time administrative fee of \$100 and an account service charge of \$20 per lease, which is an increase from \$12 in 2021, also applies to the water acquired through leases. EPWater also receives water rights associated with land owned and land leased totaling 4,399.49 acres within the LVWD. During a full allocation year, these LVWD water rights are equivalent to 6,599.24 AF worth of raw surface water.

In April of 2001, EPWater executed a contract titled “2001 Implementing Third Party Contract” (ITPC) which allows EPWater to purchase up to 28,116 AF of District water, and as little as zero AF, based on the District’s annual water allotment. EPWater currently owns a total 2,905.36 acres of water rights land. Under the terms of the ITPC (as amended March 2010), EPWater paid \$15 per AF in the initial year of the contract for water allotted to EPWater owned acreage in excess of 2,000 acres, up to a 2,250 acre maximum. This price is adjusted annually by the “Consumer Price Index-All Urban Consumers, All Items”. For calendar years 2021 and 2020, the price per AF was \$22.45 and \$22.15, respectively. For all other water made available by the District under this contract, EPWater paid \$193.50 per AF for the calendar year commencing January 1, 2001, escalating to \$260 per AF for the calendar year commencing January 1, 2010. In March of 2010, the PSB and the District executed a First Amendment to the ITPC in which the parties agreed to increase said price by the CPI starting on January 1, 2013, with the price for the 2011 and 2012 calendar years set a \$260 per AF. For calendar years 2021 and 2020, the price per AF was \$294.96 and \$290.99, respectively. This amendment also increased the quantity of water allotted pursuant to PSB owned acreage in excess of 3,000 acres to 3,250 acres.

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

In addition to the price of District water, EPWater pays the federal revenue component on all District water delivered to EPWater. This federal revenue component is \$5 per AF or 5% of current year’s contract price of the water, whichever is greater. In calendar year 2021, EPWater received an allotment of 1.5 AF per acre of surface water and treated 17,248 AF of this water for distribution to its customers.

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

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24. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Through the ordinary course of its operations, EPWater becomes subject to various claims and litigation. As of the date of these financial statements, EPWater was named in various legal actions. To the extent the outcome of such litigation is determined to result in probable loss to the EPWater, such loss is accrued in the financial statements. However, as of February 28, 2022, no amounts have been accrued because legal counsel has not determined that the litigation will result in a probable loss to EPWater since the outcome cannot be determined at this time. Management and legal counsel are of the opinion that settlement of these claims and pending litigation will not have a materially adverse effect on EPWater's financial statements.

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

EPWater has ongoing construction projects under non-cancelable contracts. At February 28, 2022 and 2021, the Water and Wastewater Utility had appropriations and estimated commitments for services yet to be performed that totaled \$219,543,238 and \$238,944,032, respectively. At February 28, 2022 and 2021, the Municipal Drainage Utility had appropriations and estimated commitments for services yet to be performed totaling \$17,223,955 and \$18,986,399, respectively.

25. RELATED PARTY TRANSACTIONS WITH CITY OF EL PASO

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

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

	<u>2022</u>	<u>2021</u>
Revenues from City:		
Water and Wastewater Sales	\$ 7,293,342	\$ 7,303,688
Billing and Collecting Agent fees	1,080,439	937,308
Drainage fees	581,088	475,894
Expenses to City:		
10% of Water Sales	16,026,301	16,792,419
5% on gain on sale of land	7,724	57,290
Interest paid on garbage collection fees	1,904	16,340
Franchise fee	6,550,000	6,550,000
Receivable:		
Accounts Receivable from City	27,168,697	8,896,132
Payable:		
Garbage collections fees payable to City	8,810,981	10,219,233
10% of water sales payable to City	845,944	912,592
Franchise fee payable to City	545,833	545,832
Property and health insurance payable to City	100,547	46,814
City projects and other expenses payable to City	1,908,385	2,330,514

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

26. FRANCHISE FEE DUE TO THE CITY OF EL PASO

September 1, 2014 City Council established a franchise fee to be paid by EPWater to compensate the City of El Paso for the use of city streets and rights of way for utility lines and wear and tear on City streets in a total amount of Three Million Five Hundred Fifty Thousand and No/100 Dollars (\$3,550,000). Effective March 1, 2020, the fee increased to Six Million Five Hundred Fifty Thousand and No/100 Dollars (\$6,550,000). For fiscal year ended February 28, 2022, \$6,550,000 has been billed of which \$6,004,167 has been paid to the City of El Paso. For fiscal year ended February 28, 2021, \$6,550,000 had been billed of which \$6,004,168 had been paid to the City of El Paso.

27. RESTRICTED NET POSITION

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

28. CUSTOMER UTILITY ASSISTANCE

On May 11, 2020, the City Council approved a plan for distributing \$119 million of Coronavirus Relief Funds (CRF) as follows: Public Health and Safety Response \$84.2 million, Community Response and Recovery Programs \$16.4 million, and Economic Response and Recovery Programs \$18.4 million. The City provided some CRF to EPWater as part of a utility assistance program to assist those impacted by COVID-19. During fiscal year ending February 28, 2021, eligible EPWater customers received \$473,817 in assistance for their past due EPWater bills. Program funds were exhausted in fiscal year 2021.

29. NEW ACCOUNTING PRONOUNCEMENTS

EPWater has not completed the process of evaluating the impact on its financial position that will result from adopting the following Governmental Accounting Standards Board (GASB) Statements:

- No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. GASB No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.
- No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021. GASB No. 91 requires issuers to disclose general information about their conduit debt obligations.
- No. 92, *Omnibus*, effective for periods beginning after June 15, 2021. GASB No. 92 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.
- No. 93, *Replacement of Interbank Offered Rates*, with exception of paragraphs 11b, 13 and 14, effective for reporting periods beginning after June 15, 2020. The requirement of 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. GASB No. 93 addresses accounting and financial implications that result from the replacement of an interbank offered rate.

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

29. NEW ACCOUNTING PRONOUNCEMENTS (Continued)

- No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, effective for periods beginning after June 15, 2022. GASB No. 94 improves financial reporting by addressing issues related to public private and public-public partnership arrangements (PPPs) as well as availability payment arrangements (APAs).
- No. 96, *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. GASB No. 96 (1) defines a subscription-based information technology (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payment, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.
- No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans*, effective for periods beginning after June 15, 2021. GASB No. 97 provides specific guidance related to (1) reporting of fiduciary component units that perform duties of a governing board; (2) narrows applicability of certain requirements from GASB No. 84 related to defined benefit pension and OPEB plans and; (3) specific guidance for Internal Revenue Code Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans.
- No. 99, *Omnibus*, the requirements in paragraphs 26-32 are effective upon issuance; the requirements in paragraphs 11-25 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter; the requirements in paragraphs 4-10 are effective for fiscal years beginning after June 15, 2023, and all reporting period thereafter. GASB No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (a) practice issues that have been identified during implementation and application of certain GASB Statements and (b) accounting and financial reporting for financial guarantees.

30. SUBSEQUENT EVENTS

On April 19, 2022, the Public Service Board - El Paso Water Utilities closed on \$9,490,000 in Municipal Drainage Utility System Revenue Bonds, Series 2022 through a private placement with the Texas Water Development Board, through the Flood Infrastructure Fund Program, with an average interest rate of 0.00%, and \$5,110,000 in Texas Water Development Board Flood Intended Use Plan Grant "FIUP grant" to help finance the construction of a detention basin at the Will Ruth Pond to reduce flooding in the Northeast area of El Paso, Texas.

On April 26, 2022, the Public Service Board - El Paso Water Utilities closed on \$305,900,000 in Water and Sewer System Revenue Bonds, Series 2022 with an average interest rate of 4.97% to refund \$80,000,000 of Water and Sewer Commercial paper Notes with an average interest rate of 0.46%, and finance \$273,000,000 of capital improvement projects for the water and wastewater system.

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2022 and 2021

30. SUBSEQUENT EVENTS (Continued)

On May 11, 2022, the Public Service Board - El Paso Water Utilities approved an amendment to the Advanced Funding Agreement with the Texas Department of Transportation (TXDOT) to relocate water infrastructure as part of TXDOT's Loop 375 expansion from Montana Avenue to Spur 601. The amendment increased EPWater's contribution to \$33,473,340 due in three annual payments. The first payment of \$5,136,168 was made in March 2022, the second payment of \$14,168,586 will be made in March 2023, and the final payment of \$14,168,586 will be made in March 2024.

On June 07, 2022, the Public Service Board - El Paso Water Utilities closed on \$23,750,000 in Municipal Drainage Utility System Revenue Bonds, Series 2022A with an average interest rate of 4.66%, to refund \$25,000,000 of Municipal Drainage Revolving Notes with an average interest rate of 1.38%.

In August 2021, EPWater experienced several breaks to a 36 and a 42 inch wastewater force main caused by corrosion of the steel pipelines resulting in the discharge of 10 million gallons daily of wastewater on the westside of El Paso. The wastewater was diverted to the Rio Grande river to protect public health and safety between August 2021 and January 2022. To mitigate the impacts to the river and ecological habitats, EPWater diverted the wastewater into cement lined canals and pumped some of the wastewater so it could be treated at two of its wastewater treatment plants. Prior to the breaks in 2021, a new replacement pipeline was already being installed, and it was accelerated and completed in December 2021. By early January 2022, discharge of wastewater into the Rio Grande was stopped. Impacts to the river continue to be assessed but no adverse impacts are currently observed. Further, EPWater developed a remediation approach to remove impacted in-stream sediments, improve water quality, and restore impacted ecological habitats. The removal of impacted in-stream sediments was completed in May 2022 and water quality samples continue to be collected. Results show the river water quality has returned to baseline, pre-discharge levels. The New Mexico Environment Department has fined EPWater \$1.2 million, which EPWater plans to appeal. At this time neither the Environmental Protection Agency nor the Texas Commission of Environmental Quality have issued any financial penalties or fines as the investigation continues.



REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

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

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

	September 1, 2020 through August 31, 2021	September 1, 2019 through August 31, 2020	September 1, 2018 through August 31, 2019
WATER AND WASTEWATER UTILITY			
Water and Wastewater Utility Proportion of the net pension liability	18.98%	18.90%	18.89%
Water and Wastewater Utility Proportionate Share of the net pension liability	\$ 13,167,917	\$ 40,516,207	\$ 47,544,990
Water and Wastewater Utility covered payroll	\$ 36,337,906	\$ 36,665,103	\$ 36,061,909
Water and Wastewater Utility proportionate share of the net pension liability as a percentage of its covered payroll	36.24%	110.50%	131.84%
Plan fiduciary net position as a percentage of the total pension liability	93.74%	80.22%	76.13%

	September 1, 2020 through August 31, 2021	September 1, 2019 through August 31, 2020	September 1, 2018 through August 31, 2019
MUNICIPAL DRAINAGE UTILITY			
Municipal Drainage Utility Proportion of the net pension liability	0.92%	1.00%	1.01%
Municipal Drainage Utility Proportionate Share of the net pension liability	\$ 641,590	\$ 2,138,235	\$ 2,529,593
Municipal Drainage Utility covered payroll	\$ 1,849,290	\$ 1,989,369	\$ 2,003,066
Municipal Drainage Utility proportionate share of the net pension liability as a percentage of its covered payroll	34.69%	107.48%	126.29%
Plan fiduciary net position as a percentage of the total pension liability	93.74%	80.22%	76.13%

Notes to Schedules:

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

(Continued)

September 1, 2017 through August 31, 2018	September 1, 2016 through August 31, 2017	September 1, 2015 through August 31, 2016	September 1, 2014 through August 31, 2015	September 1, 2013 through August 31, 2014
18.80%	18.80%	18.42%	18.70%	18.70%
\$ 38,351,408	\$ 37,581,946	\$ 41,023,517	\$ 36,549,779	\$ 23,807,227
\$ 35,663,788	\$ 31,819,525	\$ 30,668,420	\$ 30,351,808	\$ 30,170,368
107.54%	118.11%	133.76%	120.42%	78.91%
80.09%	79.52%	76.46%	78.22%	85.26%

September 1, 2017 through August 31, 2018	September 1, 2016 through August 31, 2017	September 1, 2015 through August 31, 2016	September 1, 2014 through August 31, 2015	September 1, 2013 through August 31, 2014
1.10%	1.10%	1.30%	1.20%	1.20%
\$ 2,237,204	\$ 2,189,770	\$ 2,897,485	\$ 2,385,949	\$ 1,508,877
\$ 1,991,054	\$ 2,111,541	\$ 2,139,251	\$ 1,984,729	\$ 1,872,526
112.36%	103.70%	135.44%	120.22%	80.58%
80.09%	79.52%	76.46%	78.22%	85.26%

REQUIRED SUPPLEMENTARY INFORMATION**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
A COMPONENT UNIT OF THE CITY OF EL PASO****Schedule of EPWater's Contributions -
City of El Paso Employees Retirement Trust**

WATER AND WASTEWATER UTILITY	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Statutorily required Water and Wastewater Utility contribution	\$ 5,115,316	\$ 5,150,746	\$ 5,168,935
Contributions in relation to the statutorily required contribution	\$ 5,115,316	\$ 5,150,746	\$ 5,168,935
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Water and Wastewater Utility covered payroll	\$ 36,295,269	\$ 36,578,293	\$ 37,972,121
Contributions as a percentage of covered payroll	14.09%	14.08%	13.61%

MUNICIPAL DRAINAGE UTILITY	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Statutorily required Municipal Drainage Utility contribution	\$ 249,017	\$ 271,386	\$ 273,425
Contributions in relation to the statutorily required contribution	\$ 249,017	\$ 271,386	\$ 273,425
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Municipal Drainage Utility covered payroll	\$ 1,768,833	\$ 1,930,412	\$ 2,020,269
Contributions as a percentage of covered payroll	14.08%	14.06%	13.53%

Notes to Schedules:

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

(Continued)

Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
\$ 4,993,530	\$ 4,656,649	\$ 4,349,696	\$ 4,298,584	\$ 4,175,866
\$ 4,993,530	\$ 4,656,649	\$ 4,349,696	\$ 4,298,584	\$ 4,175,866
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 35,239,408	\$ 33,036,310	\$ 30,853,310	\$ 30,595,084	\$ 30,421,325
14.17%	14.10%	14.10%	14.05%	13.73%

Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
\$ 293,007	\$ 267,945	\$ 320,122	\$ 292,582	\$ 264,695
\$ 293,007	\$ 267,945	\$ 320,122	\$ 292,582	\$ 264,695
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 2,055,806	\$ 1,924,892	\$ 2,179,051	\$ 2,082,429	\$ 1,927,762
14.25%	13.92%	14.69%	14.05%	13.73%

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

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

Changes of benefit terms

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

Changes of assumptions

The assumed investment return assumption was lowered from 7.50% to 7.25% to better reflect anticipated experience. This change increased the total pension liability.

The assumed separations before normal retirement were updated across ages and year of service to better reflect actual experience and future expectations. This change decreased the total pension liability.

The assumed mortality improvement was updated from a static projection to 2030 using Scale BB to generational mortality improvement using scale MP-2019. This change decreased the total pension liability.

Salaries were assumed to increase at 2.75% for participants with at least 16 years of service, where in the prior valuation these participants had an assumed 3% increase in salary. This change decreased the total pension liability.

Assumed retirements were updated to better reflect actual experience and future expectations. This change decreased the total pension liability.

Methods and Assumptions Used to Determine Contribution Rates:

	2021	2020	2019
Actuarial Cost Method	Entry-age normal	Entry-age normal	Entry-age normal
Amortization Method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Open	Level Percentage of Payroll, Open
Remaining Amortization Period*	25 years	17 years	17 years
Asset Valuation Method	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value
Inflation	2.50%	3.00%	3.00%
Salary Increases	2.50%, including inflation	3.00%, including inflation	3.00%, including inflation
Investment Rate of Return	7.25%	7.50%	7.50%
Retirement Age	Experience-based table of rates that are specific to the CERT plan of benefits. Last updated for the 2020 valuation.	Experience-based table of rates that are specific to the CERT plan of benefits. Last updated for the 2018 valuation.	Experience-based table of rates that are specific to the CERT plan of benefits. Last updated for the 2018 valuation.
Mortality	RP-2014 Tables with Blue Collar adjustment projected with Scale MP-2019 on a fully generational basis. Mortality rates for disabled participants are based on the RP-2014 disabled annuitant table projected with Scale MP-2019 on a fully generational basis.	RP-2014 Table with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Tables for Disabled Lives.	RP-2014 Table with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Tables for Disabled Lives.

Notes to Schedule:

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

*Effective with the September 1, 2019 roll-forward valuation, the Unfunded Actuarial Accrued Liability is amortized over closed 25-year periods ("layers"). For EPWater, this change is reflected beginning in the 2021 plan measurement year.

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

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

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

(Continued)

2018	2017	2016	2015	2014
Entry-age normal	Entry-age normal	Entry-age normal	Entry-age normal	Entry-age normal
Level Percentage of Payroll, Open	Level Percentage of Payroll, Open	Level Percentage of Payroll, Open	Level Percentage of Payroll, Open	Level Percentage of Payroll, Open
14 years	14 years	17 years	17 years	11 years
Plan invested assets are reported at fair value	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value
3.00%	3.00%	3.00%	3.50%	3.50%
3.00%, including inflation	3.00%, including inflation	3.00%, including inflation	4.00% to 5.7%, including inflation	4.00% to 5.7%, including inflation
7.5%	7.5%	7.5%	7.5%	7.5%
Experience-based table of rates that are specific to the CERT plan of benefits. Last updated for the 2018 valuation.	Experience-based table of rates that are specific to the CEPF plan of benefits. Last updated for the 2016 valuation.	Experience-based table of rates that are specific to the CEPF plan of benefits. Last updated for the 2016 valuation.	Experience-based table of rates that are specific to the CEPF plan of benefits. Last updated for the 2011 valuation.	Experience-based table of rates that are specific to the CEPF plan of benefits. Last updated for the 2011 valuation.
RP-2014 Table with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Tables for Disabled Lives.	RP-2014 Table with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Tables for Disabled Lives.	RP-2014 Table with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Tables for Disabled Lives.	RP2000 Combined Mortality Table set forward two years projected to 2017 with Scale AA forecasts of mortality improvement, with separate rates for males and females.	RP2000 Combined Mortality Table set forward two years projected to 2017 with Scale AA forecasts of mortality improvement, with separate rates for males and females.

REQUIRED SUPPLEMENTARY INFORMATION

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

WATER AND WASTEWATER UTILITY FUND

Schedule of Changes in the EPWater's Total OPEB Liability and Related Ratios

	February 28, 2022	February 28, 2021	February 29, 2020	February 28, 2019
Total OPEB Liability				
Service cost	\$ 1,101,938	\$ 1,734,662	\$ 1,063,751	\$ 1,009,932
Interest	427,047	438,168	699,964	648,110
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(1,128,149)	(5,251,336)	(1,866,069)	-
Changes of assumptions	293,481	(3,260,418)	5,516,624	49,392
Change in proportionate share	77,624	56,117	245,243	-
Benefit payments	(571,720)	(525,611)	(505,639)	(462,189)
Net change in total OPEB liability	200,221	(6,808,418)	5,153,874	1,245,245
Total OPEB liability - beginning	16,739,127	23,547,545	18,393,671	17,148,426
Total OPEB liability - ending	\$ 16,939,348	\$ 16,739,127	\$ 23,547,545	\$ 18,393,671
Covered employee payroll	\$ 37,998,079	\$ 38,041,762	\$ 39,291,239	\$ 36,499,902
Total OPEB liability as a percentage of covered employee payroll	44.58%	44.00%	59.93%	50.39%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

Changes of assumptions. Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2022	2.37%
2021	2.50%
2020	1.81%
2019	3.70%

In fiscal year 2021, the demographic assumptions were updated to reflect the 2020 City of El Paso pension valuation. The underlying costs of the Medicare Advantage plan are no longer assumed to vary by age. For fiscal year 2020, the ultimate trend assumption was decreased from 4.75% to 4.25% to reflect the repeal of certain federal taxes. The difference between expected and actual experience is mostly related to the favorable premium changes for the years presented.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

MUNICIPAL DRAINAGE UTILITY FUND

Schedule of Changes in the EPWater's Total OPEB Liability and Related Ratios

	February 28, 2022	February 28, 2021	February 29, 2020	February 28, 2019
Total OPEB Liability				
Service cost	\$ 62,123	\$ 106,290	\$ 67,871	\$ 78,762
Interest	24,075	26,849	44,661	50,544
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(63,600)	(321,773)	(119,062)	-
Changes of assumptions	16,545	(199,780)	351,981	3,852
Change in proportionate share	(77,624)	(56,117)	(245,243)	-
Benefit payments	(32,231)	(32,207)	(32,262)	(36,045)
Net change in total OPEB liability	(70,712)	(476,738)	67,946	97,113
Total OPEB liability - beginning	1,025,682	1,502,420	1,434,474	1,337,361
Total OPEB liability - ending	\$ 954,970	\$ 1,025,682	\$ 1,502,420	\$ 1,434,474
Covered employee payroll	\$ 1,864,554	\$ 2,023,772	\$ 2,115,059	\$ 2,153,701
Total OPEB liability as a percentage of covered employee payroll	51.22%	50.68%	71.03%	66.61%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

Changes of assumptions. Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2022	2.37%
2021	2.50%
2020	1.81%
2019	3.70%

In fiscal year 2021, the demographic assumptions were updated to reflect the 2020 City of El Paso pension valuation. The underlying costs of the Medicare Advantage plan are no longer assumed to vary by age. For fiscal year 2020, the ultimate trend assumption was decreased from 4.75% to 4.25% to reflect the repeal of certain federal taxes. The difference between expected and actual experience is mostly related to the favorable premium changes for the years presented.

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



SUPPLEMENTARY SCHEDULES

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

WATER AND WASTEWATER UTILITY FUND

STATEMENTS OF NET POSITION

February 28, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 53,833,287	\$ 24,429,291
Investments	16,006,874	30,000,000
Accounts receivable - customers	37,424,088	35,400,321
Accounts receivable - other	2,147,465	3,966,000
Leased property investment costs	373,137	373,137
Due from Municipal Drainage Utility land transfer	2,000,000	-
Accrued interest receivable	367,005	1,518,349
Inventory - materials and supplies	5,047,661	4,194,004
Other current assets	353,877	197,077
Prepaid expenses	1,692,581	1,860,509
Accounts receivable - City of El Paso land transfer	806,089	329,967
Restricted current assets:		
Restricted for bond requirements:		
Cash and cash equivalents	58,196,741	55,879,168
Investments	25,692,751	36,631,429
Restricted for construction and improvements:		
Cash and cash equivalents	76,700,590	45,872,913
Investments	14,712,795	40,754,082
Accounts receivable government grants	4,632,081	9,794,614
Notes receivable	228,644	277,581
Total current assets	<u>300,215,666</u>	<u>291,478,442</u>
Noncurrent assets:		
Investments	-	2,000,000
Accounts receivable - City of El Paso land transfer	26,359,020	8,565,108
Leased property investment costs	2,238,820	2,611,956
Due from Municipal Drainage Utility land transfer	12,844,800	4,300,000
Restricted noncurrent assets:		
Restricted for bond requirements:		
Investments	17,551,028	6,000,000
Restricted for construction and improvements:		
Investments	60,473	-
Capital assets:		
Water and Wastewater Utility capital assets	2,557,636,680	2,420,992,252
Land and right of way	311,486,399	305,597,262
Construction work in progress	341,589,144	291,179,879
Less accumulated depreciation	(1,288,100,541)	(1,223,281,990)
Total capital assets (net of accumulated depreciation)	<u>1,922,611,682</u>	<u>1,794,487,403</u>
Total noncurrent assets	<u>1,981,665,823</u>	<u>1,817,964,467</u>
Total assets	<u>2,281,881,489</u>	<u>2,109,442,909</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on bond refunding	2,396,854	2,843,804
Deferred pension contributions	2,685,899	2,675,999
Difference in expected and actual pension experience	1,414,271	1,659,963
Change in assumptions pension	3,252	-
Change in proportionate share pension	505,873	556,535
Change in proportionate share OPEB	278,207	242,458
Change in assumptions OPEB	4,025,681	4,365,172
Total deferred outflows of resources	<u>11,310,037</u>	<u>12,343,931</u>
Total assets and deferred outflows of resources	<u>\$ 2,293,191,526</u>	<u>\$ 2,121,786,840</u>

	2022	2021
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 6,457,030	\$ 2,800,006
Environmental Services collections and other payments due to City of El Paso	10,202,758	11,677,658
Customer deposits	12,297,318	11,860,806
Accrued vacation payable	1,840,461	1,894,848
Accrued payroll and benefits	1,241,785	1,141,762
Due to Municipal Drainage Utility	1,376,331	183,656
Unearned revenue on land leases	1,219,807	1,131,859
Other current liabilities	1,222,503	820,489
Self-insurance workers' compensation and health claims	537,929	315,958
Other governments payable - current	184,676	176,565
Customer advances for construction	1,281,585	2,076,361
Current liabilities payable from restricted assets:		
Revenue bonds payable and unamortized premiums net of discounts	50,638,980	48,623,884
Accrued interest on long term debt	11,602,971	12,707,830
Accounts payable	37,883,657	21,734,057
Retainage payable on construction contracts	4,752,341	3,625,685
Total current liabilities	142,740,132	120,771,424
Noncurrent liabilities:		
Revenue bonds payable and unamortized premiums net of discounts	729,702,223	739,008,880
Other governments payable	1,362,674	1,547,350
Commercial paper notes	80,000,000	40,000,000
Total OPEB Liability	16,939,348	16,739,127
Net Pension Liability	13,167,917	40,516,207
Accrued vacation payable	1,547,022	1,553,146
Self-insurance workers' compensation claims	547,921	824,154
Total noncurrent liabilities	843,267,105	840,188,864
Total liabilities	986,007,237	960,960,288
DEFERRED INFLOWS OF RESOURCES		
Gains on bond refunding	5,455,144	6,137,697
Net difference in projected and actual earnings on pension assets	21,871,609	1,221,901
Change in proportionate share pension	507,958	12,524
Difference in expected and actual experience OPEB	6,343,795	6,133,979
Change in assumptions OPEB	2,536,966	2,898,692
Total deferred inflows of resources	36,715,472	16,404,793
NET POSITION		
Restricted:		
Restricted for debt service	89,837,549	85,802,767
Restricted for construction and improvements	46,183,657	54,785,249
Total restricted	136,021,206	140,588,016
Net investment in capital assets	1,065,179,767	978,391,030
Unrestricted	69,267,844	25,442,713
Total net position	1,270,468,817	1,144,421,759
Total liabilities, deferred inflows of resources, and net position	\$ 2,293,191,526	\$ 2,121,786,840

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

WATER AND WASTEWATER UTILITY FUND

STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION

For the Years Ended February 28, 2022 and 2021

	2022	2021
Operating revenues:		
Water	\$ 135,838,060	\$ 140,578,640
Water supply replacement charge	32,858,751	32,509,672
Reclaimed water	4,927,871	5,816,201
Wastewater	100,789,897	94,808,389
Customer connection fees	5,933,650	6,529,722
Billing fees - City Environmental Services	756,307	656,116
Rent revenue	3,761,315	4,069,879
City of El Paso Franchise fee	6,550,000	6,550,000
Pension Recovery Credit	804,631	-
Other operating revenue	3,226,236	2,872,109
Total operating revenues	<u>295,446,718</u>	<u>294,390,728</u>
Operating expenses:		
Operations and maintenance - water and reclaimed water	50,090,168	52,008,318
Operations and maintenance - wastewater	33,963,906	25,500,922
General, administrative and engineering expenses	29,039,256	27,161,515
Other operating expenses	2,801,428	2,622,241
Other Post-Employment Benefits	923,773	1,658,421
Pension expense	-	6,091,180
Depreciation	68,166,195	70,211,559
Payment to City of El Paso Franchise fee	6,550,000	6,550,000
Payment to City of El Paso per bond covenants	16,034,025	16,849,709
Total operating expenses	<u>207,568,751</u>	<u>208,653,865</u>
Operating income	<u>87,877,967</u>	<u>85,736,863</u>
Nonoperating revenues (expenses):		
Interest earnings and net change in fair value of investments	691,160	1,955,699
Gain on sale of land	33,700,529	1,145,805
Gain on sale of miscellaneous assets	519,248	111,980
Federal grant revenue - non capital	1,117,311	-
Other nonoperating expenses	(1,367,319)	(1,094,897)
Interest on long term debt	(16,958,839)	(20,566,880)
Total nonoperating revenues (expenses)	<u>17,702,090</u>	<u>(18,448,293)</u>
Increase in net position, before contributions	<u>105,580,057</u>	<u>67,288,570</u>
Federal grant capital contributions	1,970,455	3,310,590
Non-Federal grant capital contributions	4,694,824	7,362,048
Capital contributions	13,801,722	9,376,387
Total contributions	<u>20,467,001</u>	<u>20,049,025</u>
Change in net position	<u>126,047,058</u>	<u>87,337,595</u>
Total net position - beginning	<u>1,144,421,759</u>	<u>1,057,084,164</u>
Total net position - ending	<u>\$ 1,270,468,817</u>	<u>\$ 1,144,421,759</u>



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

WATER AND WASTEWATER UTILITY FUND

STATEMENTS OF CASH FLOWS

For the Years Ended February 28, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 288,436,251	\$ 277,853,875
Cash received from Municipal Drainage Utility	2,928,172	1,463,437
Environmental Services fees collected for the City of El Paso	83,128,975	82,053,377
Franchise fees collected	6,550,000	6,550,000
Cash payments to suppliers for goods and services	(74,864,475)	(71,532,480)
Cash payments to employees for services	(45,059,095)	(43,714,186)
Environmental Services fees paid to the City of El Paso	(84,537,229)	(78,583,180)
Payments to City of El Paso per bond covenants	(16,100,673)	(16,808,423)
Payments to City of El Paso Franchise fees	(6,549,998)	(6,210,120)
Cash payments to Municipal Drainage Utility	(167,297)	(157,381)
Net cash provided by operating activities	<u>153,764,631</u>	<u>150,914,919</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from:		
Revenue bonds	111,800,000	96,870,000
Premiums and gains on revenue bonds	4,948,991	10,799,652
Commercial paper	80,000,000	65,000,000
Cash receipts from grants	14,382,182	1,715,962
Cash receipts from capital contributions	1,440,000	160,000
Acquisition and construction from capital grants	(8,102,338)	(10,672,639)
Acquisition and construction of capital assets net of disposals	(160,585,423)	(129,883,122)
Refunding revenue bonds	(66,740,000)	(58,565,000)
Refunding commercial paper	(40,000,000)	(40,000,000)
Principal payments on revenue bonds	(42,475,000)	(43,560,000)
Interest and fees on revenue bonds and commercial paper	(34,418,871)	(36,012,239)
Interest payments on notes and other long term debt	(73,964)	(81,719)
Proceeds from sale of assets net of related expenses	5,404,944	3,587,752
Net cash used by capital and related financing activities	<u>(134,419,479)</u>	<u>(140,641,353)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale and maturities of investment securities	169,050,922	124,530,379
Purchase of investment securities	(128,016,158)	(120,408,737)
Interest received on investment securities	2,169,330	1,142,556
Net cash provided by investing activities	<u>43,204,094</u>	<u>5,264,198</u>
Net increase in cash and cash equivalents	62,549,246	15,537,764
Cash and cash equivalents:		
Beginning of year	126,181,372	110,643,608
End of year	<u>\$ 188,730,618</u>	<u>\$ 126,181,372</u>

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

WATER AND WASTEWATER UTILITY FUND

STATEMENTS OF CASH FLOWS

For the Years Ended February 28, 2022 and 2021

	2022	2021
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 87,877,967	\$ 85,736,863
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	68,166,195	70,211,559
(Increase) decrease in assets and deferred outflows:		
Accounts receivable	(156,295)	(10,673,640)
Inventory	(853,657)	(1,400,427)
Prepaid expenses	167,928	(61,515)
Other current assets	(156,800)	403,390
Deferred outflow-Pension contributions	(9,900)	699
Deferred outflow-Net difference in projected and actual earnings on pension assets	-	5,710,341
Deferred outflow-Difference in expected and actual pension experience	245,692	489,665
Deferred outflow-Change in assumptions pension	(3,252)	1,213,181
Deferred outflow-Change in proportionate share pension	50,662	161,496
Deferred outflow-Change in proportionate share OPEB	(35,749)	(23,553)
Deferred outflow-Change in assumptions OPEB	339,491	597,770
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable	3,657,024	(433,947)
Other current liabilities	(547,763)	4,673,797
Due to Municipal Drainage Utility	1,192,675	(90,511)
Accrued vacation payable	(60,511)	263,823
Accrued payroll and benefits	100,023	109,198
Total OPEB Liability	200,221	(6,808,418)
Net Pension Liability	(27,348,290)	(7,028,783)
Deferred inflow-Net difference in projected and actual earnings on pension assets	20,649,708	1,221,901
Deferred inflow-Difference in expected and actual pension experience	-	(733,866)
Deferred inflow-Change in proportionate share pension	495,434	(94,200)
Deferred inflow-Difference in expected and actual experience OPEB	209,816	4,468,319
Deferred inflow-Change in assumptions OPEB	(361,726)	2,898,692
Self-insurance claims	(54,262)	103,085
Net cash provided by operating activities	<u>\$ 153,764,631</u>	<u>\$ 150,914,919</u>
Noncash investing, capital, and financing activities:		
Capital contributions from developers	\$ 12,361,722	\$ 9,216,387
Change in fair value of investments	326,826	49,353
	<u>\$ 12,688,548</u>	<u>\$ 9,265,740</u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY

OPERATING REVENUES

For the Years Ended February 28, 2022 and 2021

	2022	2021
Water and reclaimed water revenue		
Metered sales to general customers	\$ 112,822,253	\$ 120,207,710
Metered sales to City of El Paso	6,614,823	6,606,522
Metered sales to Lower Valley Water District	4,566,205	3,332,917
Metered sales to Mayfair/Nuway	115,378	118,786
Metered sales to El Paso County East Montana	1,432,113	821,822
Metered sales to Haciendas Del Norte	181,082	157,949
Metered sales to Gaslight Square	53,651	54,410
Metered sales to Paseo Del Este	4,274,035	3,534,846
Metered sales to Fort Bliss	868,681	833,639
Metered sales to Colonia Revolucion	23,190	18,312
Metered sales to Square Dance	137,980	96,028
Reclaimed water sales	4,927,871	5,816,201
Private fire protection	1,375,491	1,327,146
El Paso Electric Company - Newman Plant special rate	372,866	285,863
Outside city charges	3,000,312	3,182,690
Total water and reclaimed water revenue	140,765,931	146,394,841
Water supply replacement charge	32,858,751	32,509,672
Total water revenue	173,624,682	178,904,513
Wastewater revenue		
General customers	92,682,561	87,635,217
City of El Paso	678,519	697,166
Lower Valley Water District	2,298,313	1,563,733
Gaslight Square	26,900	31,652
Paseo Del Este	1,764,428	1,716,570
Fort Bliss	2,460,608	2,238,791
Square Dance	76,128	63,058.00
Industrial sewer surcharge	802,440	862,202
Total wastewater revenue	100,789,897	94,808,389
Other operating revenue		
Customer connection fees	5,933,650	6,529,722
City of El Paso Franchise fee	6,550,000	6,550,000
Property rentals	3,761,315	4,069,879
Billing fees - City Environmental Services	756,307	656,116
Pension Recovery Credit	804,631	-
Other operating revenue	3,226,236	2,872,109
Total other operating revenue	21,032,139	20,677,826
Total operating revenue	\$ 295,446,718	\$ 294,390,728

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
A COMPONENT UNIT OF THE CITY OF EL PASO
WATER AND WASTEWATER UTILITY

OPERATING EXPENSES

For the Years Ended February 28, 2022 and 2021

	2022	2021
Water and Reclaimed Water Divisions		
Supply	\$ 15,251,316	\$ 12,285,666
Treatment	22,345,334	26,774,894
Distribution	12,215,232	12,567,585
Reclaimed Water System	278,286	380,173
Total water and reclaimed water divisions	<u>50,090,168</u>	<u>52,008,318</u>
Wastewater Division		
Treatment	20,015,319	16,804,257
Lift stations	2,727,996	2,498,219
Collection lines	8,803,912	4,305,342
Sludge processing	2,416,679	1,893,104
Total wastewater division	<u>33,963,906</u>	<u>25,500,922</u>
General and administrative	<u>29,039,256</u>	<u>27,161,515</u>
Other operating expenses		
Depreciation	68,166,195	70,211,559
Other operating expenses	2,801,428	2,622,241
Other Post-Employment Benefits	923,773	1,658,421
Pension expense	-	6,091,180
Payment to City of El Paso Franchise fee	6,550,000	6,550,000
Payment to City of El Paso per bond covenants	16,034,025	16,849,709
Total other operating expenses	<u>94,475,421</u>	<u>103,983,110</u>
Total operating expenses	<u><u>\$ 207,568,751</u></u>	<u><u>\$ 208,653,865</u></u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
A COMPONENT UNIT OF THE CITY OF EL PASO
WATER AND WASTEWATER UTILITY

NET OPERATING REVENUE - WATER AND RECLAIMED WATER

For the Years Ended February 28, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenue - water and reclaimed water	<u>\$ 140,765,931</u>	<u>\$ 146,394,841</u>
Operating revenue deductions		
Operating expenses	50,090,168	52,008,318
General and administrative	<u>17,423,554</u>	<u>18,198,215</u>
Total operating expense deductions	<u>67,513,722</u>	<u>70,206,533</u>
Net operating revenue - water and reclaimed water	<u><u>\$ 73,252,209</u></u>	<u><u>\$ 76,188,308</u></u>

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

WATER AND WASTEWATER UTILITY

NET OPERATING REVENUE - WASTEWATER

For the Years Ended February 28, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenue - wastewater	<u>\$ 100,789,897</u>	<u>\$ 94,808,389</u>
Operating revenue deductions		
Operating expenses	33,963,906	25,500,922
General and administrative	<u>11,615,702</u>	<u>8,963,300</u>
Total operating expense deductions	<u>45,579,608</u>	<u>34,464,222</u>
Net operating revenue - wastewater	<u><u>\$ 55,210,289</u></u>	<u><u>\$ 60,344,167</u></u>

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

WATER AND WASTEWATER UTILITY FUND

ACCOUNTS RECEIVABLE GOVERNMENT GRANTS - OTHER ACCOUNTS RECEIVABLE

February 28, 2022 and 2021

ACCOUNTS RECEIVABLE - GOVERNMENT GRANTS		
	2022	2021
<u>Government Grant Projects</u>		
<u>Federal Grants</u>		
Fred Hervey Reclamation Diversion Project - USBR #R16AP00217	\$ -	\$ 5,400.00
Kay Bay Hutchison Desalination Facility - USBR #R20AP00339	322,278	148,286
Advanced Water Purification Facility - USBR #R20AP00332	-	2,213,396
Texas COVID-19 Pandemic - DR-4485-TX - FEMA #141-UWJ9I-00	1,117,311	-
<u>Non-Federal Grants</u>		
Agricultural Water Conservation - TWDB Project #1813582260	13,000	13,000
Montana Vista Collector - TWDB Project #10438 G1000915	1,164,692	7,414,532
Kay Bay Hutchison Desalination Facility - DEAAG #2020-01-05	1,875,265	-
Aquifer Storage and Recovery - DEAAG #2020-02-09	139,535	-
 TOTALS	 \$ 4,632,081	 \$ 9,794,614

OTHER ACCOUNTS RECEIVABLE

	2022	2021
Charges to contractors and job damages	\$ 148,154	\$ 331,580
Local and State Governments	378,812	1,850,561
Lease revenue receivables	1,620,499	1,783,859
 TOTALS	 \$ 2,147,465	 \$ 3,966,000

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

WATER AND WASTEWATER UTILITY FUND

CHANGES IN REVENUE BONDS PAYABLE

For the Years Ended February 28, 2022 and 2021

<u>Bond Series</u>	Bonds payable February 28, 2021	Additions	Retirements	Bonds payable February 28, 2022
*2003A Revenue Series	\$ 200,000	\$ -	\$ 50,000	\$ 150,000
2012 Refunding Series	8,475,000	-	4,240,000	4,235,000
2012A Refunding & Improvement	11,740,000	-	5,750,000	5,990,000
2014 Refunding Series	54,800,000	-	38,415,000	16,385,000
2015 Refunding Series	83,950,000	-	41,045,000	42,905,000
2015A Revenue Series	15,055,000	-	725,000	14,330,000
*2015B Revenue Series	38,705,000	-	2,275,000	36,430,000
2015C Refunding Series	39,885,000	-	2,105,000	37,780,000
2016 Refunding & Improvement	60,500,000	-	3,595,000	56,905,000
*2016A Revenue Series	95,000,000	-	2,000,000	93,000,000
2017 Refunding & Improvement	76,385,000	-	775,000	75,610,000
*2017A Revenue Series	48,500,000	-	1,000,000	47,500,000
2018 Refunding Series	26,670,000	-	-	26,670,000
*2019 Revenue Series	1,355,000	-	60,000	1,295,000
2019A Refunding Series	33,400,000	-	-	33,400,000
2019B Refunding Series	30,570,000	-	6,930,000	23,640,000
2020 Refunding Series	33,880,000	-	-	33,880,000
2020A Refunding Series	62,990,000	-	250,000	62,740,000
2021 Refunding Series	-	35,490,000	-	35,490,000
2021A Refunding Series	-	76,310,000	-	76,310,000
TOTALS	\$ 722,060,000	\$ 111,800,000	\$ 109,215,000	\$ 724,645,000

*Direct placement revenue bonds

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

WATER AND WASTEWATER UTILITY FUND

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

February 28, 2022

Calendar Year	Revenue Bonds				Direct Placement Bonds				
	Interest		Total	Principal	Interest		Total	Principal	Total Net
	March 1	September 1	Interest	Due March 1	March 1	September 1	Interest	Due March 1	Requirements
2022	\$ 10,046,383	\$ 9,177,898	\$ 19,224,281	\$ 38,075,000	\$ 1,542,542	\$ 1,503,377	\$ 3,045,919	\$ 8,415,000	\$ 68,760,200
2023	9,177,898	8,507,787	17,685,685	38,180,000	1,503,377	1,452,020	2,955,397	9,945,000	68,766,082
2024	8,507,787	7,829,442	16,337,229	38,590,000	1,452,020	1,390,922	2,842,942	10,980,000	68,750,171
2025	7,829,442	7,032,305	14,861,747	39,085,000	1,390,922	1,325,084	2,716,006	10,970,000	67,632,753
2026	7,032,305	6,470,268	13,502,573	40,535,000	1,325,084	1,252,543	2,577,627	11,215,000	67,830,200
2027	6,470,268	5,805,236	12,275,504	41,775,000	1,252,543	1,171,520	2,424,063	11,260,000	67,734,567
2028	5,805,236	5,079,727	10,884,963	42,650,000	1,171,520	1,083,253	2,254,773	11,310,000	67,099,736
2029	5,079,727	4,343,283	9,423,010	39,415,000	1,083,253	982,154	2,065,407	11,360,000	62,263,417
2030	4,343,283	3,674,079	8,017,362	34,520,000	982,154	866,321	1,848,475	12,125,000	56,510,837
2031	3,674,079	3,031,820	6,705,899	32,100,000	866,321	743,461	1,609,782	12,190,000	52,605,681
2032	3,031,820	2,522,916	5,554,736	25,410,000	743,461	609,637	1,353,098	12,960,000	45,277,834
2033	2,522,916	2,031,768	4,554,684	26,365,000	609,637	471,428	1,081,065	13,025,000	45,025,749
2034	2,031,765	1,600,729	3,632,494	22,680,000	471,428	322,104	793,532	13,595,000	40,701,026
2035	1,600,730	1,168,997	2,769,727	21,410,000	322,104	171,320	493,424	13,675,000	38,348,151
2036	1,168,997	843,572	2,012,569	16,410,000	171,320	50,479	221,799	11,085,000	29,729,368
2037	843,572	516,147	1,359,719	17,060,000	50,479	3,209	53,688	4,085,000	22,558,407
2038	516,147	248,072	764,219	14,350,000	3,209	1,620	4,829	90,000	15,209,048
2039	248,072	98,972	347,044	9,160,000	1,620	-	1,620	90,000	9,598,664
2040	98,972	32,672	131,644	5,425,000	-	-	-	-	5,556,644
2041	32,668	-	32,668	3,075,000	-	-	-	-	3,107,668
	\$ 80,062,067	\$ 70,015,690	\$ 150,077,757	\$ 546,270,000	\$ 14,942,994	\$ 13,400,452	\$ 28,343,446	\$ 178,375,000	\$ 903,066,203

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

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2003A REVENUE (DWSRF) BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY
(DIRECT PLACEMENT - TEXAS WATER DEVELOPMENT BOARD)

February 28, 2022

Calendar Year	Interest					Total Requirements
	Interest Rate	Payment Due			Principal Due March 1	
		March 1	September 1	Total		
2022	0.00%	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
2023	0.00	-	-	-	50,000	50,000
2024	0.00	-	-	-	50,000	50,000
		\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000

Bonds dated: August 15, 2003

Original issue: \$1,000,000

Source of funding requirements: Net revenues only

Call Option: Bonds may be redeemed at any time.

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

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2012 REVENUE REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Calendar Year	Interest Rate	Interest				
		-----			Principal Due March 1	Total Requirements
		Payment Due		Total		
		March 1	September 1			
2022	5.00%	\$ 105,875	\$ -	\$ 105,875	\$ 4,235,000	\$ 4,340,875
		\$ 105,875	\$ -	\$ 105,875	\$ 4,235,000	\$ 4,340,875

Bonds dated: February 01, 2012

Original issue: \$52,780,000

Source of funding requirements: Net revenues only

Call Option: None.

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

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2012A REVENUE REFUNDING AND IMPROVEMENT BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Calendar Year	Interest Rate	Interest				
		-----			Principal Due March 1	Total Requirements
		Payment Due		Total		
		March 1	September 1			
2022	5.00%	\$ 149,750	\$ -	\$ 149,750	\$ 5,990,000	\$ 6,139,750
		\$ 149,750	\$ -	\$ 149,750	\$ 5,990,000	\$ 6,139,750

Bonds dated: November 15, 2012

Original issue: \$75,715,000

Source of funding requirements: Net revenues only

Call Option: None.

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

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2014 REVENUE REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Calendar Year	Interest Rate	Interest				
		Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2022	5.00%	\$ 409,625	\$ 286,000	\$ 695,625	\$ 4,945,000	\$ 5,640,625
2023	5.00	286,000	195,375	481,375	3,625,000	4,106,375
2024	5.00	195,375	100,250	295,625	3,805,000	4,100,625
2025	5.00	100,250	-	100,250	4,010,000	4,110,250
		\$ 991,250	\$ 581,625	\$ 1,572,875	\$ 16,385,000	\$ 17,957,875

Bonds dated: January 15, 2014

Original issue: \$64,900,000

Source of funding requirements: Net revenues only

Call Option: None.

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

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2015 REVENUE REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						
Calendar Year	Interest Rate	Payment Due		Total	Principal Due March 1	Total Requirements
		March 1	September 1			
2022	5.00%	\$ 1,015,356	\$ 806,606	\$ 1,821,962	\$ 8,350,000	\$ 10,171,962
2023	5.00	806,606	587,231	1,393,837	8,775,000	10,168,837
2024	5.00	587,231	356,856	944,087	9,215,000	10,159,087
2025	5.00	356,856	114,856	471,712	9,680,000	10,151,712
2026	5.00	114,856	114,856	229,712	-	229,712
2027	5.00	114,856	114,856	229,712	-	229,712
2028	4.00	114,856	114,856	229,712	-	229,712
2029	4.00	114,856	114,856	229,712	-	229,712
2030	3.25	114,856	76,263	191,119	2,375,000	2,566,119
2031	3.25	76,263	53,431	129,694	1,405,000	1,534,694
2032	3.38	53,431	28,963	82,394	1,450,000	1,532,394
2033	5.00	28,963	28,963	57,926	-	57,926
2034	5.00	28,963	28,963	57,926	-	57,926
2035	3.50	28,964	-	28,964	1,655,000	1,683,964
		<u>\$ 3,556,913</u>	<u>\$ 2,541,556</u>	<u>\$ 6,098,469</u>	<u>\$ 42,905,000</u>	<u>\$ 49,003,469</u>

Bonds dated: December 01, 2014

Original issue: \$131,650,000

Source of funding requirements: Net revenues only

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

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

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2015A REVENUE BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2022	5.00%	\$ 315,828	\$ 296,828	\$ 612,656	\$ 760,000	\$ 1,372,656
2023	5.00	296,828	276,953	573,781	795,000	1,368,781
2024	5.00	276,953	256,078	533,031	835,000	1,368,031
2025	5.00	256,078	234,078	490,156	880,000	1,370,156
2026	3.00	234,078	220,203	454,281	925,000	1,379,281
2027	4.00	220,203	201,203	421,406	950,000	1,371,406
2028	4.00	201,203	181,403	382,606	990,000	1,372,606
2029	4.00	181,403	160,803	342,206	1,030,000	1,372,206
2030	4.25	160,803	138,066	298,869	1,070,000	1,368,869
2031	4.38	138,066	113,675	251,741	1,115,000	1,366,741
2032	4.50	113,675	87,463	201,138	1,165,000	1,366,138
2033	4.50	87,463	60,125	147,588	1,215,000	1,362,588
2034	4.63	60,125	30,756	90,881	1,270,000	1,360,881
2035	4.63	30,756	-	30,756	1,330,000	1,360,756
		\$ 2,573,462	\$ 2,257,634	\$ 4,831,096	\$ 14,330,000	\$ 19,161,096

Bonds dated: July 01, 2015

Original issue: \$18,600,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

**DEBT SERVICE REQUIREMENTS - 2015B REVENUE BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY
(DIRECT PLACEMENT - TEXAS WATER DEVELOPMENT BOARD)**

February 28, 2022

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		Payment Due				
		March 1	September 1	Total		
2022	1.16%	\$ 354,865	\$ 341,496	\$ 696,361	\$ 2,305,000	\$ 3,001,361
2023	1.30	341,496	326,319	667,815	2,335,000	3,002,815
2024	1.39	326,319	309,847	636,166	2,370,000	3,006,166
2025	1.47	309,847	292,134	601,981	2,410,000	3,011,981
2026	1.64	292,134	272,044	564,178	2,450,000	3,014,178
2027	1.81	272,044	249,464	521,508	2,495,000	3,016,508
2028	1.96	249,464	224,523	473,987	2,545,000	3,018,987
2029	2.10	224,523	197,275	421,798	2,595,000	3,016,798
2030	2.20	197,275	168,070	365,345	2,655,000	3,020,345
2031	2.28	168,070	137,062	305,132	2,720,000	3,025,132
2032	2.32	137,062	104,756	241,818	2,785,000	3,026,818
2033	2.37	104,756	70,984	175,740	2,850,000	3,025,740
2034	2.39	70,984	36,090	107,074	2,920,000	3,027,074
2035	2.41	36,090	-	36,090	2,995,000	3,031,090
		\$ 3,084,929	\$ 2,730,064	\$ 5,814,993	\$ 36,430,000	\$ 42,244,993

Bonds dated: November 01, 2015

Original issue: \$50,000,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2015C REVENUE REFUNDING BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2022	5.00%	\$ 870,588	\$ 815,463	\$ 1,686,051	\$ 2,205,000	\$ 3,891,051
2023	5.00	815,463	757,338	1,572,801	2,325,000	3,897,801
2024	3.97	757,338	709,088	1,466,426	2,430,000	3,896,426
2025	5.00	709,088	645,463	1,354,551	2,545,000	3,899,551
2026	4.00	645,463	592,263	1,237,726	2,660,000	3,897,726
2027	4.00	592,263	537,063	1,129,326	2,760,000	3,889,326
2028	5.00	537,063	464,688	1,001,751	2,895,000	3,896,751
2029	5.00	464,688	388,813	853,501	3,035,000	3,888,501
2030	5.00	388,813	308,813	697,626	3,200,000	3,897,626
2031	4.50	308,813	247,500	556,313	2,725,000	3,281,313
2032	4.50	247,500	183,488	430,988	2,845,000	3,275,988
2033	4.50	183,488	116,438	299,926	2,980,000	3,279,926
2034	4.50	116,438	59,513	175,951	2,530,000	2,705,951
2035	4.50	59,513	-	59,513	2,645,000	2,704,513
		<u>\$ 6,696,519</u>	<u>\$ 5,825,931</u>	<u>\$ 12,522,450</u>	<u>\$ 37,780,000</u>	<u>\$ 50,302,450</u>

Bonds dated: November 01, 2015

Original issue: \$48,565,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2016 REVENUE REFUNDING AND IMPROVEMENT BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2022	4.00%	\$ 1,317,575	\$ 1,243,575	\$ 2,561,150	\$ 3,700,000	\$ 6,261,150
2023	5.00	1,243,575	1,147,075	2,390,650	3,860,000	6,250,650
2024	5.00	1,147,075	1,045,700	2,192,775	4,055,000	6,247,775
2025	5.00	1,045,700	939,325	1,985,025	4,255,000	6,240,025
2026	5.00	939,325	827,700	1,767,025	4,465,000	6,232,025
2027	5.00	827,700	710,825	1,538,525	4,675,000	6,213,525
2028	4.00	710,825	612,825	1,323,650	4,900,000	6,223,650
2029	4.00	612,825	511,125	1,123,950	5,085,000	6,208,950
2030	4.00	511,125	464,225	975,350	2,345,000	3,320,350
2031	4.00	464,225	415,425	879,650	2,440,000	3,319,650
2032	4.00	415,425	364,625	780,050	2,540,000	3,320,050
2033	5.00	364,625	298,625	663,250	2,640,000	3,303,250
2034	5.00	298,625	229,375	528,000	2,770,000	3,298,000
2035	5.00	229,375	156,625	386,000	2,910,000	3,296,000
2036	5.00	156,625	80,250	236,875	3,055,000	3,291,875
2037	5.00	80,250	-	80,250	3,210,000	3,290,250
		<u>\$ 10,364,875</u>	<u>\$ 9,047,300</u>	<u>\$ 19,412,175</u>	<u>\$ 56,905,000</u>	<u>\$ 76,317,175</u>

Bonds dated: July 15, 2016

Original issue: \$68,670,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

**DEBT SERVICE REQUIREMENTS - 2016A TWDB SWIFT BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY
(DIRECT PLACEMENT - TEXAS WATER DEVELOPMENT BOARD)**

February 28, 2022

Calendar Year	Interest Rate	Interest				
		Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2022	0.83%	\$ 741,010	\$ 720,260	\$ 1,461,270	\$ 5,000,000	\$ 6,461,270
2023	0.92	720,260	697,260	1,417,520	5,000,000	6,417,520
2024	1.01	697,260	666,960	1,364,220	6,000,000	7,364,220
2025	1.08	666,960	634,560	1,301,520	6,000,000	7,301,520
2026	1.15	634,560	598,910	1,233,470	6,200,000	7,433,470
2027	1.31	598,910	558,300	1,157,210	6,200,000	7,357,210
2028	1.41	558,300	514,590	1,072,890	6,200,000	7,272,890
2029	1.68	514,590	462,510	977,100	6,200,000	7,177,100
2030	1.82	462,510	404,270	866,780	6,400,000	7,266,780
2031	1.91	404,270	343,150	747,420	6,400,000	7,147,420
2032	1.95	343,150	278,800	621,950	6,600,000	7,221,950
2033	2.00	278,800	212,800	491,600	6,600,000	7,091,600
2034	2.11	212,800	143,170	355,970	6,600,000	6,955,970
2035	2.09	143,170	74,200	217,370	6,600,000	6,817,370
2036	2.12	74,200	-	74,200	7,000,000	7,074,200
		\$ 7,050,750	\$ 6,309,740	\$ 13,360,490	\$ 93,000,000	\$ 106,360,490

Bonds dated: November 15, 2016

Original issue: \$100,000,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2017 REVENUE REFUNDING AND IMPROVEMENT BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2022	4.00%	\$ 1,707,250	\$ 1,672,550	\$ 3,379,800	\$ 1,735,000	\$ 5,114,800
2023	5.00	1,672,550	1,579,675	3,252,225	3,715,000	6,967,225
2024	5.00	1,579,675	1,506,675	3,086,350	2,920,000	6,006,350
2025	5.00	1,506,675	1,404,800	2,911,475	4,075,000	6,986,475
2026	5.00	1,404,800	1,297,300	2,702,100	4,300,000	7,002,100
2027	5.00	1,297,300	1,184,050	2,481,350	4,530,000	7,011,350
2028	5.00	1,184,050	1,064,800	2,248,850	4,770,000	7,018,850
2029	5.00	1,064,800	939,175	2,003,975	5,025,000	7,028,975
2030	5.00	939,175	806,800	1,745,975	5,295,000	7,040,975
2031	5.00	806,800	697,300	1,504,100	4,380,000	5,884,100
2032	4.00	697,300	605,300	1,302,600	4,600,000	5,902,600
2033	4.00	605,300	509,700	1,115,000	4,780,000	5,895,000
2034	4.00	509,700	415,600	925,300	4,705,000	5,630,300
2035	4.00	415,600	317,800	733,400	4,890,000	5,623,400
2036	4.00	317,800	216,000	533,800	5,090,000	5,623,800
2037	4.00	216,000	110,100	326,100	5,295,000	5,621,100
2038	4.00	110,100	-	110,100	5,505,000	5,615,100
		<u>\$ 16,034,875</u>	<u>\$ 14,327,625</u>	<u>\$ 30,362,500</u>	<u>\$ 75,610,000</u>	<u>\$ 105,972,500</u>

Bonds dated: October 01, 2017

Original issue: \$83,880,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

**DEBT SERVICE REQUIREMENTS - 2017A TWDB SWIFT BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY
(DIRECT PLACEMENT - TEXAS WATER DEVELOPMENT BOARD)**

February 28, 2022

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2022	0.90%	\$ 428,600	\$ 424,100	\$ 852,700	\$ 1,000,000	\$ 1,852,700
2023	1.01	424,100	411,475	835,575	2,500,000	3,335,575
2024	1.10	411,475	397,725	809,200	2,500,000	3,309,200
2025	1.21	397,725	382,600	780,325	2,500,000	3,280,325
2026	1.29	382,600	366,475	749,075	2,500,000	3,249,075
2027	1.37	366,475	349,350	715,825	2,500,000	3,215,825
2028	1.51	349,350	330,475	679,825	2,500,000	3,179,825
2029	1.68	330,475	309,475	639,950	2,500,000	3,139,950
2030	1.83	309,475	282,025	591,500	3,000,000	3,591,500
2031	1.98	282,025	252,325	534,350	3,000,000	3,534,350
2032	2.06	252,325	216,275	468,600	3,500,000	3,968,600
2033	2.13	216,275	179,000	395,275	3,500,000	3,895,275
2034	2.18	179,000	135,400	314,400	4,000,000	4,314,400
2035	2.22	135,400	91,000	226,400	4,000,000	4,226,400
2036	2.26	91,000	45,800	136,800	4,000,000	4,136,800
2037	2.29	45,800	-	45,800	4,000,000	4,045,800
		<u>\$ 4,602,100</u>	<u>\$ 4,173,500</u>	<u>\$ 8,775,600</u>	<u>\$ 47,500,000</u>	<u>\$ 56,275,600</u>

Bonds dated: November 14, 2017

Original issue: \$50,000,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2018 REVENUE REFUNDING AND IMPROVEMENT BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						
Calendar Year	Interest Rate	Payment Due		Total	Principal Due March 1	Total Requirements
		March 1	September 1			
2022	5.00%	\$ 666,750	\$ 666,750	\$ 1,333,500	\$ -	\$ 1,333,500
2023	5.00	666,750	666,750	1,333,500	-	1,333,500
2024	5.00	666,750	666,750	1,333,500	-	1,333,500
2025	5.00	666,750	614,750	1,281,500	2,080,000	3,361,500
2026	5.00	614,750	560,000	1,174,750	2,190,000	3,364,750
2027	5.00	560,000	502,500	1,062,500	2,300,000	3,362,500
2028	5.00	502,500	442,125	944,625	2,415,000	3,359,625
2029	5.00	442,125	378,750	820,875	2,535,000	3,355,875
2030	5.00	378,750	312,250	691,000	2,660,000	3,351,000
2031	5.00	312,250	242,500	554,750	2,790,000	3,344,750
2032	5.00	242,500	217,125	459,625	1,015,000	1,474,625
2033	5.00	217,125	190,375	407,500	1,070,000	1,477,500
2034	5.00	190,375	162,375	352,750	1,120,000	1,472,750
2035	5.00	162,375	133,000	295,375	1,175,000	1,470,375
2036	5.00	133,000	102,125	235,125	1,235,000	1,470,125
2037	5.00	102,125	69,750	171,875	1,295,000	1,466,875
2038	5.00	69,750	35,750	105,500	1,360,000	1,465,500
2039	5.00	35,750	-	35,750	1,430,000	1,465,750
		<u>\$ 6,630,375</u>	<u>\$ 5,963,625</u>	<u>\$ 12,594,000</u>	<u>\$ 26,670,000</u>	<u>\$ 39,264,000</u>

Bonds dated: December 01, 2018

Original issue: \$26,670,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2019 REVENUE AND IMPROVEMENT BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

(DIRECT PLACEMENT - TEXAS WATER DEVELOPMENT BOARD)

February 28, 2022

Calendar Year	Interest Rate	Interest				Principal Due March 1	Total Requirements
		Payment Due					
		March 1	September 1	Total			
2022	1.82%	\$ 18,067	\$ 17,521	\$ 35,588	\$ 60,000	\$ 95,588	
2023	1.85	17,521	16,966	34,487	60,000	94,487	
2024	1.92	16,966	16,390	33,356	60,000	93,356	
2025	2.00	16,390	15,790	32,180	60,000	92,180	
2026	2.08	15,790	15,114	30,904	65,000	95,904	
2027	2.18	15,114	14,406	29,520	65,000	94,520	
2028	2.28	14,406	13,665	28,071	65,000	93,071	
2029	2.37	13,665	12,894	26,559	65,000	91,559	
2030	2.68	12,894	11,956	24,850	70,000	94,850	
2031	2.95	11,956	10,924	22,880	70,000	92,880	
2032	2.98	10,924	9,806	20,730	75,000	95,730	
2033	3.10	9,806	8,644	18,450	75,000	93,450	
2034	3.20	8,644	7,444	16,088	75,000	91,088	
2035	3.31	7,444	6,120	13,564	80,000	93,564	
2036	3.39	6,120	4,679	10,799	85,000	95,799	
2037	3.46	4,679	3,209	7,888	85,000	92,888	
2038	3.53	3,209	1,620	4,829	90,000	94,829	
2039	3.60	1,620	-	1,620	90,000	91,620	
		\$ 205,215	\$ 187,148	\$ 392,363	\$ 1,295,000	\$ 1,687,363	

Bonds dated: March 01, 2019

Original issue: \$1,415,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2030 may be redeemed on March 1, 2029 or any interest payment date thereafter.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2019A REVENUE REFUNDING BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						
Calendar Year	Interest Rate	Payment Due		Total	Principal Due March 1	Total Requirements
		March 1	September 1			
2022	5.00%	\$ 746,600	\$ 746,600	\$ 1,493,200	\$ -	\$ 1,493,200
2023	5.00	746,600	746,600	1,493,200	-	1,493,200
2024	5.00	746,600	746,600	1,493,200	-	1,493,200
2025	5.00	746,600	746,600	1,493,200	-	1,493,200
2026	5.00	746,600	746,600	1,493,200	-	1,493,200
2027	5.00	746,600	679,100	1,425,700	2,700,000	4,125,700
2028	5.00	679,100	597,350	1,276,450	3,270,000	4,546,450
2029	5.00	597,350	513,725	1,111,075	3,345,000	4,456,075
2030	5.00	513,725	428,225	941,950	3,420,000	4,361,950
2031	5.00	428,225	340,725	768,950	3,500,000	4,268,950
2032	5.00	340,725	294,475	635,200	1,850,000	2,485,200
2033	5.00	294,475	245,850	540,325	1,945,000	2,485,325
2034	3.00	245,850	215,250	461,100	2,040,000	2,501,100
2035	4.00	215,250	173,250	388,500	2,100,000	2,488,500
2036	4.00	173,250	129,550	302,800	2,185,000	2,487,800
2037	3.00	129,550	95,500	225,050	2,270,000	2,495,050
2038	4.00	95,500	48,700	144,200	2,340,000	2,484,200
2039	4.00	48,700	-	48,700	2,435,000	2,483,700
		<u>\$ 8,241,300</u>	<u>\$ 7,494,700</u>	<u>\$ 15,736,000</u>	<u>\$ 33,400,000</u>	<u>\$ 49,136,000</u>

Bonds dated: September 01, 2019

Original issue: \$33,400,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2019B REVENUE REFUNDING BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Calendar Year	Interest Rate	Interest			Principal Due March 1	Total Requirements
		Payment Due				
		March 1	September 1	Total		
2022	5.00%	\$ 591,000	\$ 497,250	\$ 1,088,250	\$ 3,750,000	\$ 4,838,250
2023	5.00	497,250	434,125	931,375	2,525,000	3,456,375
2024	5.00	434,125	367,625	801,750	2,660,000	3,461,750
2025	5.00	367,625	292,625	660,250	3,000,000	3,660,250
2026	5.00	292,625	194,000	486,625	3,945,000	4,431,625
2027	5.00	194,000	90,000	284,000	4,160,000	4,444,000
2028	5.00	90,000	64,500	154,500	1,020,000	1,174,500
2029	5.00	64,500	37,750	102,250	1,070,000	1,172,250
2030	5.00	37,750	9,625	47,375	1,125,000	1,172,375
2031	5.00	9,625	-	9,625	385,000	394,625
		\$ 2,578,500	\$ 1,987,500	\$ 4,566,000	\$ 23,640,000	\$ 28,206,000

Bonds dated: September 01, 2019

Original issue: \$30,570,000

Source of funding requirements: Net revenues only

Call Option: None

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2020 REVENUE REFUNDING BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						
Calendar Year	Interest Rate	Payment Due		Total	Principal Due March 1	Total Requirements
		March 1	September 1			
2022	5.00%	\$ 629,350	\$ 629,350	\$ 1,258,700	\$ -	\$ 1,258,700
2023	5.00	629,350	629,350	1,258,700	-	1,258,700
2024	5.00	629,350	629,350	1,258,700	-	1,258,700
2025	5.00	629,350	629,350	1,258,700	-	1,258,700
2026	5.00	629,350	629,350	1,258,700	-	1,258,700
2027	5.00	629,350	629,350	1,258,700	-	1,258,700
2028	5.00	629,350	557,350	1,186,700	2,880,000	4,066,700
2029	5.00	557,350	483,600	1,040,950	2,950,000	3,990,950
2030	3.00	483,600	438,225	921,825	3,025,000	3,946,825
2031	5.00	438,225	360,725	798,950	3,100,000	3,898,950
2032	5.00	360,725	281,100	641,825	3,185,000	3,826,825
2033	3.00	281,100	232,050	513,150	3,270,000	3,783,150
2034	3.00	232,050	201,750	433,800	2,020,000	2,453,800
2035	3.00	201,750	170,550	372,300	2,080,000	2,452,300
2036	3.00	170,550	138,450	309,000	2,140,000	2,449,000
2037	3.00	138,450	105,375	243,825	2,205,000	2,448,825
2038	3.00	105,375	71,250	176,625	2,275,000	2,451,625
2039	3.00	71,250	36,150	107,400	2,340,000	2,447,400
2040	3.00	36,150	-	36,150	2,410,000	2,446,150
		<u>\$ 7,482,025</u>	<u>\$ 6,852,675</u>	<u>\$ 14,334,700</u>	<u>\$ 33,880,000</u>	<u>\$ 48,214,700</u>

Bonds dated: September 01, 2020

Original issue: \$33,880,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2030 may be redeemed on March 1, 2029 or any interest payment date thereafter.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2020A REVENUE REFUNDING BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						
Calendar Year	Interest Rate	Payment Due		Total	Principal Due March 1	Total Requirements
		March 1	September 1			
2022	0.41%	\$ 311,128	\$ 308,869	\$ 619,997	\$ 1,110,000	\$ 1,729,997
2023	0.48	308,869	281,414	590,283	11,345,000	11,935,283
2024	0.69	281,414	242,101	523,515	11,395,000	11,918,515
2025	0.77	242,101	213,900	456,001	7,325,000	7,781,001
2026	1.04	213,900	180,664	394,564	6,410,000	6,804,564
2027	1.14	180,664	143,882	324,546	6,470,000	6,794,546
2028	1.31	143,882	97,829	241,711	7,015,000	7,256,711
2029	1.46	97,829	81,297	179,126	2,260,000	2,439,126
2030	1.56	81,297	63,401	144,698	2,290,000	2,434,698
2031	1.68	63,401	43,794	107,195	2,330,000	2,437,195
2032	1.76	43,794	22,858	66,652	2,375,000	2,441,652
2033	1.89	22,858	-	22,858	2,415,000	2,437,858
		<u>\$ 1,991,137</u>	<u>\$ 1,680,009</u>	<u>\$ 3,671,146</u>	<u>\$ 62,740,000</u>	<u>\$ 66,411,146</u>

Bonds dated: September 01, 2020

Original issue: \$62,990,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2031 may be redeemed on March 1, 2030 or any interest payment date thereafter.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2021 REVENUE REFUNDING BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						

Calendar	Interest	Payment Due		Total	Principal	Total
Year	Rate	March 1	September 1		Due March 1	Requirements
2022	5.00%	\$ 618,872	\$ 618,872	\$ 1,237,744	\$ -	\$ 1,237,744
2023	5.00	618,872	618,872	1,237,744	-	1,237,744
2024	5.00	618,872	618,872	1,237,744	-	1,237,744
2025	5.00	618,872	618,872	1,237,744	-	1,237,744
2026	5.00	618,872	618,872	1,237,744	-	1,237,744
2027	5.00	618,872	618,872	1,237,744	-	1,237,744
2028	5.00	618,872	571,372	1,190,244	1,900,000	3,090,244
2029	5.00	571,372	521,372	1,092,744	2,000,000	3,092,744
2030	5.00	521,372	468,997	990,369	2,095,000	3,085,369
2031	5.00	468,997	413,997	882,994	2,200,000	3,082,994
2032	5.00	413,997	356,247	770,244	2,310,000	3,080,244
2033	4.00	356,247	307,647	663,894	2,430,000	3,093,894
2034	4.00	307,647	257,147	564,794	2,525,000	3,089,794
2035	3.00	257,147	217,772	474,919	2,625,000	3,099,919
2036	3.00	217,772	177,197	394,969	2,705,000	3,099,969
2037	3.00	177,197	135,422	312,619	2,785,000	3,097,619
2038	3.00	135,422	92,372	227,794	2,870,000	3,097,794
2039	2.00	92,372	62,822	155,194	2,955,000	3,110,194
2040	2.00	62,822	32,672	95,494	3,015,000	3,110,494
2041	2.13	32,668	-	32,668	3,075,000	3,107,668
		<u>\$ 7,947,136</u>	<u>\$ 7,328,268</u>	<u>\$ 15,275,404</u>	<u>\$ 35,490,000</u>	<u>\$ 50,765,404</u>

Bonds dated: April 01, 2021

Original issue: \$35,490,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2030 may be redeemed on March 1, 2029 or any interest payment date thereafter.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2021A TAXABLE REVENUE REFUNDING BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Calendar Year	Interest Rate	Interest					
		Payment Due			Total	Principal Due March 1	Total Requirements
		March 1	September 1				
2022	0.26%	\$ 590,836	\$ 589,185	\$ 1,180,021	\$ 1,295,000	\$ 2,475,021	
2023	0.36	589,185	587,029	1,176,214	1,215,000	2,391,214	
2024	0.55	587,029	583,497	1,170,526	1,275,000	2,445,526	
2025	0.94	583,497	577,686	1,161,183	1,235,000	2,396,183	
2026	1.14	577,686	488,460	1,066,146	15,640,000	16,706,146	
2027	1.44	488,460	393,535	881,995	13,230,000	14,111,995	
2028	1.57	393,535	310,629	704,164	10,595,000	11,299,164	
2029	1.78	310,629	212,017	522,646	11,080,000	11,602,646	
2030	1.88	212,017	159,189	371,206	5,620,000	5,991,206	
2031	1.97	159,189	102,748	261,937	5,730,000	5,991,937	
2032	2.07	102,748	81,272	184,020	2,075,000	2,259,020	
2033	2.17	81,272	41,995	123,267	3,620,000	3,743,267	
2034	2.27	41,992	-	41,992	3,700,000	3,741,992	
		\$ 4,718,075	\$ 4,127,242	\$ 8,845,317	\$ 76,310,000	\$ 85,155,317	

Bonds dated: April 01, 2021

Original issue: \$76,310,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2030 may be redeemed on March 1, 2029 or any interest payment date thereafter.



PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

MUNICIPAL DRAINAGE UTILITY FUND

STATEMENTS OF NET POSITION

February 28, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,690,517	\$ 4,027,623
Investments	3,000,000	-
Accounts receivable - customers	1,854,017	1,940,993
Accounts receivable - other	383,443	24,408
Due from Water and Wastewater Utility	1,376,331	183,656
Accrued interest receivable	9,395	26,095
Restricted current assets:		
Restricted for bond requirements:		
Cash and cash equivalents	9,251,559	7,438,745
Investments	4,030,689	6,456,010
Restricted for construction and improvements:		
Cash and cash equivalents	11,808,807	15,400,547
Investments	4,000,000	6,000,000
Total current assets	<u>39,404,758</u>	<u>41,498,077</u>
Noncurrent assets:		
Restricted noncurrent assets:		
Restricted for bond requirements:		
Investments	1,591,296	-
Capital assets:		
Municipal Drainage Utility capital assets	178,693,667	168,609,143
Land and right of way	56,999,449	42,954,649
Construction work in progress	47,945,387	33,275,250
Less accumulated depreciation	(30,789,925)	(27,398,094)
Total capital assets (net of accumulated depreciation)	<u>252,848,578</u>	<u>217,440,948</u>
Total noncurrent assets	<u>254,439,874</u>	<u>217,440,948</u>
Total assets	<u>293,844,632</u>	<u>258,939,025</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension contributions	126,908	137,716
Difference in expected and actual pension experience	80,157	96,834
Change in assumptions pension	158	-
Change in proportionate share pension	10,103	14,302
Change in assumptions OPEB	255,335	278,989
Total deferred outflows of resources	<u>472,661</u>	<u>527,841</u>
Total assets and deferred outflows of resources	<u>\$ 294,317,293</u>	<u>\$ 259,466,866</u>

	2022	2021
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 937,121	\$ 248,888
Accrued vacation payable	85,998	89,414
Accrued payroll and benefits	59,571	54,555
Unearned revenue on land leases	15,228	13,476
Due to Water and Wastewater Utility land transfer	2,000,000	-
Current liabilities payable from restricted assets:		
Revenue bonds payable and unamortized premiums net of discounts	6,878,572	5,966,309
Accrued interest on long term debt	2,178,576	2,128,293
Accounts payable	4,269,770	1,783,825
Retainage payable on construction contracts	47,476	430,942
Total current liabilities	<u>16,472,312</u>	<u>10,715,702</u>
Noncurrent liabilities:		
Revenue bonds payable and unamortized premiums net of discounts	105,002,028	96,841,282
Revolving note	15,000,000	15,000,000
Due to Water and Wastewater Utility land transfer	12,844,800	4,300,000
Total OPEB Liability	954,970	1,025,682
Net Pension Liability	641,590	2,138,235
Accrued vacation payable	67,505	57,542
Total noncurrent liabilities	<u>134,510,893</u>	<u>119,362,741</u>
Total liabilities	<u>150,983,205</u>	<u>130,078,443</u>
DEFERRED INFLOWS OF RESOURCES		
Gains on bond refunding	144,074	-
Net difference in projected and actual earnings on pension assets	1,068,560	69,824
Change in proportionate share pension	347,594	299,216
Difference in expected and actual experience OPEB	387,048	379,562
Change in proportionate share OPEB	278,207	242,458
Change in assumptions OPEB	155,450	177,615
Total deferred inflows of resources	<u>2,380,933</u>	<u>1,168,675</u>
NET POSITION		
Restricted:		
Restricted for debt service	12,694,968	11,766,462
Restricted for construction and improvements	9,439,868	13,004,771
Total restricted	<u>22,134,836</u>	<u>24,771,233</u>
Net investment in capital assets	113,030,797	101,514,366
Unrestricted	5,787,522	1,934,149
Total net position	<u>140,953,155</u>	<u>128,219,748</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 294,317,293</u>	<u>\$ 259,466,866</u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

MUNICIPAL DRAINAGE UTILITY FUND

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

For the Years Ended February 28, 2022 and 2021

	2022	2021
Drainage operating revenues:		
Residential	\$ 10,652,484	\$ 9,913,888
Non-residential	15,251,128	14,151,183
Billing fees - City Environmental Services	324,132	281,193
Pension Recovery Credit	168,988	-
Other operating revenue	212,912	207,393
Total operating revenues	<u>26,609,644</u>	<u>24,553,657</u>
Drainage operating expenses:		
Operations and maintenance	5,088,786	5,268,842
Indirect cost allocation	1,678,000	1,498,000
Other Post-Employment Benefits	6,243	68,139
Pension expense	-	263,068
Depreciation	3,703,686	3,516,614
Total operating expenses	<u>10,476,715</u>	<u>10,614,663</u>
Operating income	<u>16,132,929</u>	<u>13,938,994</u>
Nonoperating revenues (expenses):		
Interest earnings and net change in fair value of investments	6,564	160,075
Gain on sale of land	402,026	-
Other nonoperating expenses	(348,193)	(57,722)
Interest on long term debt	(3,459,919)	(3,628,917)
Total nonoperating expenses	<u>(3,399,522)</u>	<u>(3,526,564)</u>
Change in net position	12,733,407	10,412,430
Total net position - beginning	128,219,748	117,807,318
Total net position - ending	<u>\$ 140,953,155</u>	<u>\$ 128,219,748</u>



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

MUNICIPAL DRAINAGE UTILITY FUND

STATEMENTS OF CASH FLOWS

For the Years Ended February 28, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 26,003,052	\$ 23,878,950
Cash received from Water and Wastewater Utility	167,297	157,381
Cash payments to Water and Wastewater Utility	(2,928,172)	(1,463,437)
Cash payments to suppliers for goods and services	(3,261,597)	(4,142,676)
Cash payments to employees for services	(1,351,144)	(1,201,690)
Net cash provided by operating activities	<u>18,629,436</u>	<u>17,228,528</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from:		
Revenue bonds	22,275,000	-
Premiums received on revenue bonds	2,019,920	-
Revolving note	15,000,000	15,000,000
Acquisition and construction of capital assets net of disposals	(26,464,037)	(14,330,090)
Proceeds from sale of assets net of related expenses	402,026	-
Interest and fees on revenue bonds	(5,077,666)	(4,563,733)
Payments on revolving note	(15,000,000)	(10,000,000)
Refunding revenue bonds	(8,550,000)	-
Principal payments on revenue bonds	(5,208,000)	(4,934,000)
Net cash used by capital and related financing activities	<u>(20,602,757)</u>	<u>(18,827,823)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale and maturities of investment securities	20,622,047	11,958,401
Purchase of investment securities	(20,825,801)	(18,064,461)
Interest received on investment securities	61,043	177,249
Net cash used by investing activities	<u>(142,711)</u>	<u>(5,928,811)</u>
 Net decrease in cash and cash equivalents	(2,116,032)	(7,528,106)
Cash and cash equivalents:		
Beginning of year	26,866,915	34,395,021
End of year	<u>\$ 24,750,883</u>	<u>\$ 26,866,915</u>

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

MUNICIPAL DRAINAGE UTILITY FUND

STATEMENTS OF CASH FLOWS

For the Years Ended February 28, 2022 and 2021

	2022	2021
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 16,132,929	\$ 13,938,994
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,703,686	3,516,614
(Increase) decrease in assets and deferred outflows:		
Accounts receivable	(272,059)	(519,862)
Due from Water and Wastewater Utility	(1,192,675)	90,511
Deferred outflow-Pension contributions	10,808	8,121
Deferred outflow-Net difference in projected and actual earnings on pension assets	-	298,537
Deferred outflow-Difference in expected and actual pension experience	16,677	28,564
Deferred outflow-Change in assumptions pension	(158)	85,687
Deferred outflow-Change in proportionate share pension	4,199	35,400
Deferred outflow-Change in assumptions OPEB	23,654	38,215
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable	688,233	165,087
Other Current Liabilities	1,752	2,536
Accrued vacation payable	6,547	3,471
Accrued payroll and benefits	5,016	3,563
Total OPEB Liability	(70,712)	(476,738)
Net Pension Liability	(1,496,645)	(391,358)
Deferred inflows-Difference in projected and actual earnings on pension assets	998,736	69,824
Deferred inflow-Difference in expected and actual pension experience	-	(51,832)
Deferred inflow-Change in proportionate share pension	48,378	(91,261)
Deferred inflow-Difference in expected and actual experience OPEB	7,486	273,287
Deferred inflow-Change in proportionate share OPEB	35,749	23,553
Deferred inflow-Change in assumptions OPEB	(22,165)	177,615
Net cash provided by operating activities	<u>\$ 18,629,436</u>	<u>\$ 17,228,528</u>
Noncash investing, capital, and financing activities:		
Change in fair value of investments	<u>\$ 37,779</u>	<u>\$ 18,016</u>
	<u>\$ 37,779</u>	<u>\$ 18,016</u>

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

MUNICIPAL DRAINAGE UTILITY FUND

OPERATING REVENUES AND EXPENSES

For the Years Ended February 28, 2022 and 2021

	2022	2021
Drainage operating revenues:		
Residential	\$ 10,652,484	\$ 9,913,888
Non-residential	15,251,128	14,151,183
Billing fees - City Environmental Services	324,132	281,193
Pension Recovery Credit	168,988	-
Other operating revenue	212,912	207,393
Total operating revenue	<u>26,609,644</u>	<u>24,553,657</u>
Drainage operations		
Emergency Response	264,614	35,527
Maintenance	2,394,550	2,711,752
Total drainage division	<u>2,659,164</u>	<u>2,747,279</u>
General and administrative	<u>2,429,622</u>	<u>2,521,563</u>
Indirect cost allocation	<u>1,678,000</u>	<u>1,498,000</u>
Other operating expenses		
Depreciation	3,703,686	3,516,614
Other Post-Employment Benefits	6,243	68,139
Pension Expense	-	263,068
Total other operating expenses	<u>3,709,929</u>	<u>3,847,821</u>
Total operating expenses	<u>\$ 10,476,715</u>	<u>\$ 10,614,663</u>

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

MUNICIPAL DRAINAGE UTILITY FUND

NET OPERATING REVENUE - MUNICIPAL DRAINAGE UTILITY

For the Years Ended February 28, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenue	<u>\$ 26,609,644</u>	<u>\$ 24,553,657</u>
Operating revenue deductions		
Operating expenses	2,659,164	2,747,279
General and administrative	2,429,622	2,521,563
Indirect cost allocation	<u>1,678,000</u>	<u>1,498,000</u>
Total operating expense deductions	<u>6,766,786</u>	<u>6,766,842</u>
Net operating revenue	<u><u>\$ 19,842,858</u></u>	<u><u>\$ 17,786,815</u></u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
A COMPONENT UNIT OF THE CITY OF EL PASO
MUNICIPAL DRAINAGE UTILITY FUND

CHANGES IN REVENUE BONDS PAYABLE

For the Years Ended February 28, 2022 and 2021

<u>Bond Series</u>	Bonds payable February 28, 2021	Additions	Retirements	Bonds payable February 28, 2022
*2009A Revenue Series	\$ 1,181,000	\$ -	\$ 108,000	\$ 1,073,000
2012 Revenue Series	9,880,000	-	9,200,000	680,000
2015 Revenue Series	18,145,000	-	855,000	17,290,000
2016 Revenue Series	17,700,000	-	745,000	16,955,000
2017 Refunding & Improvement	43,795,000	-	2,850,000	40,945,000
*2021 Refunding Series	-	8,945,000	-	8,945,000
2021A Refunding Series	-	13,330,000	-	13,330,000
TOTALS	\$ 90,701,000	\$ 22,275,000	\$ 13,758,000	\$ 99,218,000

**Direct placement revenue bonds*

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

MUNICIPAL DRAINAGE UTILITY FUND

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

February 28, 2022

Calendar Year	Revenue Bonds				Direct Placement Bonds				
	Interest		Total	Principal	Interest		Total	Principal	Total Net
	March 1	September 1	Interest	Due March 1	March 1	September 1	Interest	Due March 1	Requirements
2022	\$ 2,094,966	\$ 1,948,840	\$ 4,043,806	\$ 5,845,000	\$ 71,560	\$ 70,600	\$ 142,160	\$ 228,000	\$ 10,258,966
2023	1,948,841	1,812,965	3,761,806	5,435,000	70,600	64,440	135,040	878,000	10,209,846
2024	1,812,966	1,668,590	3,481,556	5,775,000	64,440	58,760	123,200	818,000	10,197,756
2025	1,668,591	1,515,590	3,184,181	6,120,000	58,760	53,440	112,200	772,000	10,188,381
2026	1,515,591	1,353,340	2,868,931	6,490,000	53,440	46,160	99,600	1,017,000	10,475,531
2027	1,353,341	1,181,090	2,534,431	6,890,000	46,160	38,760	84,920	1,032,000	10,541,351
2028	1,181,091	998,465	2,179,556	7,305,000	38,760	31,280	70,040	1,042,000	10,596,596
2029	998,466	826,540	1,825,006	7,745,000	31,280	23,640	54,920	1,062,000	10,686,926
2030	826,541	733,140	1,559,681	3,900,000	23,640	15,880	39,520	1,077,000	6,576,201
2031	733,141	635,140	1,368,281	4,090,000	15,880	8,000	23,880	1,092,000	6,574,161
2032	635,141	532,565	1,167,706	4,280,000	8,000	-	8,000	1,000,000	6,455,706
2033	532,566	428,365	960,931	4,495,000	-	-	-	-	5,455,931
2034	428,366	314,590	742,956	4,700,000	-	-	-	-	5,442,956
2035	314,591	198,790	513,381	4,940,000	-	-	-	-	5,453,381
2036	198,791	126,640	325,431	3,415,000	-	-	-	-	3,740,431
2037	126,641	86,840	213,481	1,920,000	-	-	-	-	2,133,481
2038	86,841	51,165	138,006	1,995,000	-	-	-	-	2,133,006
2039	51,166	18,465	69,631	2,070,000	-	-	-	-	2,139,631
2040	18,466	9,615	28,081	885,000	-	-	-	-	913,081
2041	9,616	-	9,616	905,000	-	-	-	-	914,616
	<u>\$ 16,535,720</u>	<u>\$ 14,440,735</u>	<u>\$ 30,976,455</u>	<u>\$ 89,200,000</u>	<u>\$ 482,520</u>	<u>\$ 410,960</u>	<u>\$ 893,480</u>	<u>\$ 10,018,000</u>	<u>\$ 131,087,935</u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

MUNICIPAL DRAINAGE UTILITY FUND

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

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

(DIRECT PLACEMENT - TEXAS WATER DEVELOPMENT BOARD)

February 28, 2022

Interest						

Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2022	0.00%	\$ -	\$ -	\$ -	\$ 108,000	\$ 108,000
2023	0.00	-	-	-	108,000	108,000
2024	0.00	-	-	-	108,000	108,000
2025	0.00	-	-	-	107,000	107,000
2026	0.00	-	-	-	107,000	107,000
2027	0.00	-	-	-	107,000	107,000
2028	0.00	-	-	-	107,000	107,000
2029	0.00	-	-	-	107,000	107,000
2030	0.00	-	-	-	107,000	107,000
2031	0.00	-	-	-	107,000	107,000
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,073,000</u>	<u>\$ 1,073,000</u>

Bonds dated: November 15, 2009

Original issue: \$2,163,000

Source of funding requirements: Net revenues only

Call Option: Bonds may be redeemed at any time.

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

MUNICIPAL DRAINAGE UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2012 REVENUE BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Calendar Year	Interest Rate	Interest				

		Payment Due			Principal	Total
		March 1	September 1	Total	Due March 1	Requirements
2022	5.00%	\$ 17,000	\$ -	\$ 17,000	\$ 680,000	\$ 697,000
		\$ 17,000	\$ -	\$ 17,000	\$ 680,000	\$ 697,000

Bonds dated: June 15, 2012

Original issue: \$14,075,000

Source of funding requirements: Net revenues only

Call Option: None

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

MUNICIPAL DRAINAGE UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2015 REVENUE BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						

Calendar	Interest	Payment Due			Principal	Total
Year	Rate	March 1	September 1	Total	Due March 1	Requirements
2022	5.00%	\$ 432,250	\$ 410,250	\$ 842,500	\$ 880,000	\$ 1,722,500
2023	5.00	410,250	387,125	797,375	925,000	1,722,375
2024	5.00	387,125	362,750	749,875	975,000	1,724,875
2025	5.00	362,750	337,250	700,000	1,020,000	1,720,000
2026	5.00	337,250	310,375	647,625	1,075,000	1,722,625
2027	5.00	310,375	282,250	592,625	1,125,000	1,717,625
2028	5.00	282,250	252,750	535,000	1,180,000	1,715,000
2029	5.00	252,750	221,750	474,500	1,240,000	1,714,500
2030	5.00	221,750	189,125	410,875	1,305,000	1,715,875
2031	5.00	189,125	154,875	344,000	1,370,000	1,714,000
2032	5.00	154,875	119,000	273,875	1,435,000	1,708,875
2033	5.00	119,000	81,250	200,250	1,510,000	1,710,250
2034	5.00	81,250	41,625	122,875	1,585,000	1,707,875
2035	5.00	41,625	-	41,625	1,665,000	1,706,625
		<u>\$ 3,582,625</u>	<u>\$ 3,150,375</u>	<u>\$ 6,733,000</u>	<u>\$ 17,290,000</u>	<u>\$ 24,023,000</u>

Bonds dated: March 01, 2015

Original issue: \$22,240,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

MUNICIPAL DRAINAGE UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2016 REVENUE BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						

Calendar	Interest	Payment Due			Principal	Total
Year	Rate	March 1	September 1	Total	Due March 1	Requirements
2022	5.00%	\$ 423,875	\$ 404,375	\$ 828,250	\$ 780,000	\$ 1,608,250
2023	5.00	404,375	384,000	788,375	815,000	1,603,375
2024	5.00	384,000	362,500	746,500	860,000	1,606,500
2025	5.00	362,500	339,875	702,375	905,000	1,607,375
2026	5.00	339,875	316,125	656,000	950,000	1,606,000
2027	5.00	316,125	291,125	607,250	1,000,000	1,607,250
2028	5.00	291,125	264,875	556,000	1,050,000	1,606,000
2029	5.00	264,875	237,250	502,125	1,105,000	1,607,125
2030	5.00	237,250	208,250	445,500	1,160,000	1,605,500
2031	5.00	208,250	177,750	386,000	1,220,000	1,606,000
2032	5.00	177,750	145,750	323,500	1,280,000	1,603,500
2033	5.00	145,750	112,000	257,750	1,350,000	1,607,750
2034	5.00	112,000	76,625	188,625	1,415,000	1,603,625
2035	5.00	76,625	39,125	115,750	1,500,000	1,615,750
2036	5.00	39,125	-	39,125	1,565,000	1,604,125
		<u>\$ 3,783,500</u>	<u>\$ 3,359,625</u>	<u>\$ 7,143,125</u>	<u>\$ 16,955,000</u>	<u>\$ 24,098,125</u>

Bonds dated: March 15, 2016

Original issue: \$19,790,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

MUNICIPAL DRAINAGE UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2017 REVENUE BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2022

Interest						

Calendar	Interest	Payment Due			Principal	Total
Year	Rate	March 1	September 1	Total	Due March 1	Requirements
2022	5.00%	\$ 967,525	\$ 891,525	\$ 1,859,050	\$ 3,040,000	\$ 4,899,050
2023	5.00	891,525	810,150	1,701,675	3,255,000	4,956,675
2024	5.00	810,150	723,150	1,533,300	3,480,000	5,013,300
2025	5.00	723,150	630,400	1,353,550	3,710,000	5,063,550
2026	5.00	630,400	531,400	1,161,800	3,960,000	5,121,800
2027	5.00	531,400	425,650	957,050	4,230,000	5,187,050
2028	5.00	425,650	312,775	738,425	4,515,000	5,253,425
2029	4.10	312,775	214,100	526,875	4,815,000	5,341,875
2030	4.00	214,100	197,700	411,800	820,000	1,231,800
2031	4.00	197,700	180,700	378,400	850,000	1,228,400
2032	4.00	180,700	163,000	343,700	885,000	1,228,700
2033	4.00	163,000	144,600	307,600	920,000	1,227,600
2034	5.00	144,600	120,725	265,325	955,000	1,220,325
2035	5.00	120,725	95,600	216,325	1,005,000	1,221,325
2036	4.00	95,600	74,500	170,100	1,055,000	1,225,100
2037	5.00	74,500	47,000	121,500	1,100,000	1,221,500
2038	4.00	47,000	24,000	71,000	1,150,000	1,221,000
2039	4.00	24,000	-	24,000	1,200,000	1,224,000
		<u>\$ 6,554,500</u>	<u>\$ 5,586,975</u>	<u>\$ 12,141,475</u>	<u>\$ 40,945,000</u>	<u>\$ 53,086,475</u>

Bonds dated: October 15, 2017

Original issue: \$48,940,000

Source of funding requirements: Net revenues only

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

MUNICIPAL DRAINAGE UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2021 TAXABLE REVENUE REFUNDING BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

(DIRECT PLACEMENT - ALLIANCE BANK)

February 28, 2022

Interest						

Calendar	Interest	Payment Due			Principal	Total
Year	Rate	March 1	September 1	Total	Due March 1	Requirements
2022	1.60%	\$ 71,560	\$ 70,600	\$ 142,160	\$ 120,000	\$ 262,160
2023	1.60	70,600	64,440	135,040	770,000	905,040
2024	1.60	64,440	58,760	123,200	710,000	833,200
2025	1.60	58,760	53,440	112,200	665,000	777,200
2026	1.60	53,440	46,160	99,600	910,000	1,009,600
2027	1.60	46,160	38,760	84,920	925,000	1,009,920
2028	1.60	38,760	31,280	70,040	935,000	1,005,040
2029	1.60	31,280	23,640	54,920	955,000	1,009,920
2030	1.60	23,640	15,880	39,520	970,000	1,009,520
2031	1.60	15,880	8,000	23,880	985,000	1,008,880
2032	1.60	8,000	-	8,000	1,000,000	1,008,000
		<u>\$ 482,520</u>	<u>\$ 410,960</u>	<u>\$ 893,480</u>	<u>\$ 8,945,000</u>	<u>\$ 9,838,480</u>

Bonds dated: March 15, 2021

Original issue: \$8,945,000

Source of funding requirements: Net revenues only

Call Option: Bonds may be redeemed at any time.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

MUNICIPAL DRAINAGE UTILITY FUND

**DEBT SERVICE REQUIREMENTS - 2021A REVENUE REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY**

February 28, 2022

Interest						

Calendar	Interest	Payment Due			Principal	Total
Year	Rate	March 1	September 1	Total	Due March 1	Requirements
2022	5.00%	\$ 254,316	\$ 242,690	\$ 497,006	\$ 465,000	\$ 962,006
2023	5.00	242,691	231,690	474,381	440,000	914,381
2024	5.00	231,691	220,190	451,881	460,000	911,881
2025	5.00	220,191	208,065	428,256	485,000	913,256
2026	5.00	208,066	195,440	403,506	505,000	908,506
2027	5.00	195,441	182,065	377,506	535,000	912,506
2028	5.00	182,066	168,065	350,131	560,000	910,131
2029	5.00	168,066	153,440	321,506	585,000	906,506
2030	5.00	153,441	138,065	291,506	615,000	906,506
2031	5.00	138,066	121,815	259,881	650,000	909,881
2032	5.00	121,816	104,815	226,631	680,000	906,631
2033	4.00	104,816	90,515	195,331	715,000	910,331
2034	4.00	90,516	75,615	166,131	745,000	911,131
2035	3.00	75,616	64,065	139,681	770,000	909,681
2036	3.00	64,066	52,140	116,206	795,000	911,206
2037	3.00	52,141	39,840	91,981	820,000	911,981
2038	3.00	39,841	27,165	67,006	845,000	912,006
2039	2.00	27,166	18,465	45,631	870,000	915,631
2040	2.00	18,466	9,615	28,081	885,000	913,081
2041	2.13	9,616	-	9,616	905,000	914,616
		<u>\$ 2,598,095</u>	<u>\$ 2,343,760</u>	<u>\$ 4,941,855</u>	<u>\$ 13,330,000</u>	<u>\$ 18,271,855</u>

Bonds dated: April 01, 2021

Original issue: \$13,330,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2030 may be
redeemed on March 1, 2029 or any interest payment date thereafter.



PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

INSURANCE COVERAGE

February 28, 2022

<u>Insurance Providers</u>	<u>Policy Number</u>	<u>Policy Period</u>
Alliant Property Insurance Agent: USI Southwest Inc.	APIP2020	07/01/21 to 07/01/22
Texas Municipal League	Entity ID# 889	10/01/21 to 10/01/22
Travelers Casualty & Surety Co. of America Agent: USI Southwest Inc.	105715307	12/7/21 to 12/07/22
Texas Municipal League	Entity ID# 944	05/01/21 to 05/01/22
Scottsdale Insurance Company Agent: USI Southwest Inc.	CPS7450943	11/11/21 to 11/11/22
Scottsdale Insurance Company Agent: USI Southwest Inc.	CPS7413298	09/16/21 to 09/16/22
APEX/Benchmark Insurance Agent: USI Southwest Inc.	BCMCB01H7LD6X3	03/01/21 to 03/01/22

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

INSURANCE COVERAGE

February 28, 2022

Type of Insurance	Property Insured	Insurance
Blanket coverages for Building, Boiler & Machinery, Equipment & Personal Property	Blanket Building & Contents	\$688,338,002 \$250,000 Deductible
	<u>Sublimit</u>	
	Flood	\$50,000,000 \$250,000 Deductible
	Flood (Zones A & V)	\$2,000,000 \$500,000 Deductible
	Earthquake	\$50,000,000 \$250,000 Deductible
	Boiler & Machinery	\$100,000,000 Various Deductible
	Farm Equipment	\$7,020,444 \$10,000 Deductible
Auto Liability	Four Vehicles	\$500,000 \$10,000 Deductible
Inside/Outside Theft and Disappearance	Property and Cash	\$100,000 \$5,000 Deductible
Computer Fraud	Non-authorized access of computer information	\$3,000,000 \$50,000 Deductible
Employee Dishonesty	Covers against financial loss loss of money, securities, and other property	\$3,000,000 \$50,000 Deductible
Misc. Professional Liability	Errors & Omissions	\$5,000,000
	For Public Officials & Employees	\$10,000,000 \$50,000 Deductible
Special Event General Liability	TECH2O and Desalination Plant	\$2,000,000 Aggregate No Deductible
General Liability	Palisades & Trailheads	\$2,000,000 Aggregate No Deductible
Cyber Liability	El Paso Water Utilities	\$5,000,000 Aggregate \$50,000 Deductible

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

INSURANCE COVERAGE

February 28, 2022

<u>Insurance Providers</u>	<u>Policy Number</u>	<u>Policy Period</u>
City of El Paso - El Paso Water Utilities Aetna	Self-insurance Plan	01/01/21 to 12/31/22
Aetna	Stop Loss	01/01/21 to 12/31/21
Aetna	Stop Loss	01/01/22 to 12/31/22
Aetna	Fully Insured	01/01/21 to 12/31/22
Aetna	Fully Insured	01/01/21 to 12/31/22
Blue Cross Blue Shield Underwriter ReliaStar Life Ins. Co.	F022145-0001	01/01/21 to 12/31/23
CAS, Inc. (Administrator)	Self-insurance Plan	03/30/21 to 03/29/26

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

INSURANCE COVERAGE

February 28, 2022

Type of Insurance	Property Insured	Insurance
Health Insurance Choice POS II	Employees & Family	Annual Deductible Co-insurance 80% High Deductible Plan 100%
Specific and Aggregate Stop Loss Insurance	Employees & Family	Individual Claims over \$275,000
Specific and Aggregate Stop Loss Insurance	Employees & Family	Individual Claims over \$300,000
Health Insurance Choice POS II	Retirees under 65	Annual Deductible Co-insurance 80% or 90% High Deductible Plan 100%
Health Insurance Medicare Advantage Plan	Retirees over 65 - Part A & Part B Required	\$0 Deductible 90% Co-Insurance
Employee Basic Life Insurance	Active Employees Only	\$50,000 per employee \$2,000 for spouse \$1,000 per child
Accidental Death & Dismemberment	Active Employees Only	
Supplemental/Optional Life	Active Employees and Family Only	\$200,000 per employee \$100,000 for spouse \$10,000 per child
Workers' Compensation	Self-insured	



STATISTICAL SECTION



STATISTICAL SECTION - CONTENTS AND EXPLANATIONS (Unaudited)

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

PAGE

A - FINANCIAL TRENDS INFORMATION

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

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A - FINANCIAL TRENDS INFORMATION

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

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

NET POSITION

**2013 thru 2022*
(accrual basis of accounting)
(amounts expressed in thousands)**

	2022	2021	2020	2019	2018	2017	2016	Restated 2015 ²	2014	Restated 2013 ¹
NET POSITION										
Restricted:										
Restricted for debt service	\$ 102,533	\$ 97,569	\$ 95,910	\$ 90,651	\$ 78,899	\$ 73,715	\$ 69,473	\$ 61,953	\$ 58,213	\$ 56,136
Restricted for construction and improvements	55,624	67,790	63,851	38,713	43,596	33,841	28,756	21,536	35,752	25,448
Total restricted	158,156	165,359	159,761	129,364	122,495	107,556	98,228	83,489	93,965	81,583
Net investment in capital assets	1,153,540	1,069,231	993,793	948,468	894,333	846,265	808,631	776,032	727,502	698,873
Unrestricted	75,055	27,377	10,663	764	(242)	6,849	(3,989)	(12,109)	26,737	27,908
Total Net Position	\$ 1,386,751	\$ 1,261,967	\$ 1,164,217	\$ 1,078,597	\$ 1,016,586	\$ 960,670	\$ 902,870	\$ 847,412	\$ 848,203	\$ 808,364

Note:

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

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

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

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

NET POSITION

2013 thru 2022*
(accrual basis of accounting)
(amounts expressed in thousands)

	2022	2021	2020	2019	2018	2017	2016	Restated 2015 ²	2014	Restated 2013 ¹
NET POSITION										
Restricted:										
Restricted for debt service	\$ 89,838	\$ 85,803	\$ 84,992	\$ 80,593	\$ 71,959	\$ 65,549	\$ 61,979	\$ 55,543	\$ 52,399	\$ 51,361
Restricted for construction and improvements	46,184	54,785	49,067	26,199	32,763	23,324	28,273	15,539	27,034	21,407
Total restricted	136,021	140,588	134,059	106,792	104,723	88,873	90,252	71,082	79,433	72,768
Net investment in capital assets	1,065,180	978,391	914,008	865,579	827,188	781,349	742,320	721,516	681,281	656,157
Unrestricted	69,268	25,443	9,017	(602)	(11,287)	5,886	(5,082)	(12,894)	24,501	22,205
Total Net Position	\$ 1,270,469	\$ 1,144,422	\$ 1,057,084	\$ 971,770	\$ 920,624	\$ 876,109	\$ 827,490	\$ 779,705	\$ 785,214	\$ 751,129

Note:

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

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

2013 thru 2022*
(accrual basis of accounting)
(amounts expressed in thousands)

	2022	2021	2020	2019	2018	2017	2016	Restated 2015 ²	2014	Restated 2013 ¹
Revenue										
Water and reclaimed water	\$ 173,591	\$ 178,873	\$ 159,977	\$ 157,351	\$ 145,915	\$ 137,996	\$ 123,015	\$ 115,553	\$ 114,083	\$ 113,001
Wastewater	100,790	94,808	90,022	83,943	76,002	69,632	62,068	57,064	58,032	54,468
Drainage fees	25,736	23,908	23,557	23,143	22,266	18,819	16,674	15,194	15,058	14,962
Other operating revenue	21,714	21,142	20,222	15,277	20,835	14,521	13,518	12,095	9,517	9,890
Total operating revenue	321,832	318,731	293,778	279,714	265,019	240,968	215,275	199,906	196,691	192,321
Expenses										
Operations and maintenance - water and reclaimed water	50,026	51,948	47,360	49,228	45,496	42,245	39,673	37,977	38,692	40,365
Operations and maintenance - wastewater	33,887	25,429	24,434	25,364	23,772	21,325	21,485	20,474	22,444	22,165
General, administrative and engineering expenses	30,691	28,634	25,522	27,132	24,477	21,995	21,516	20,663	20,473	22,323
Operations and maintenance - drainage	5,031	5,213	5,747	4,664	4,820	5,004	4,437	4,714	5,620	4,536
Farm expenses	-	-	-	-	5,712	1,218	-	-	-	-
Other operating expenses	2,801	2,622	2,779	1,680	1,764	1,836	2,867	2,963	2,602	2,845
Other Post-Employment Benefits expense	930	1,727	2,299	1,793	893	893	1,054	1,041	885	889
Pension expense	-	6,354	9,696	5,337	5,283	6,471	4,464	2,222	-	-
Depreciation	71,870	73,728	71,892	68,573	65,897	62,721	57,894	53,406	52,077	51,282
Payment to City of El Paso Franchise Fee	6,550	6,550	3,470	3,589	3,584	3,578	3,367	1,937	-	-
Payment to City of El Paso per bond covenants	16,034	16,850	15,442	14,631	13,552	12,753	11,418	10,593	10,553	10,383
Total operating expenses	217,821	219,055	208,640	201,990	195,249	180,038	168,175	155,990	153,346	154,788
Operating income	104,011	99,676	85,138	77,723	69,770	60,930	47,100	43,916	43,344	37,533
Nonoperating revenues (expenses)										
Interest earnings and net change in fair value of investments	698	2,116	5,254	5,921	2,945	1,348	676	502	356	363
IRS Tax Credit for Build America Bonds	-	-	-	-	637	927	972	1,015	1,050	1,184
Gain on land assets converted by sale	20,106	1,146	8,010	1,091	5	5,561	1,697	148	2,271	2,584
Gain on sale of miscellaneous assets	519	112	404	357	401	176	332	734	314	150
Grant revenue	1,117	-	-	-	-	-	-	-	-	-
Other nonoperating expenses	(1,716)	(1,153)	(1,008)	(834)	(1,595)	(1,434)	-	-	-	-
Interest on bonds, commercial paper, and land notes payable	(20,419)	(24,196)	(26,540)	(26,144)	(25,511)	(23,373)	(21,310)	(21,619)	(21,310)	(22,052)
Total nonoperating revenues/expenses	306	(21,975)	(13,880)	(19,609)	(23,118)	(16,796)	(17,632)	(19,220)	(17,320)	(17,772)
Increase in net position, before capital contributions	104,317	77,701	71,258	58,115	46,652	44,135	29,468	24,697	26,024	19,761
Total Contributions	20,467	20,049	14,362	11,585	9,263	13,665	25,991	8,579	13,815	12,359
Change in net position	124,784	97,750	85,620	69,699	55,915	57,800	55,459	33,276	39,840	32,120
Total net position - beginning	1,261,967	1,164,217	1,078,597	1,016,586	960,670	902,870	847,411	848,203	808,364	776,244
Prior period adjustment	-	-	-	(7,688)	-	-	-	(34,067)	-	-
Total net position - ending	\$ 1,386,751	\$ 1,261,967	\$ 1,164,217	\$ 1,078,597	\$ 1,016,586	\$ 960,670	\$ 902,870	\$ 847,411	\$ 848,203	\$ 808,364

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

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

2013 thru 2022*
(accrual basis of accounting)
(amounts expressed in thousands)

	2022	2021	2020	2019	2018	2017	2016	Restated 2015 ²	2014	Restated 2013 ¹
Revenue										
Water and reclaimed water	\$ 173,625	\$ 178,905	\$ 160,007	\$ 157,351	\$ 145,915	\$ 137,996	\$ 123,015	\$ 115,553	\$ 114,083	\$ 113,001
Wastewater	100,790	94,808	90,022	83,943	76,002	69,632	62,068	57,064	58,032	54,468
Other operating revenue	21,032	20,678	19,533	14,643	20,194	13,884	12,812	11,437	8,881	9,293
Total operating revenue	295,447	294,391	269,562	255,937	242,111	221,511	197,895	184,054	180,997	176,763
Expenses										
Operations and maintenance - water and reclaimed water	50,090	52,008	47,419	49,305	45,569	42,321	39,747	38,048	38,765	40,405
Operations and maintenance - wastewater	33,964	25,501	24,506	25,437	23,843	21,385	21,541	20,527	22,497	22,217
General, administrative and engineering expenses	29,039	27,162	24,013	25,718	23,598	21,100	20,230	19,480	19,178	20,861
Farm expenses	-	-	-	-	5,712	1,218	-	-	-	-
Other operating expenses	2,801	2,622	2,779	1,680	1,764	1,836	2,588	2,963	2,602	2,636
Other Post-Employment Benefits expense	924	1,658	2,187	1,663	821	822	978	969	834	831
Pension expense	-	6,091	9,216	5,050	4,998	6,000	4,171	2,089	-	-
Depreciation	68,166	70,212	68,428	65,322	62,998	60,385	56,199	52,041	50,593	49,646
Payment to City of El Paso Franchise Fee	6,550	6,550	3,470	3,589	3,584	3,578	3,367	1,937	-	-
Payment to City of El Paso per bond covenants	16,034	16,850	15,442	14,631	13,552	12,753	11,418	10,593	10,553	10,383
Total operating expenses	207,569	208,654	197,460	192,393	186,438	171,398	160,239	148,648	145,022	146,979
Operating income	87,878	85,737	72,102	63,543	55,673	50,114	37,656	35,406	35,975	29,784
Nonoperating revenues (expenses)										
Interest earnings and net change in fair value of investments	691	1,956	4,413	4,979	2,451	1,085	544	402	266	258
IRS Tax Credit for Build America Bonds	-	-	-	-	121	196	206	214	221	249
Gain on land assets converted by sale	33,701	1,146	17,618	1,091	5	5,561	1,682	143	2,014	1,791
Gain on sale of miscellaneous assets	519	112	396	357	343	176	315	647	314	123
Grant Revenues	1,117	-	-	-	-	-	-	-	-	-
Other nonoperating	(1,367)	(1,095)	(898)	(584)	(1,108)	(1,169)	-	-	-	-
Interest on bonds, commercial paper, and land notes payable	(16,959)	(20,567)	(22,678)	(22,987)	(22,035)	(21,009)	(18,608)	(18,863)	(18,534)	(19,537)
Total nonoperating revenue/expenses	17,702	(18,448)	(1,149)	(17,145)	(20,223)	(15,160)	(15,862)	(17,456)	(15,719)	(17,116)
Increase in net position, before capital contributions	105,580	67,289	70,953	46,399	35,450	34,954	21,794	17,950	20,256	12,668
Total contributions	20,467	20,049	14,362	11,585	9,065	13,665	25,991	8,579	13,829	12,359
Change in net position	126,047	87,338	85,315	57,983	44,515	48,619	47,785	26,528	34,085	25,026
Total net position - beginning of year	1,144,422	1,057,084	971,770	920,624	876,109	827,490	779,705	785,214	751,129	726,103
Prior period adjustment	-	-	-	(6,838)	-	-	-	(32,038)	-	-
Total net position - ending	\$ 1,270,469	\$ 1,144,422	\$ 1,057,084	\$ 971,770	\$ 920,624	\$ 876,109	\$ 827,490	\$ 779,705	\$ 785,214	\$ 751,129

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

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

NET POSITION

2013 thru 2022*
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	Restated 2015 ²	2014	Restated 2013 ¹
NET POSITION										
Restricted:										
Restricted for debt service	\$ 12,694,968	\$ 11,766,462	\$ 10,918,392	\$ 10,058,099	\$ 6,939,297	\$ 8,165,763	\$ 7,493,521	\$ 6,409,977	\$ 5,814,548	\$ 4,774,311
Restricted for construction and improvements	9,439,868	13,004,771	14,783,970	12,514,167	10,969,920	10,517,396	482,711	5,997,108	8,717,102	4,040,922
Total Restricted	22,134,836	24,771,233	25,702,362	22,572,266	17,909,217	18,683,159	7,976,232	12,407,085	14,531,650	8,815,233
Net investment in capital assets	113,030,797	101,514,366	90,459,004	82,888,753	76,369,996	64,915,497	66,311,237	54,515,497	46,220,867	42,716,469
Unrestricted	5,787,522	1,934,149	1,645,952	1,366,121	1,682,409	962,474	1,092,904	784,189	2,236,552	5,702,938
Total Net Position	\$ 140,953,155	\$ 128,219,748	\$ 117,807,318	\$ 106,827,140	\$ 95,961,622	\$ 84,561,130	\$ 75,380,373	\$ 67,706,771	\$ 62,989,069	\$ 57,234,640

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

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

- (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments,
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**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
MUNICIPAL DRAINAGE UTILITY FUND**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

2013 thru 2022*
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	Restated 2015 ²	2014	Restated 2013 ¹
Drainage operating revenues:										
Residential	\$ 10,652,484	\$ 9,913,888	\$ 9,760,506	\$ 9,661,849	\$ 9,305,692	\$ 7,865,371	\$ 6,976,350	\$ 6,308,556	\$ 6,235,938	\$ 6,147,697
Non residential	15,251,128	14,151,183	13,952,988	13,638,666	13,113,510	11,083,902	9,812,150	8,990,392	8,926,521	8,918,715
Billing fees - City Solid Waste Management	324,132	281,193	277,952	274,877	271,905	268,793	266,405	262,772	260,645	256,864
Other operating revenue	381,900	207,393	434,387	383,284	393,198	392,592	463,584	419,794	399,981	363,864
Total operating revenue	26,609,644	24,553,657	24,425,833	23,958,676	23,084,305	19,610,658	17,518,489	15,981,514	15,823,085	15,687,140
Drainage operating expenses:										
Operations and maintenance	5,088,786	5,268,842	5,800,152	4,670,438	4,828,146	5,000,988	4,432,140	4,708,861	5,613,000	4,563,460
Indirect cost allocation	1,678,000	1,498,000	1,534,000	1,440,000	903,000	915,000	1,300,000	1,193,000	1,305,000	1,472,000
Other operating expenses	-	-	-	-	-	-	278,451	-	-	209,197
Other Post-Employment benefits expense	6,243	68,139	111,622	129,720	71,663	70,779	75,884	71,626	50,995	57,938
Pension expense	-	263,068	479,932	286,850	285,217	471,141	293,552	132,415	-	-
Depreciation	3,703,686	3,516,614	3,464,030	3,251,555	2,899,125	2,336,309	1,694,639	1,364,863	1,484,740	1,635,231
Total operating expenses	10,476,715	10,614,663	11,389,736	9,778,563	8,987,151	8,794,217	8,074,666	7,470,765	8,453,735	7,937,826
Operating income	16,132,929	13,938,994	13,036,097	14,180,113	14,097,154	10,816,441	9,443,823	8,510,749	7,369,350	7,749,314
Nonoperating revenues (expenses)										
Interest earnings and net change in fair value of investments	6,564	160,075	841,476	942,499	493,700	262,976	132,253	99,550	89,659	104,278
IRS tax credit for Build America Bonds	-	-	-	-	516,337	730,547	766,696	800,675	828,171	934,250
Gain on land assets converted by sale	402,026	-	1,066,633	-	-	-	15,359	4,929	256,595	793,398
Gain on sale of miscellaneous assets	-	-	7,785	-	58,712	-	17,136	87,318	-	27,205
Other nonoperating expense	(348,193)	(57,722)	(110,183)	(249,613)	(487,336)	(264,852)	-	-	(13,712)	-
Interest on long term debt	(3,459,919)	(3,628,917)	(3,861,630)	(3,157,059)	(3,476,075)	(2,364,355)	(2,701,665)	(2,756,109)	(2,775,634)	(2,514,924)
Total nonoperating expenses	(3,399,522)	(3,526,564)	(2,055,919)	(2,464,173)	(2,894,662)	(1,635,684)	(1,770,221)	(1,763,637)	(1,614,921)	(655,793)
Increase in net position, before capital contributions	12,733,407	10,412,430	10,980,178	11,715,940	11,202,492	9,180,757	7,673,602	6,747,112	5,754,429	7,093,521
Total Contributions	-	-	-	-	198,000	-	-	-	-	-
Change in net position	12,733,407	10,412,430	10,980,178	11,715,940	11,400,492	9,180,757	7,673,602	6,747,112	5,754,429	7,093,521
Total net position - beginning	128,219,748	117,807,318	106,827,140	95,961,622	84,561,130	75,380,373	67,706,771	62,989,069	57,234,640	50,141,119
Prior period adjustment	-	-	-	(850,422)	-	-	-	(2,029,410)	-	-
Total net position - ending	\$ 140,953,155	\$ 128,219,748	\$ 117,807,318	\$ 106,827,140	\$ 95,961,622	\$ 84,561,130	\$ 75,380,373	\$ 67,706,771	\$ 62,989,069	\$ 57,234,640

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

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

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

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

SELECTED FINANCIAL RATIOS

2013 thru 2022*

	2022	2021	2020	2019	2018	2017	2016	Restated 2015 ²	2014	Restated 2013 ¹
FINANCIAL RATIOS*										
Current Ratio (Current Assets/Current Liabilities)	2.10	2.41	1.78	2.34	3.44	3.21	2.95	1.66	2.02	2.51
Acid Test Ratio (Cash & Cash Equivalents/ Current Liabilities)	1.32	1.04	0.96	1.68	2.60	2.41	1.76	0.79	1.07	1.72
Operating Ratio ((O&M-Depreciation)/Total Operating Revenue)	0.47	0.47	0.48	0.50	0.51	0.51	0.53	0.52	0.52	0.55
Net Take-Down Ratio ((Total Operating Income+Depreciation)/Gross Revenue)	0.47	0.52	0.48	0.49	0.48	0.48	0.47	0.47	0.47	0.44
Total Liabilities to Total Assets	0.43	0.46	0.48	0.50	0.51	0.50	0.47	0.45	0.43	0.44
Debt to Equity Ratio ((Bonds Payable+Commercial Paper Notes)/Equity)	0.63	0.67	0.70	0.78	0.83	0.79	0.69	0.63	0.63	0.67
Debt Ratio ((Bonds Payable+Commercial Paper Notes)/Total Assets)	0.35	0.36	0.37	0.39	0.41	0.40	0.37	0.35	0.36	0.37
Debt Service Safety Margin ((Net Operating Income-Debt Service)/(Total Operating Revenue+Interest Earnings))	0.31	0.30	0.26	0.26	0.23	0.26	0.25	0.24	0.24	0.21
Current Restricted Assets/Current Restricted Liabilities	1.72	2.18	1.68	2.34	4.00	3.60	3.18	1.73	2.64	2.16

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

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

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

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

SELECTED FINANCIAL RATIOS

2013 thru 2022*

	2022	2021	2020	2019	2018	2017	2016	Restated 2015 ²	2014	Restated 2013 ¹
FINANCIAL RATIOS										
Current Ratio (Current Assets/Current Liabilities)	2.39	3.87	3.93	3.46	5.55	6.13	3.46	5.46	9.96	11.64
Acid Test Ratio (Cash & Cash Equivalents/ Current Liabilities)	1.50	2.51	3.37	2.87	5.08	5.22	2.28	3.51	5.62	7.81
Operating Ratio ((O&M-Depreciation)/Total Operating Revenue)	0.25	0.29	0.32	0.27	0.26	0.34	0.36	0.38	0.44	0.40
Net Take-Down Ratio ((Total Operating Income+Depreciation)/Gross Revenue)	0.73	0.71	0.63	0.70	0.70	0.63	0.60	0.58	0.52	0.53
Total Liabilities to Total Assets	0.51	0.50	0.53	0.55	0.57	0.57	0.57	0.51	0.52	0.55
Debt to Equity Ratio ((Bonds Payable+Revolving Notes)/Equity)	0.81	0.82	0.90	0.96	1.07	1.14	1.07	0.90	1.01	1.15
Debt Ratio ((Bonds Payable+Revolving Notes)/Total Assets)	0.40	0.37	0.44	0.43	0.46	0.49	0.47	0.44	0.48	0.52
Debt Service Safety Margin ((Net Operating Income-Debt Service)/(Total Operating Revenue+Interest Earnings))	0.36	0.32	0.28	0.43	0.33	0.26	0.28	0.23	0.16	0.28
Current Restricted Assets/Current Restricted Liabilities	2.18	3.42	3.45	3.20	5.35	5.93	3.28	5.27	10.63	11.31

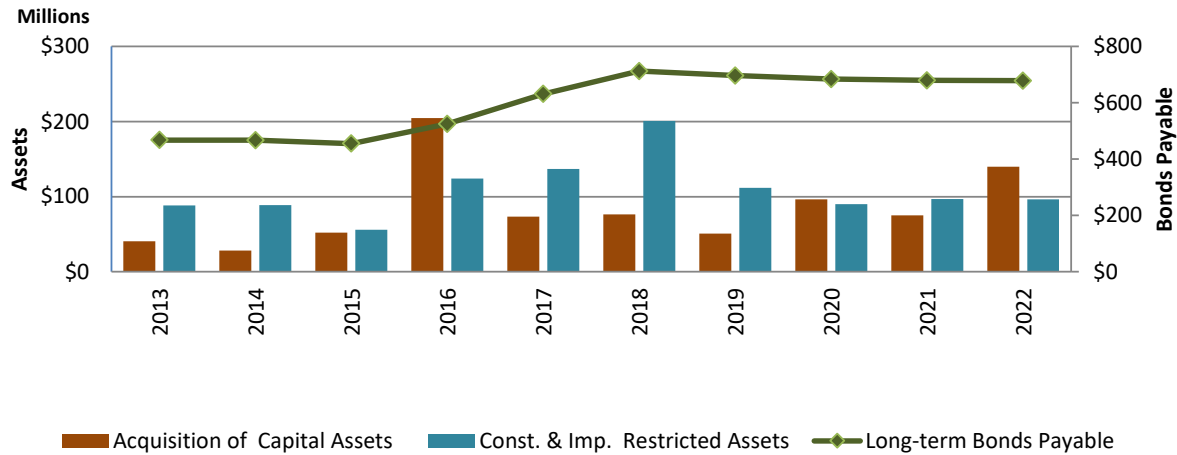
* Fiscal year March 1 thru last day of February of year shown

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

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

WATER AND WASTEWATER UTILITY FUND FUNDING OF CAPITAL ACQUISITIONS AND IMPROVEMENTS WATER AND WASTEWATER 2013 THRU 2022*

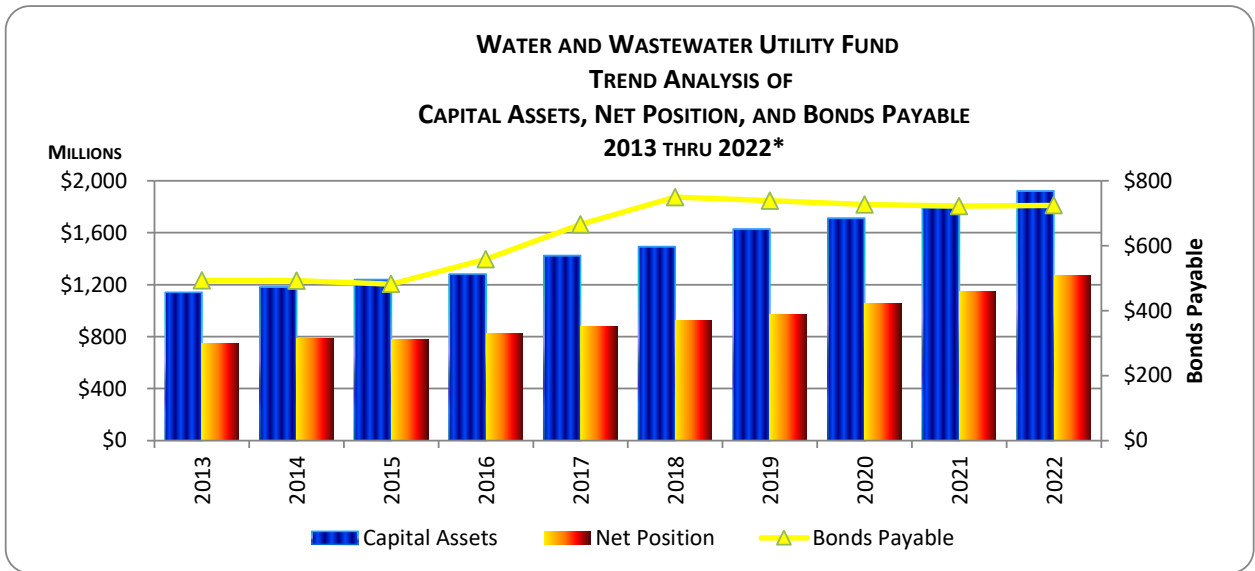


* Fiscal year March 1 thru last day of February of year shown

Funding of Capital Acquisitions and Improvements Data 2013 thru 2022* (amounts expressed in millions)			
Year	Acquisition of Capital Assets	Const. & Imp. Restricted Assets	Long-term Bonds Payable
2013	40.6	88.5	467.7
2014	28.3	88.8	467.1
2015	51.9	55.8	455.0
2016	204.5	123.9	525.2
2017	73.6	137.1	631.3
2018	76.3	200.9	712.3
2019	50.7	111.8	696.7
2020	96.6	90.1	683.8
2021	75.2	96.7	679.6
2022	139.8	96.3	678.2

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



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

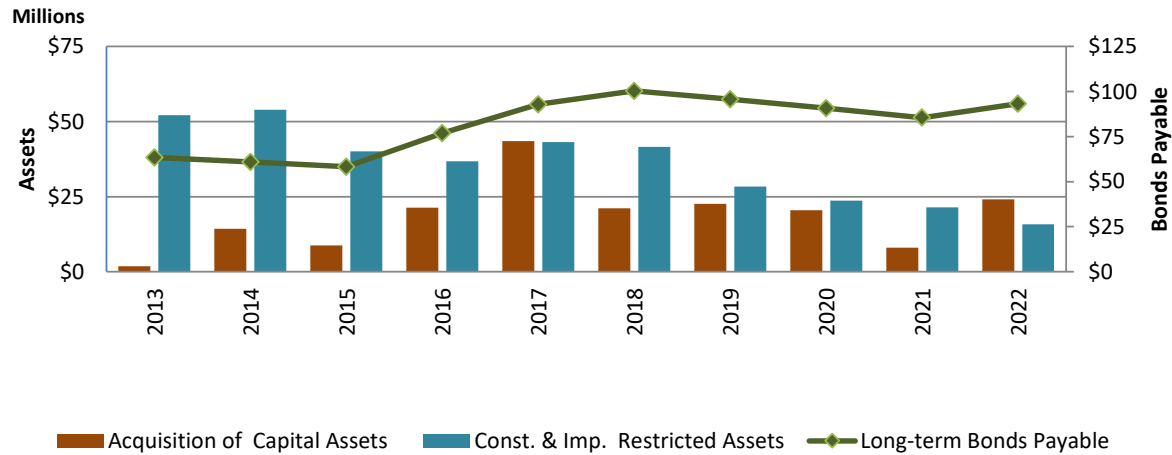
Trend Analysis of Capital Assets, Net Position and Bonds Payable Data 2013 thru 2022* (amounts expressed in millions)			
Year	Capital Assets	Net Position	Bonds Payable
2013	1,142.1	751.1	492.8
2014	1,183.0	785.2	492.3
2015 ¹	1,238.8	779.7	482.3
2016	1,281.9	827.5	558.1
2017	1,424.8	876.1	665.7
2018	1,493.3	920.6	749.7
2019	1,628.3	971.8	739.0
2020	1,712.0	1,057.1	727.3
2021	1,794.5	1,144.4	722.1
2022	1,922.6	1,270.5	724.6

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

¹Fiscal 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

MUNICIPAL DRAINAGE UTILITY FUND FUNDING OF CAPITAL ACQUISITIONS AND IMPROVEMENTS 2013 THRU 2022*

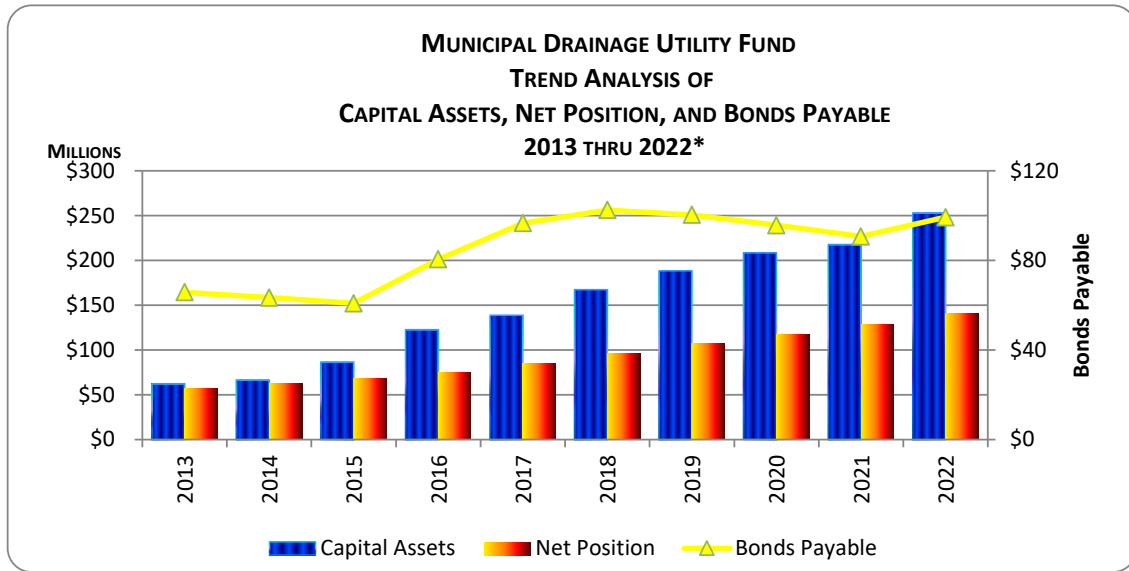


* Fiscal year March 1 thru last day of February of year shown

Funding of Capital Acquisitions and Improvements Data 2013 thru 2022* (amounts expressed in millions)			
Year	Acquisition of Capital Assets	Const. & Imp. Restricted Assets	Long-term Bonds Payable
2013	1.9	52.2	63.4
2014	14.3	53.9	60.9
2015	8.8	40.1	58.2
2016	21.4	36.8	76.8
2017	43.5	43.2	92.9
2018	21.1	41.5	100.3
2019	22.7	28.3	95.6
2020	20.5	23.6	90.7
2021	8.1	21.4	85.5
2022	24.1	15.8	93.1

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



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

Trend Analysis of Capital Assets, Net Position and Bonds Payable Data 2013 thru 2022* (amounts expressed in millions)			
Year	Capital Assets	Net Position	Bonds Payable
2013	62.1	57.2	65.7
2014	66.3	63.0	63.4
2015 ¹	86.4	67.7	60.8
2016	122.5	75.4	80.5
2017	138.7	84.6	96.6
2018	167.3	96.0	102.5
2019	188.5	106.8	100.3
2020	208.4	117.8	95.6
2021	217.4	128.2	90.7
2022	252.8	141.0	99.2

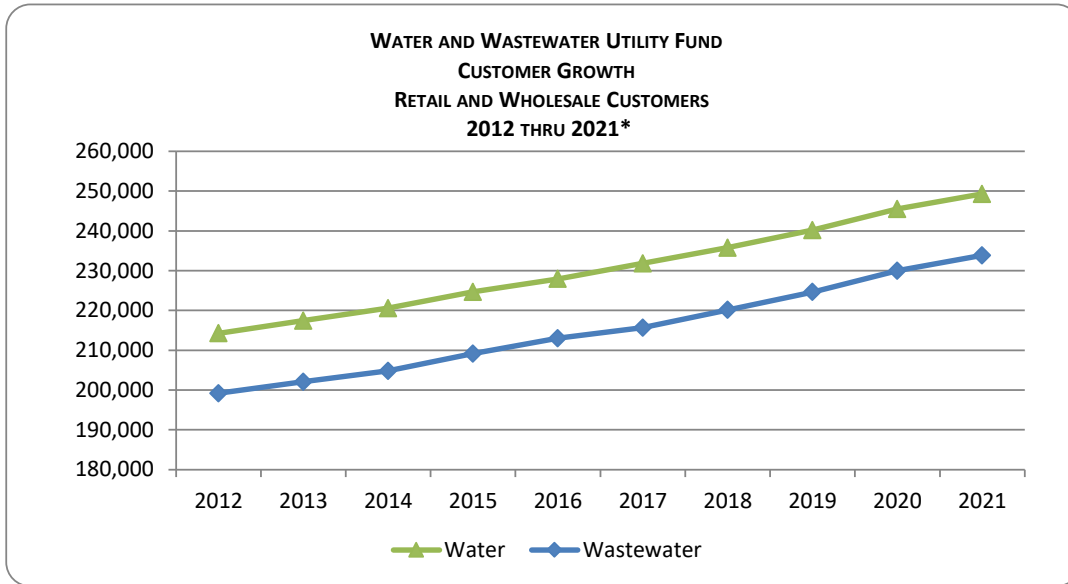
* Fiscal year March 1 thru last day of February of year shown

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

B - REVENUE CAPACITY INFORMATION

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



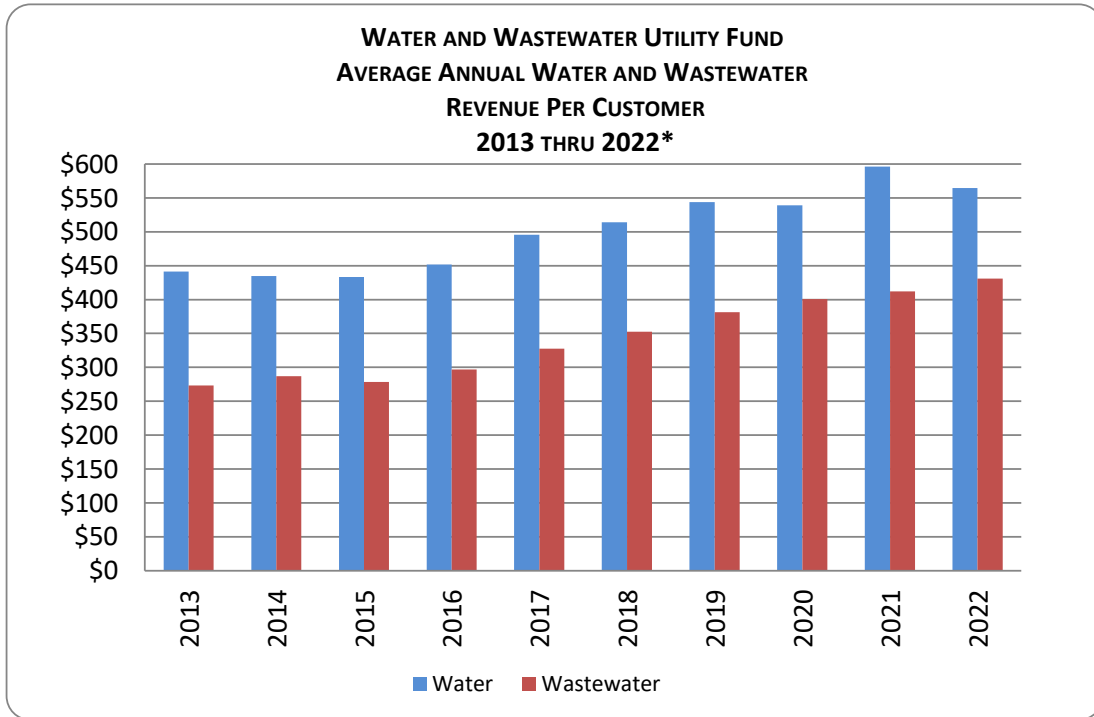
* Calendar Year

Source: Selected Operating Statistical Data page E-3

Water and Wastewater Customer Growth Data Retail and Wholesale Customers 2012 thru 2021*		
Year	Water	Wastewater
2012	214,254	199,181
2013	217,406	202,068
2014	220,570	204,810
2015	224,656	209,178
2016	227,933	212,990
2017	231,846	215,673
2018	235,768	220,126
2019	240,168	224,633
2020	245,530	229,973
2021	249,281	233,847

*Calendar Year

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

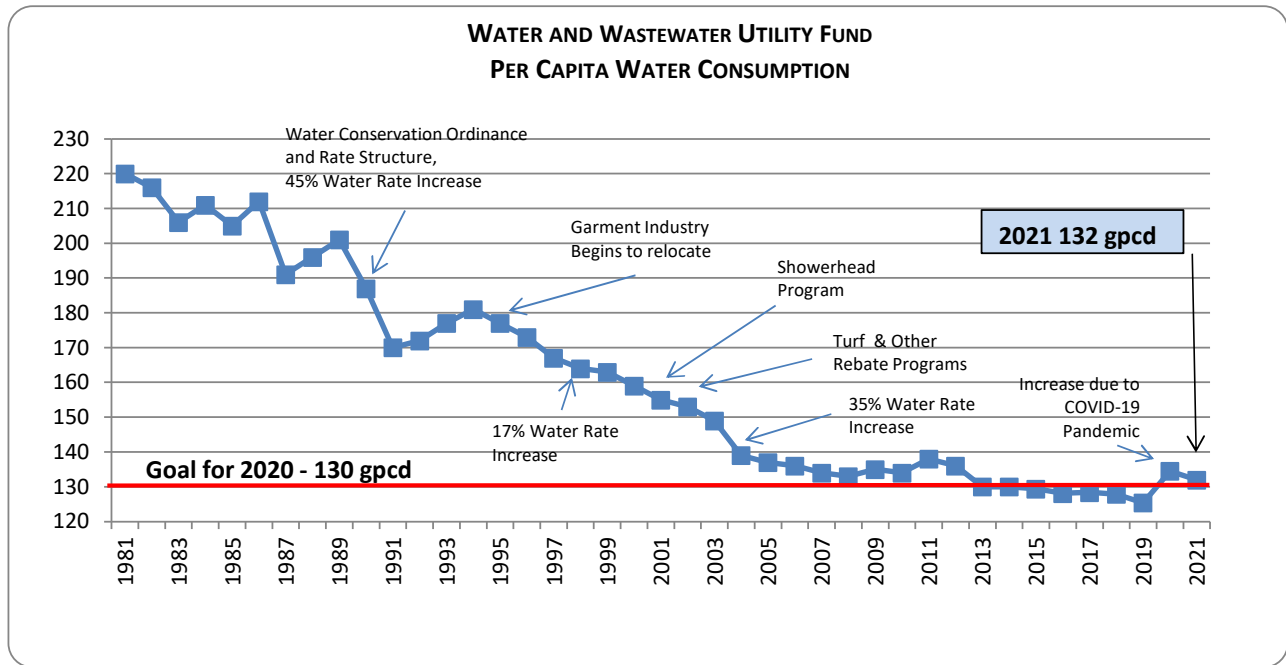


* Fiscal year March 1 thru last day of February of year shown
Note: retail & wholesale customers are included

Average Annual Water & Wastewater Revenue per Customer Data 2013 thru 2022*		
Year	Water	Wastewater
2013	\$441.12	\$273.03
2014	434.56	286.96
2015	433.51	278.62
2016	451.66	296.72
2017	495.41	327.76
2018	513.80	352.66
2019	543.77	381.34
2020	539.28	400.75
2021	596.24	412.26
2022	564.69	431.01

* 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
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	2019	125
1992	172	2006	136	2020	135
1993	177	2007	134	2021	132
1994	181	2008	133		

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

2013 thru 2022*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
WATER CUSTOMERS BY TYPE AT END OF FISCAL YEAR										
Residential	197,760	195,625	192,359	189,490	187,040	184,741	182,766	180,405	178,211	176,254
Schools	664	679	651	646	651	646	662	811	806	798
Churches	422	430	430	433	454	448	452	455	459	456
Industrial	83	80	82	131	146	147	148	149	155	163
Commercial	15,402	15,195	14,974	14,768	14,430	14,111	13,960	13,669	13,455	12,267
Government	1,895	1,887	1,871	1,809	1,805	1,798	1,741	1,708	1,668	1,623
Very Large Water Users	9	9	9	8	13	13	13	11	6	7
Wholesale Customers***	31,144	29,581	27,687	26,289	25,088	23,975	23,007	21,972	20,846	20,085
Other	2,907	2,769	2,770	2,668	2,517	2,408	2,311	2,022	1,926	2,779
Total Water Customers	250,286	246,255	240,833	236,242	232,144	228,287	225,060	221,202	217,532	214,432
WATER BILLED BY TYPE OF CUSTOMER (1000 ccfs)										
Residential	22,863	24,769	22,962	23,400	23,864	24,406	24,125	24,671	25,536	26,602
Schools	1,442	1,370	1,674	1,670	1,702	1,681	1,630	1,637	1,657	1,717
Churches	124	126	146	141	149	155	143	150	161	170
Industrial	1,726	1,453	1,678	1,585	1,362	1,131	1,199	1,452	1,413	1,365
Commercial	10,178	9,928	9,920	9,775	9,499	9,464	9,457	9,314	9,537	9,673
Government	3,609	3,879	3,818	3,661	3,177	3,188	2,907	2,994	2,733	3,869
Very Large Water Users	785	973	1,012	1,331	1,475	1,193	1,570	1,234	1,002	1,056
Wholesale Customers	3,900	5,471	4,731	4,642	4,478	4,343	4,228	4,016	4,089	4,148
Other	309	271	218	242	309	251	220	269	327	639
Total Water Billed in CCFs	44,935	48,240	46,159	46,447	46,014	45,812	45,479	45,737	46,454	49,239
WATER REVENUE **	\$173,625	\$178,905	\$160,007	\$157,351	\$145,915	\$137,996	\$123,015	\$115,553	\$114,083	\$113,001
WASTEWATER RETAIL CUSTOMERS	208,718	206,541	202,919	199,788	196,560	194,376	192,194	189,226	187,003	184,868
WASTEWATER WHOLESALE CUSTOMERS***	25,767	24,120	22,219	20,742	19,429	18,443	17,081	16,285	15,219	14,625
TREATED WASTEWATER BILLED (MG)****	20,159	20,737	20,800	20,731	21,457	21,285	21,235	21,415	21,572	23,543
WASTEWATER REVENUE **	\$100,790	\$94,808	\$90,022	\$83,943	\$76,002	\$69,632	\$62,068	\$57,064	\$58,032	\$54,468

* 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 2022*

TEN LARGEST WATER CUSTOMERS

Rank	Name of Customer	Type of Industry	Water Usage** (1000's)	% of Total Water Usage	Water Revenue	% of Total Water Revenue
1	Lower Valley Water District Authority	Wholesale Customer	2,085,414	6.2%	\$4,566,205	3.4%
2	El Paso Electric Company	Utility	2,035,071	6.0%	4,145,268	3.1%
3	El Paso, City	City Government	1,735,512	5.1%	8,335,114	6.1%
4	Paseo del Este MUD	Wholesale Customer	921,526	2.7%	4,274,035	3.1%
5	Federal Government	US Government	524,723	1.6%	1,126,439	0.8%
6	El Paso, County (Retail)	County Government	499,342	1.5%	2,009,248	1.5%
7	Western Refining	Industrial	433,360	1.3%	2,456,975	1.8%
8	El Paso Independent School District	Public Schools	419,943	1.2%	2,627,999	1.9%
9	El Paso Housing Authority	Housing Authority	327,905	1.0%	1,412,191	1.0%
10	El Paso, County (Wholesale)	County Government	<u>275,596</u>	<u>0.8%</u>	<u>1,432,113</u>	<u>1.1%</u>
			<u>9,258,392</u>	<u>27.4%</u>	<u>\$32,385,587</u>	<u>23.8%</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 2022*

TEN LARGEST WASTEWATER CUSTOMERS

Rank	Name of Customer	Type of Industry	Wastewater Revenue	% of Total Wastewater Revenue
1	Federal Government	US Government	\$2,662,906	2.6%
2	Western Refining	Industrial	2,660,109	2.6%
3	Lower Valley Water District Authority	Wholesale Customer	2,298,313	2.3%
4	Paseo del Este MUD	Wholesale Customer	1,764,428	1.8%
5	El Paso Housing Authority	Housing Authority	1,056,332	1.0%
6	El Paso, County (Retail)	County Government	805,301	0.8%
7	El Paso, City	City Government	693,095	0.7%
8	El Paso Independent School District	Public Schools	671,561	0.7%
9	EPT	Property Management	638,702	0.6%
10	Ysleta Independent School District	Public Schools	<u>452,963</u>	<u>0.4%</u>
			<u>\$13,703,710</u>	<u>13.6%</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

2013 thru 2022*

Monthly Minimum Charge by

Meter Size (inches)

¾

1

1½

2

3

4

6

8

10

WATER RATES

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
\$7.98	\$7.82	\$7.45	\$7.16	\$6.63	\$6.20	\$5.59	\$5.18	\$5.18	\$4.93
12.44	12.20	11.62	11.17	10.34	9.66	8.70	8.06	8.06	7.68
21.34	20.92	19.92	19.15	17.73	16.57	14.93	13.82	13.82	13.16
25.67	25.17	23.97	23.05	21.34	19.94	17.96	16.63	16.63	15.84
51.26	50.25	47.86	46.02	42.61	39.82	35.87	33.21	33.21	31.63
76.51	75.01	71.44	68.69	63.60	59.44	53.55	49.58	49.58	47.22
116.00	113.73	108.31	104.14	96.43	90.12	81.19	75.18	75.18	71.60
198.71	194.81	185.53	178.39	165.18	154.37	139.07	128.77	128.77	122.64
382.09	374.60	356.76	343.04	317.63	296.85				

Volume Charges

Residential Customers

Block 1 - Over 4ccfs - 150% of AWC

Block 2 - 150% - 250% of AWC

Block 3 - over 250% of AWC

\$2.40	\$2.35	\$2.24	\$2.15	\$1.99	\$1.86	\$1.68	\$1.56	\$1.56	\$1.49
5.69	5.58	5.31	5.11	4.73	4.42	3.98	3.68	3.68	3.50
8.13	7.97	7.59	7.30	6.76	6.32	5.69	5.27	5.27	5.02

Non-Residential Customers

Block 1 - 150% of AWC

Block 2 - 150% - 250% of AWC

Block 3 - over 250% of AWC

\$2.40	\$2.35	\$2.24	\$2.15	\$1.99	\$1.86	\$1.68	\$1.56	\$1.56	\$1.49
5.69	5.58	5.31	5.11	4.73	4.42	3.98	3.68	3.68	3.50
8.13	7.97	7.59	7.30	6.76	6.32	5.69	5.27	5.27	5.02

Water Supply Replacement Charge

Meter Size (inches)

¾ **

1

1½

2

3

4

6

8

10

\$11.82	\$11.59	\$11.04	\$10.62	\$9.83	\$8.81	\$7.94	\$6.39	\$6.39	\$6.09
29.58	29.00	27.62	26.56	24.59	19.15	17.25	15.97	15.97	15.21
59.15	57.99	55.23	53.11	49.18	38.30	34.50	31.94	31.94	30.42
94.64	92.78	88.36	84.96	78.67	61.27	55.20	51.10	51.10	48.67
189.19	185.48	176.65	169.86	157.28	122.49	110.35	102.18	102.18	97.31
295.65	289.85	276.05	265.43	245.77	191.41	172.44	159.67	159.67	152.07
591.30	579.71	552.10	530.87	491.55	382.83	344.89	319.34	319.34	304.13
1,099.79	1,078.23	1,026.89	987.39	914.25	712.03	641.47	593.95	593.95	565.67
2,093.74	2,052.69	1,954.94	1,879.75	1,740.51	1,355.54				

Rate Increase (By Design)

2.0%

5.0%

4.0%

8.0%

7.0%

11.0%

8.0%

0.0%

5.0%

3.0%

* 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

2013 thru 2022*

Monthly Minimum Charge by

Meter Size (inches)

Less than 1

1

1½

2

3

4

6

8

10

WASTEWATER RATES

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
\$17.51	\$17.17	\$16.35	\$15.14	\$14.02	\$13.10	\$11.80	\$10.93	\$10.93	\$10.41
40.29	39.50	37.62	34.83	32.25	30.14	27.15	25.14	25.14	23.94
85.74	84.06	80.06	74.13	68.64	64.15	57.79	53.51	53.51	50.96
107.89	105.77	100.73	93.27	86.36	80.71	72.71	67.32	67.32	64.11
238.48	233.80	222.67	206.18	190.91	178.42	160.74	148.83	148.83	141.74
367.31	360.11	342.96	317.56	294.04	274.80	247.57	229.23	229.23	218.31
568.91	557.75	531.19	491.84	455.41	425.62	383.44	355.04	355.04	338.13
991.34	971.90	925.62	857.06	793.57	741.65	668.15	618.66	618.66	589.20
1,913.78	1,876.25	1,786.90	1,654.54	1,531.98	1,431.76				

Volume Charges

Residential Customers

Over 4 ccfs - 90% of

Average Winter Consumption

\$2.20	\$2.16	\$2.06	\$1.91	\$1.77	\$1.65	\$1.49	\$1.38	\$1.38	\$1.31
\$2.20	\$2.16	\$2.06	\$1.91	\$1.77	\$1.65	\$1.49	\$1.38	\$1.38	\$1.31
2.0%	5.0%	8.0%	8.0%	7.0%	11.0%	8.0%	0.0%	5.0%	3.0%

Non-Residential Customers

90% of Average Winter Consumption

Rate Increase (By Design)

* 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

2013 thru 2022*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
CUSTOMERS BY TYPE AT END OF FISCAL YEAR										
Residential	188,885	187,697	184,759	182,506	180,185	178,415	176,757	174,280	172,241	169,806
Apartments	2,205	2,205	2,197	2,156	2,061	2,056	2,035	2,055	2,020	2,032
Churches	421	428	429	431	431	436	440	444	444	445
Industrial	77	75	75	124	140	142	146	147	154	157
Commercial	10,809	10,669	10,575	10,498	10,677	10,604	10,586	10,442	10,435	10,393
Government	369	368	360	359	350	352	359	370	375	493
Other	424	418	408	384	384	386	395	391	381	354
Total Municipal Drainage Customers	203,190	201,860	198,803	196,458	194,228	192,391	190,718	188,129	186,050	183,680
REVENUE BY TYPE OF CUSTOMER										
Residential	\$10,652,484	\$9,913,888	\$9,760,506	\$9,661,849	\$9,305,692	\$7,865,371	\$6,976,350	\$6,308,556	\$6,235,938	\$6,147,697
Non residential	15,251,128	14,151,183	13,952,988	13,638,666	13,113,510	11,083,902	9,812,150	8,990,392	8,926,521	8,918,715
Billing Fees - City Solid Waste Management	324,132	281,193	277,952	274,877	271,905	268,793	266,405	262,772	260,645	256,864
Pension Recover Credit	168,988	-	-	-	-	-	-	-	-	-
Other operating revenue	<u>212,912</u>	<u>207,393</u>	<u>434,387</u>	<u>383,284</u>	<u>393,198</u>	<u>392,592</u>	<u>463,584</u>	<u>419,794</u>	<u>399,981</u>	<u>363,864</u>
Total Municipal Drainage Revenue	<u>\$26,609,644</u>	<u>\$24,553,657</u>	<u>\$24,425,833</u>	<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>

* 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 2022***

Rank	Name of Customer	Type of Industry	Revenue	% of Total Stormwater Revenue
1	El Paso, City	City Government	\$476,645	1.79%
2	Walmart/Sam's	Retail Sales	226,469	0.85%
3	Southern Pacific	Railroad Line	173,945	0.65%
4	EPT	Property Management	123,165	0.46%
5	GCC Sun City Materials (formerly Cemex)	Concrete Producer	100,760	0.38%
6	SL EP Industrial, LP	Industrial	108,176	0.41%
7	Western Refining	Industrial	84,872	0.32%
8	Texas Custodial Trust (formerly Asarco)	Industrial	77,136	0.29%
9	ICON	Manufacturing	99,571	0.37%
10	Mimco	Property Management	<u>85,006</u>	0.32%
			<u>\$1,555,745</u>	<u>5.85%</u>

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

Note¹: The above list of the top ten largest drainage customers based on billed amounts.

Note²: 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
2013 thru 2022***

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	<u>Impervious area</u>										
Residential Category											
Small	0-1,200	\$2.26	\$2.13	\$2.13	\$2.13	\$2.09	\$1.79	\$1.61	\$1.49	\$1.49	\$1.49
Typical	1,201-3,000	4.51	4.25	4.25	4.25	4.17	3.56	3.21	2.97	2.97	2.97
Large	> 3,000	9.02	8.51	8.51	8.51	8.34	7.13	6.42	5.94	5.94	5.94
Non-Residential Category	Per 2,000 sq. ft.	\$4.60	\$4.34	\$4.34	\$4.34	\$4.25	\$3.63	\$3.27	\$3.03	\$3.03	\$3.03
Rate Increase/Decrease (by Design)		6%	0%	0%	2%	17%	11%	8%	0%	0%	0%

* 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

2013 thru 2022*

(amounts expressed in thousands, except debt service coverage)

Fiscal Year	Water & Wastewater Revenue	Less: Operating Revenue Deductions	Net Water and Wastewater Revenue	Other Revenues Available for Debt Service	Revenues Available for Debt Service	Debt Service		Debt Service Coverage
						Principal	Interest	
2022	\$ 274,415	\$ 114,017	\$ 160,397	\$ 5,590	\$ 165,988	\$ 42,475	\$ 24,042	2.50
2021	273,713	112,420	161,293	5,949	167,241	43,560	26,658	2.38
2020	250,028	107,341	142,687	10,354	153,042	42,360	26,825	2.21
2019	241,294	107,173	134,121	8,221	142,342	37,370	26,627	2.22
2018	221,917	98,829	123,088	5,541	128,629	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 ²	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 ¹	167,469	84,314	83,155	2,182	85,338	22,935	19,879	1.99

* 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 revenue deductions do 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 15 in the financial statements.

¹Fiscal 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*

²Fiscal 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

2013 thru 2022*

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

Fiscal Year	Revenue Bonds Payable & Unamortized Premiums	Commercial Paper Notes	Notes Payable	Total Net Debt	Gross Revenue	Ratio of Total Debt to Gross Revenue	Water and Wastewater Customers**	Total Debt per Customer
2022	\$ 780,341	\$ 80,000	\$ -	\$ 860,341	\$ 296,138	2.91	250,286	\$ 3,437
2021	787,633	40,000	-	827,633	296,346	2.79	246,255	3,361
2020	800,095	15,000	-	815,095	273,975	2.98	240,833	3,384
2019	807,661	15,000	-	822,661	260,915	3.15	236,242	3,482
2018	819,077	10,000	915	829,992	244,562	3.39	232,144	3,575
2017	727,319	22,500	1,786	751,605	222,596	3.38	228,287	3,292
2016	610,389	10,000	2,616	623,005	198,439	3.14	225,060	2,768
2015	529,826	10,000	3,406	543,232	184,456	2.95	221,202	2,456
2014	527,251	5,000	4,159	536,410	181,263	2.96	217,532	2,466
2013	523,281	8,000	4,923	536,204	177,021	3.03	214,432	2,501

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

** Includes retail and wholesale customers

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

DEBT SERVICE COVERAGE
2013 thru 2022*

(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	
2022	\$ 25,904	\$ 6,773	\$ 19,131	\$ 364	\$ 19,495	\$ 5,208	\$ 4,214	2.07
2021	24,065	7,098	16,967	591	17,558	4,934	4,332	1.89
2020	23,713	7,926	15,788	1,451	17,239	4,689	4,533	1.87
2019	23,301	6,527	16,774	1,351	18,125	2,144	4,144	2.88
2018	22,419	6,088	16,331	1,247	17,578	3,704	5,089	2.00
2017	18,949	6,458	12,491	1,390	13,881	3,639	4,081	1.80
2016	16,789	6,102	10,687	1,368	12,055	2,644	3,324	2.02
2015 ²	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 ¹	15,066	6,093	8,973	1,477	10,450	1,850	2,716	2.29

* 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 revenue deductions do 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 15 in the financial statements.

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

²Fiscal 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
2013 thru 2022*
(amounts expressed in thousands, except customers and debt per customer)

Fiscal Year	Revenue Bonds Payable & Unamortized Premiums	Revolving Note	Total Net Debt	Gross Revenues	Ratio of Total Debt to Gross Revenue	Drainage Customers	Total Debt per Customer
2022	\$ 111,881	\$ 15,000	\$ 126,881	\$ 26,616	4.77	203,190	\$ 624
2021	102,808	15,000	117,808	24,714	4.77	201,860	584
2020	108,500	10,000	118,500	25,267	4.69	198,803	596
2019	113,947	2,500	116,447	24,901	4.68	196,458	593
2018	116,850	-	116,850	23,578	4.96	194,228	602
2017	103,894	-	103,894	19,874	5.23	192,391	540
2016	84,118	-	84,118	17,651	4.77	190,718	441
2015	61,646	-	61,646	16,081	3.83	188,129	328
2014	64,217	-	64,217	15,913	4.04	186,050	345
2013	66,622	-	66,622	15,791	4.22	183,680	363

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

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.

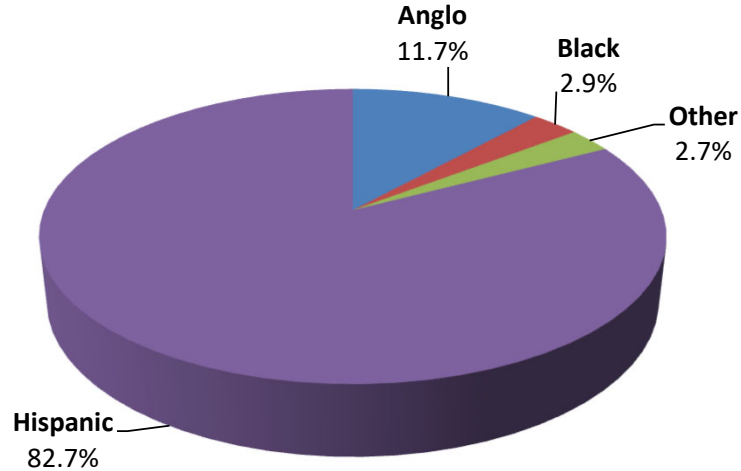
PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
DEMOGRAPHIC AND ECONOMIC STATISTICS

El Paso Demographic and Economic Statistics Last Ten Calendar Years				
Year	El Paso County Population	El Paso County Total Personal Income (Million \$)	El Paso County Per Capita Personal Income	Unemployment Rate
2012	832,118	25,893	31,117	8.5
2013	830,585	25,506	30,708	8.0
2014	833,370	26,788	32,145	6.5
2015	831,382	27,541	33,126	5.2
2016	834,112	28,077	33,661	5.0
2017	836,087	29,093	34,796	4.7
2018	835,590	30,438	36,427	4.3
2019	837,501	32,471	38,711	3.8
2020	865,984	34,385	39,706	8.3
2021	867,947	36,825	42,428	6.2

Note: Data provided by The University of Texas at El Paso, Department of Economics and Finance June 2022

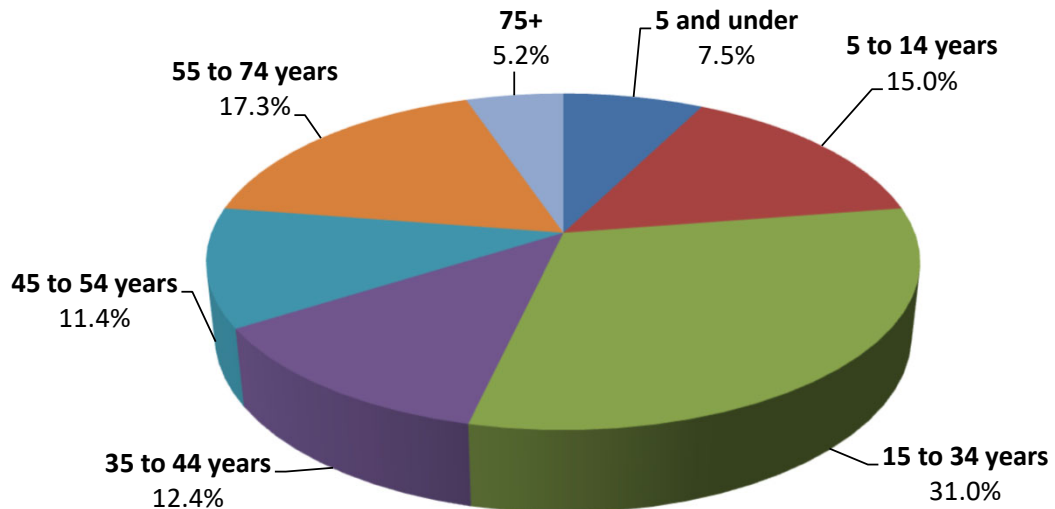
**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
DEMOGRAPHIC AND ECONOMIC STATISTICS**

EL PASO COUNTY POPULATION BY RACE AND ETHNICITY



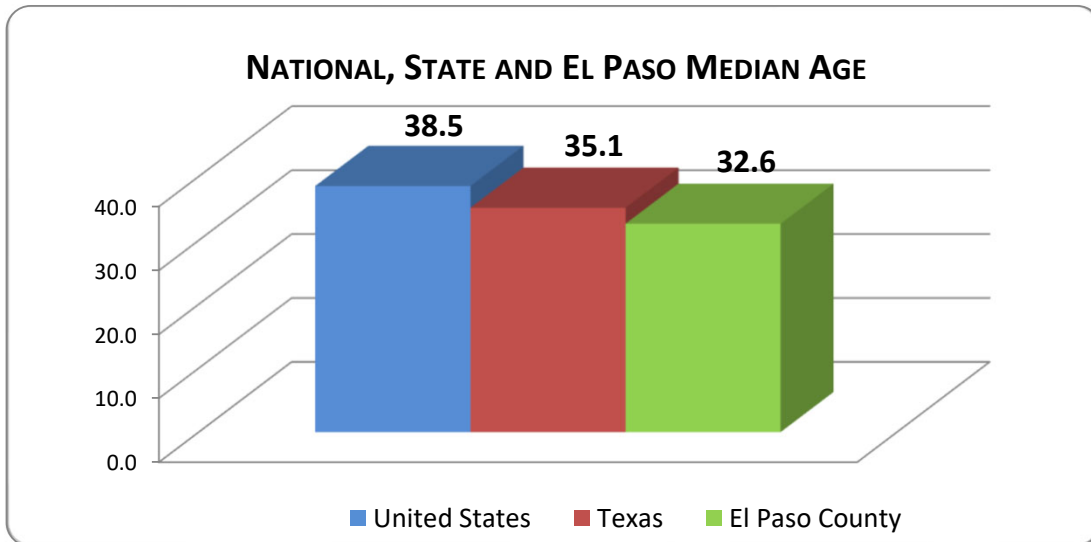
Source: U.S. Census Bureau, 2020 American Community Survey (5-year estimate)

EL PASO COUNTY POPULATION BY AGE GROUP



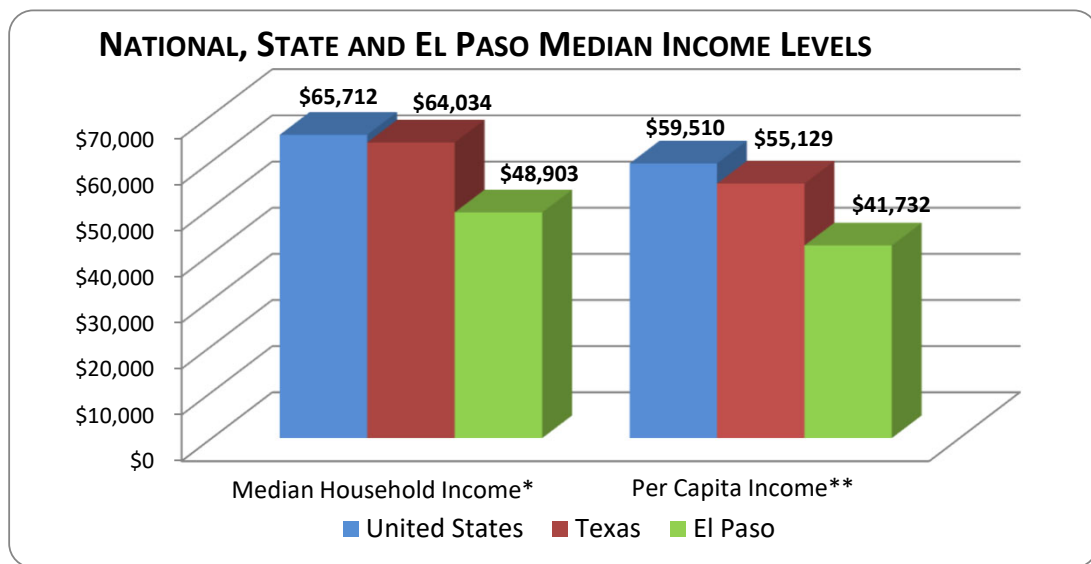
Source: U.S. Census Bureau, 2020 American Community Survey (5-year estimate)

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



Source: U.S. Census Bureau, 2019 American Community Survey

Note: Due to the COVID -19 pandemic, the Census Bureau did not release new data for 2020

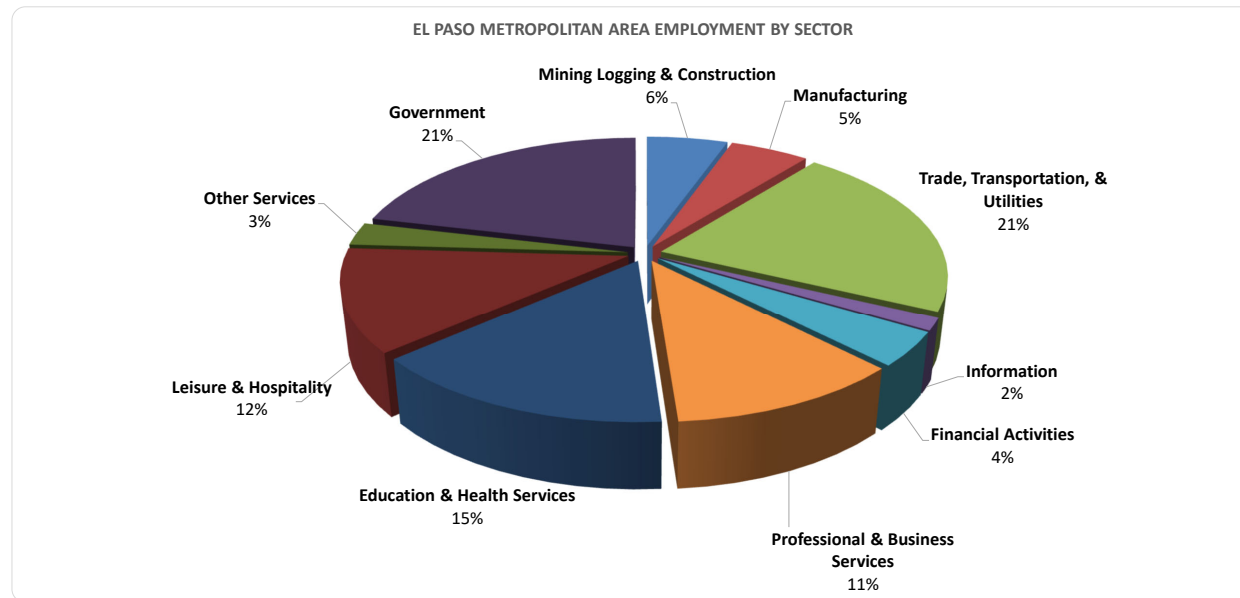


*Source: U.S. Census Bureau, 2019 American Community Survey

**Source: Bureau of Economic Analysis, Table: CAINC30, 2020

Note: Due to the COVID -19 pandemic, the Census Bureau did not release new data for 2020

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



Source: Texas Labor Market Information June 2022

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

2021				
Rank	Employer	Type of Service	No. of Employees	% of Total Employment
1	Fort Bliss	Military	47,628	14.7%
2	El Paso Independent School District	Public School	7,875	2.4%
3	Socorro Independent School District	Public School	7,195	2.2%
4	El Paso, City	Government	6,840	2.1%
5	T&T Staff Management	Employment Services	6,187	1.9%
6	Ysleta Independent School District	Public School	6,022	1.9%
7	The Hospitals of Providence	Healthcare	5,300	1.6%
8	The University of Texas at El Paso	Higher Education	3,170	1.0%
9	El Paso Community College	Higher Education	3,102	1.0%
10	El Paso, County	Government	2,980	0.9%

Source: List verified by Regional Economic Development (December 2021)

* Excludes Retail

2011				
Rank	Employer	Type of Service	No. of Employees	% of Total Employment
1	T&T Staff Management LP	Employment Service	5,587	2.0%
2	Tenet Healthcare Ltd.	Healthcare	3,053	1.1%
3	EchoStar	Technical Support Center	1,830	0.7%
4	GC Services	Inbound Customer Service Center	1,814	0.6%
5	Automatic Data Processing Inc.	Business Solutions	1,100	0.4%
6	Del Sol Medical Center	Healthcare	1,100	0.4%
7	Helen of Troy Corporation	Inbound Customer Service Center	950	0.3%
8	Visiting Nurse Association of El Paso	Healthcare	900	0.3%
9	AO Smith Corporation	Electric Equipment	860	0.3%
10	Las Palmas Medical Center	Healthcare	850	0.3%

Source: List generated by Reference USA.com, verified by regional Economic Development

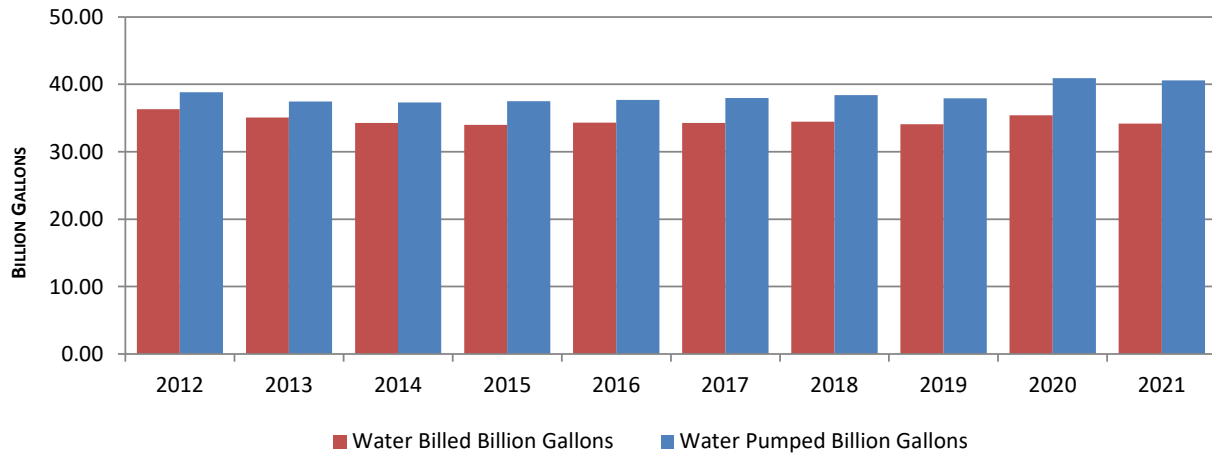
*Excluding Retail

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

**WATER AND WASTEWATER UTILITY FUND
WATER BILLED VS. WATER PUMPED
2012 THRU 2021***

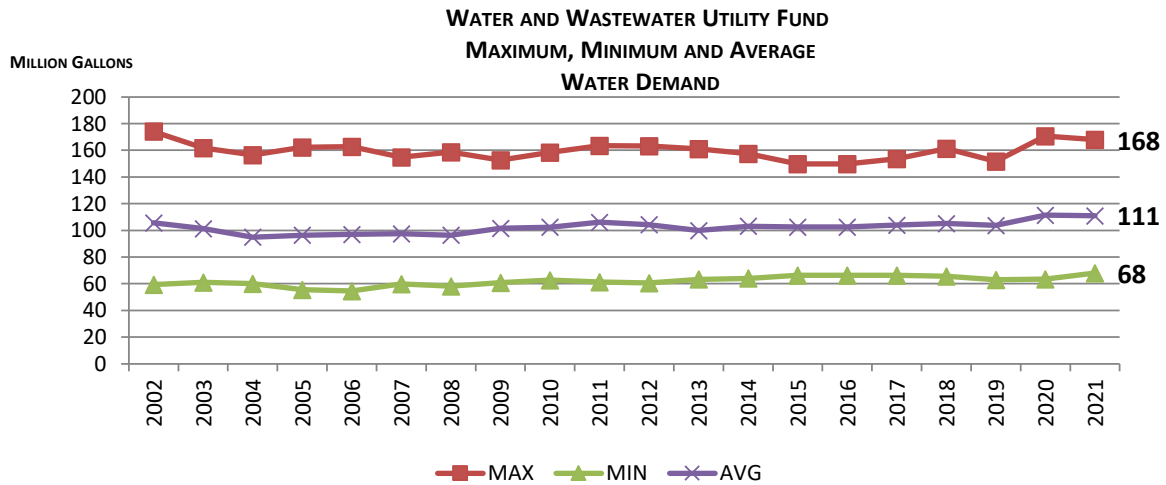


* Calendar Year

Water Billed vs. Water Pumped Data 2012 thru 2021*			
Calendar Year	Water Billed Billion Gallons	Water Pumped Billion Gallons	Unbilled Water
2012	36.32	38.82	6.4%
2013	35.08	37.45	6.3%
2014	34.29	37.32	8.1%
2015	33.98	37.49	9.4%
2016	34.32	37.69	9.0%
2017	34.29	37.96	9.7%
2018	34.46	38.39	10.2%
2019	34.09	37.91	10.1%
2020	35.40	40.94	13.6%
2021	34.18	40.59	15.8%

* Calendar Year

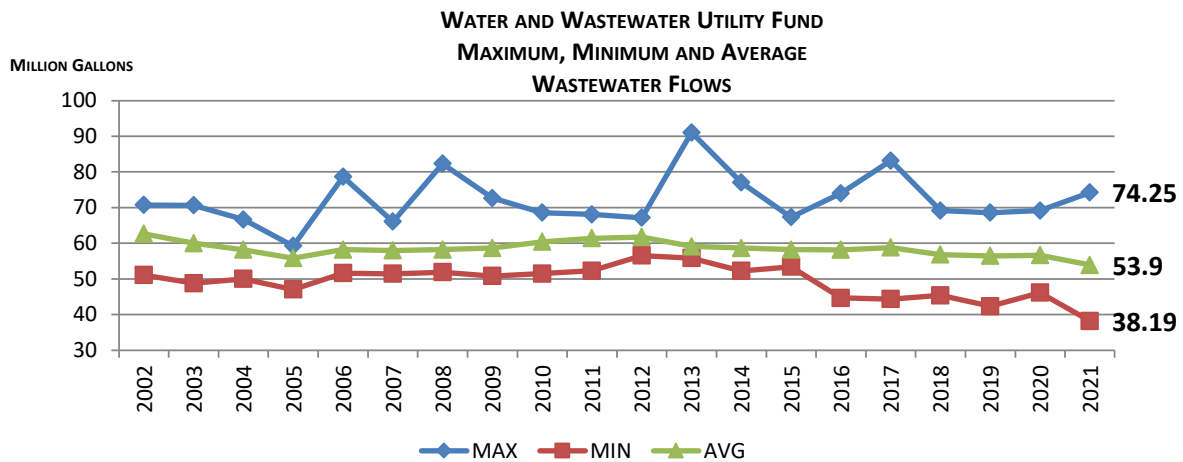
PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



Calendar Year

Source: Selected Operating Statistical Data page E-3

2020 Increase in water demand due to COVID-19 Pandemic



Calendar Year

Source: Selected Operating Statistical Data page E-3

2006 Sharp increase in maximum wastewater flows due to a 100-year flood in August

2013 Heavy rains on September 12th 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
2012 thru 2021*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
WATER PRODUCTION AND USAGE DATA*										
Water Customers Retail at End of Year	218,160	216,238	212,724	209,624	206,609	204,140	201,807	198,767	196,600	194,274
Water Customers Retail & Wholesale at End of Year	249,281	245,530	240,168	235,768	231,846	227,933	224,656	220,570	217,406	214,254
Water Pumped - Million Gallons	40,590	40,944	37,914	38,390	37,958	37,693	37,487	37,324	37,345	38,715
Water Metered - Million Gallons - Retail	30,187	31,385	30,554	30,997	30,959	31,058	30,847	31,246	31,803	33,261
Water Metered - Million Gallons - (Retail/Wholesale)	34,143	35,395	34,092	34,459	34,292	34,317	33,981	34,289	34,834	36,319
Percent of Water Billed vs. Water Pumped (R/W)	84%	86%	90%	90%	90%	91%	91%	92%	93%	94%
Annual Billed Water per Customer Retail -1000 Gallons	138	145	144	148	150	152	153	157	162	171
Annual Billed Water per Customer (R/W) -1000 Gallons	137	144	142	146	148	151	151	155	160	170
Average Daily Water Demand-Million Gallons	111.0	111.5	103.7	105.1	103.9	102.9	102.6	103.1	99.8	104.3
Maximum Daily Water Demand-Million Gallons	168.0	170.7	151.8	161.3	153.6	160.9	149.8	157.4	161.1	163.2
Minimum Daily Water Demand-Million Gallons	68.0	59.8	62.9	65.5	66.3	64.5	66.2	64.0	63.3	60.6
Daily Average Consumption in Peak Week-Million Gallons	151.3	157.4	136.9	145.8	145.2	148.7	146.2	149.8	149.8	152.5
Peak day	June 23	July 17	July 4	August 7	June 23	July 13	June 24	June 4	June 26	June 26
Miles of Water Mains Installed	15.97	20.43	27.43	15.41	23.81	40.62	21.52	24.12	35.58	37.75
Miles of Water Mains Replaced or Abandoned	0.59	1.62	0.32	1.33	2.20	4.79	1.72	2.60	2.88	7.50
Miles of Water Mains in Place	2,767	2,752	2,733	2,706	2,692	2,670	2,635	2,615	2,593	2,561
Number of Fire Hydrants Installed	118	60	236	181	147	75	321	115	123	102
Number of Fire Hydrants in Place	11,567	11,449	11,389	11,153	10,972	10,825	10,750	10,429	10,314	10,191
WASTEWATER SYSTEM DATA*										
Wastewater Customers Retail & Wholesale at End of Year	233,847	229,973	224,633	220,129	215,673	212,990	209,178	204,810	202,068	199,181
Annual Wastewater Flow - Million Gallons	20,159	20,737	20,612	20,731	21,457	21,285	21,235	21,415	21,572	22,604
Average Daily Flow - Million Gallons	53.90	56.66	56.47	56.80	58.79	58.16	58.18	58.67	59.10	61.76
Maximum Daily Flow - Million Gallons	74.25	69.16	68.60	69.15	83.16	74.01	67.29	77.02	91.07	67.16
Minimum Daily Flow - Million Gallons	38.19	42.33	42.33	45.38	44.33	44.67	53.40	52.27	55.85	56.57
Average Daily Flow per Customer - Gallons	230	246	251	258	273	273	278	286	292	310
Miles of Wastewater Lines Installed	9.70	22.27	18.75	6.55	2.68	32.07	23.11	17.86	25.00	25.00
Miles of Wastewater Line in Place	2,368	2,358	2,336	2,317	2,311	2,308	2,276	2,253	2,235	2,210

* Calendar Year

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

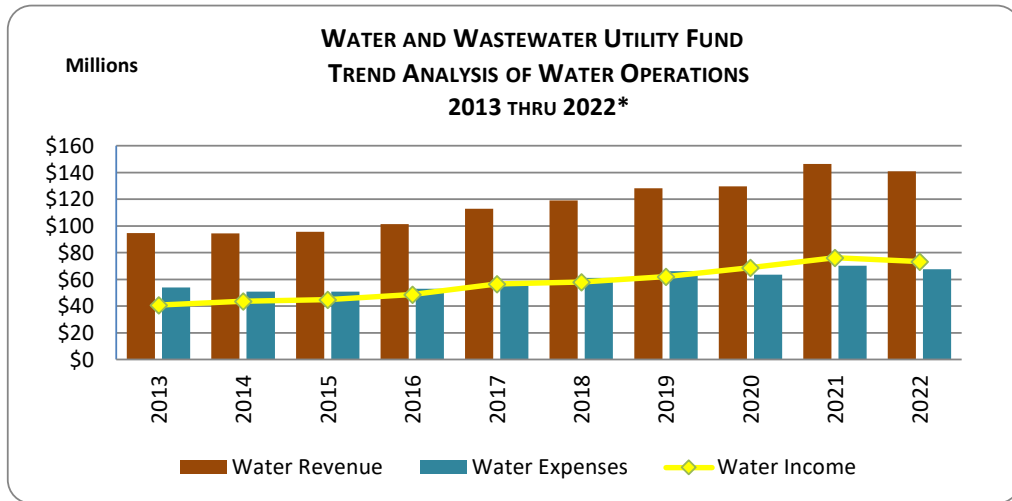
SELECTED OPERATIONS AND STATISTICAL DATA
2013 thru 2022*

DRAINAGE OPERATIONS	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Number of Ponds	461	454	450	434	403	394	388	361	361	361
Acres of Ponds Inventoried	1,856	1,866	1,855	1,805	1,019	958	904	904	904	904
Acres of Ponds Cleaned	402	443	447	104	258	243	377	425	82	917
Number of Dams/Basins	41	41	41	41	38	38	38	37	37	37
Acres of Dams/Basins Inventoried	1,875	2,430	2,430	2,430	2,430	2,430	2,430	2,430	2,430	2,430
Acres of Dams/Basins Cleaned	211	430	410	29	177	239	351	660	57	463
Miles of Channels Inventoried	71	71	71	74	74	74	74	74	74	74
Miles of Channels Cleaned	22	44	18	9	25	25	20	6	10	27
Miles of Agricultural Drains Inventoried	9	9	9	9	9	43	39	43	43	43
Miles of Agricultural Drains Cleaned	12	18	18	6	4	15	21	17	6	39
Miles of Drainage Conduits Inventoried	347	341	329	315	288	281	280	280	280	146
Miles of Drainage Conduits Cleaned	1	2	2	2	6	3	-	-	2	12
Drainage Inlets Inventoried	7,557	7,841	7,347	7,046	6,526	6,353	6,353	6,353	6,346	6,094
Drainage Inlets Cleaned	4,449**	206	225	77	494	616	465	2	46	373

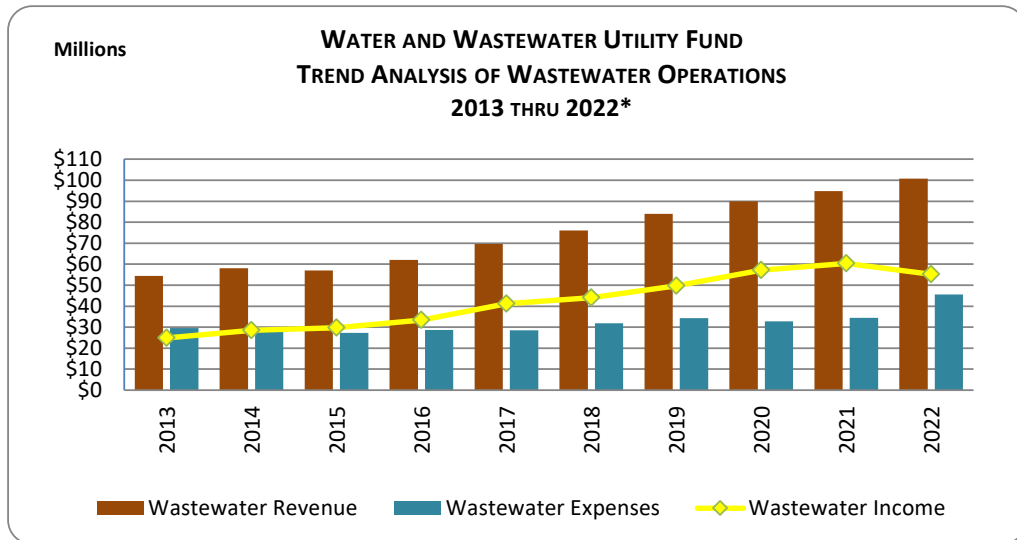
* Fiscal year March 1 thru last day of February of year shown

**3,373 cleaned by contractors

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 119



* Fiscal year March 1 thru last day of February of year shown
 Source: Net Operating Revenue - Wastewater, page 120

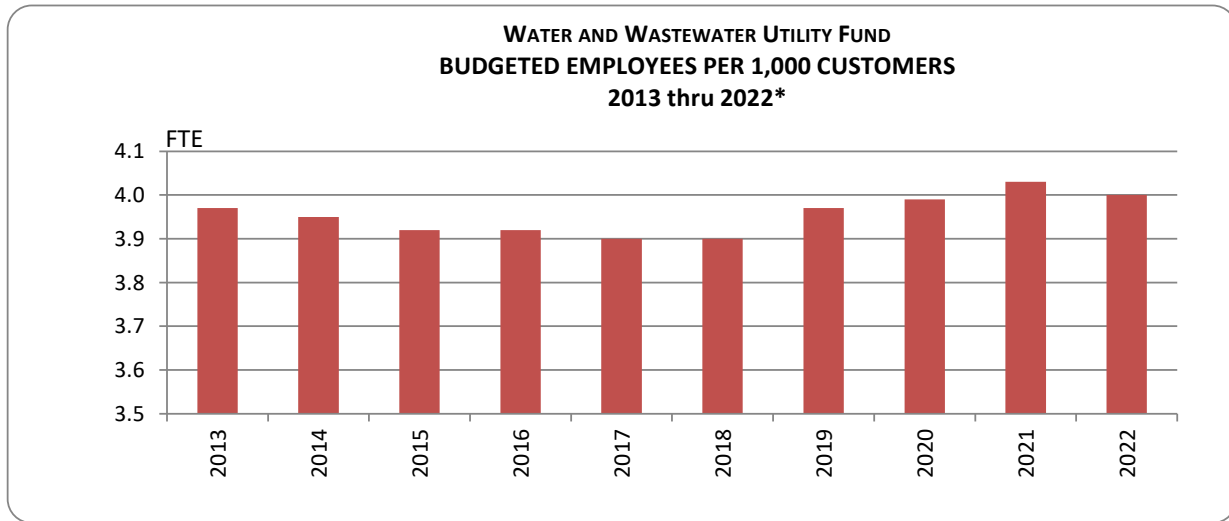
PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
WATER, WASTEWATER AND MUNICIPAL DRAINAGE UTILITY FUNDS

STAFFING BY DIVISION AND SECTION
Fiscal Year 2022*

		Budgeted FTE's				
	Division/Section	2022	2021	2020	2019	2018
Administration	Executive Services	8	9	7	7	6
	Legal Services	7	5	5	5	5
	Communications	10	10	10	9	10
	Human Resources	16	14	14	14	13
	Water Resources Management	5	5	5	5	5
	Land Management	11	10	10	10	9
	TechH ₂ O Learning Center	8	8	8	10	10
	Total Division	65	61	59	60	58
Technical Services	Technical Services	8	6	6	6	5
	Water/Wastewater Engineering	15	15	15	15	15
	Planning and Development	38	39	38	37	34
	Engineering Project Management	11	11	11	9	9
	Construction Project Management	7	8	6	6	5
	Total Division	79	79	76	73	68
Financial & Support Services	Finance	5	4	4	5	4
	Property and Treasury Management	12	14	14	14	14
	Customer Service	115	112	111	109	106
	Accounting	14	13	13	13	13
	Purchasing & Contract Administration	11	11	11	11	10
	Meter Repair Shop	14	14	14	13	13
	Warehouse	8	9	9	9	9
	Total Division	179	177	176	174	169
Information Technology	Information Technology	49	47	43	39	33
	Instrumentation and Control	32	30	30	30	29
	Total Division	81	77	73	69	62
Operations (Water System)	Water Division Office	3	3	3	2	3
	Well Production	47	46	45	45	44
	Robertson/Umbenhauer Water Treatment Plant	21	21	21	21	20
	Water Distribution	109	109	109	106	105
	Jonathan W. Rogers Water Treatment Plant	18	18	18	18	18
	Upper Valley Water Treatment Plant	13	13	13	13	15
	Kay Bailey Hutchison Desalination Plant	13	13	13	13	14
	Total Division	224	223	222	218	219
Operations (Wastewater System)	Wastewater Division Office	7	7	7	5	6
	Wastewater Lift Stations	18	18	18	18	18
	Wastewater Collection System Maintenance	33	33	33	33	33
	Northwest Wastewater Treatment Plant	20	20	18	18	17
	Haskell R. Street Wastewater Treatment Plant	29	29	29	29	30
	Roberto R. Bustamante Wastewater Treatment Plant	29	29	29	29	30
	Fred Hervey Water Reclamation Plant	26	27	27	27	28
	Wastewater System Repair & Construction	24	23	20	20	20
	Total Division	186	186	181	179	182
Operations (Operations Support)	Operations Management	8	8	7	9	5
	Environmental Compliance/Industrial Pretreatment	10	18	18	16	10
	Laboratory Services	32	32	31	31	31
	Code Compliance	8	0	0	0	0
	Reclaimed Water System	1	0.75	0.75	0.75	0.75
	Biosolids Management	0	0.25	0.25	0.25	0.25
	Plant Equipment Maintenance	8	8	7	6	
	Total Division	67	67	64	63	47
Operations (Equipment & Facilities Maintenance)						
	Fleet Maintenance	23	22	22	22	23
	Heavy Equipment Operations	49	48	48	42	42
	Facilities Maintenance	29	28	20	20	19
	Total Division	102	98	91	85	85
WATER AND WASTEWATER UTILITY'S TOTAL BUDGETED REQUIREMENTS		983	968	942	921	890
Stormwater	Stormwater Management	45	45	45	51	51
	Stormwater Design & Development Services	9	9	9	8	4
	Stormwater Project Administration	0	0	0	0	5
	Stormwater Environmental Compliance	0	0	0	0	7
	Total Division	54	54	54	59	67
Grand Total		1037	1022	996	980	957

* 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 1,000 Customers Data	
Year	FTE*
2013	4.0
2014	4.0
2015	3.9
2016	3.9
2017	3.9
2018	3.9
2019	4.0
2020	4.0
2021	4.0
2022	4.0

* FTE=full time equivalent