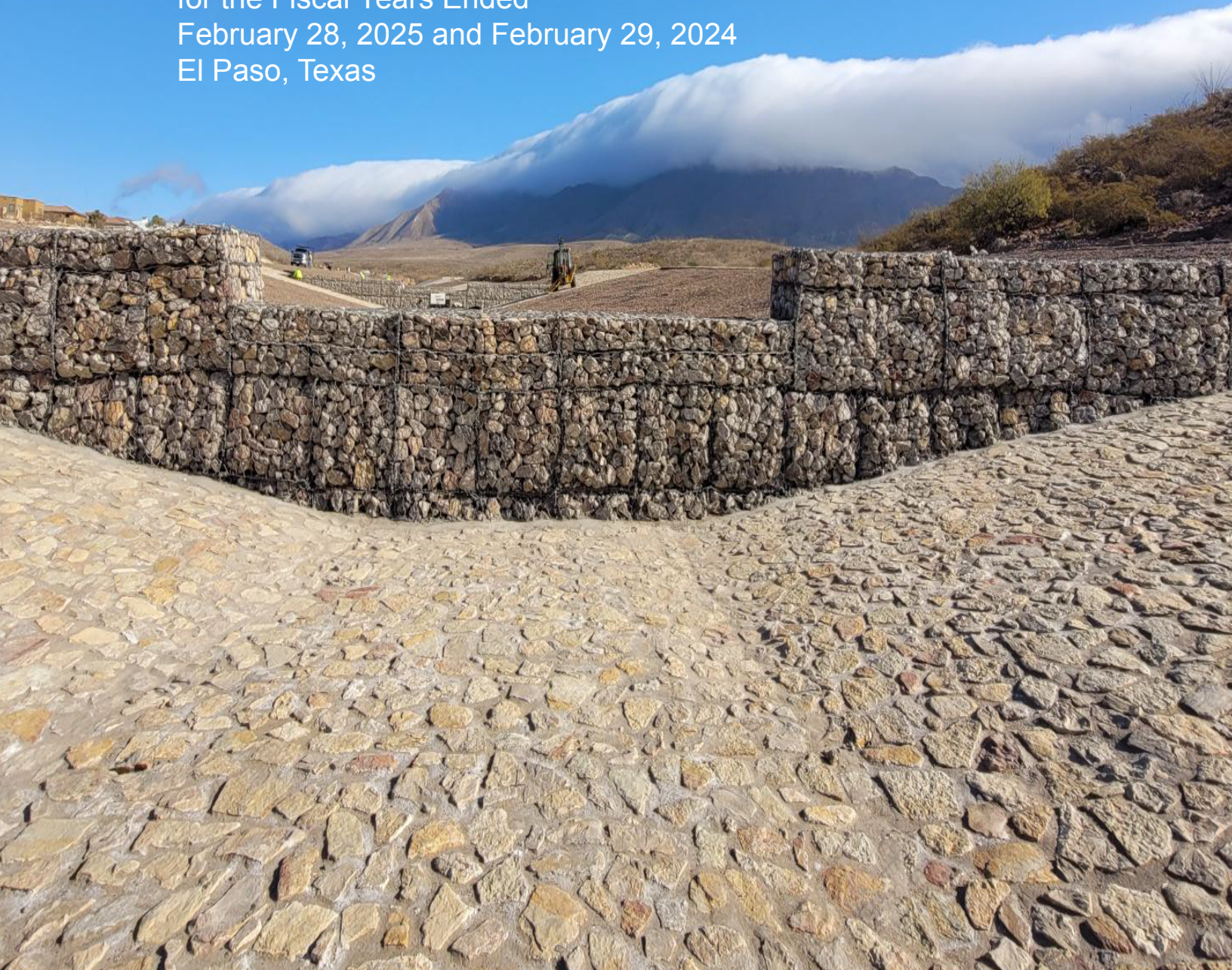




El Paso Water Utilities Public Service Board
A Component Unit of the City of El Paso, Texas

Annual Comprehensive Financial Report

for the Fiscal Years Ended
February 28, 2025 and February 29, 2024
El Paso, Texas



El Paso Water Utilities Public Service Board

A Component Unit of the City of El Paso

**Annual Comprehensive
Financial Report
For the Fiscal Years Ended
February 28, 2025 and February 29, 2024**

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, 2025 and February 29, 2024

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August 13, 2025

Public Service Board
El Paso Water Utilities

To the Honorable Mayor, Public Service Board Members, and the Citizens of the City of El Paso, Texas:

We are pleased to submit the Annual Comprehensive Financial Report of the El Paso Water Utilities Public Service Board (EPWater) for the fiscal year, which ended February 28, 2025, pursuant to the City of El Paso Bond Ordinance 752, establishing the El Paso Water Utilities and as amended and City Ordinance No. 016668 establishing the Municipal Drainage Utility System. The Accounting and Finance Departments of EPWater prepared this Annual Comprehensive Financial Report. We believe the data, as presented, is accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of the 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 EPWater 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, the 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 local 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, 2025, 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 EPWater's financial statements for the fiscal year ending February 28, 2025, 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 the fiscal year ending February 28, 2025, the independent audit of EPWater's financial statements includes a "Federal Single Audit" designed to meet the special needs of the grantor agencies. EPWater met the Single Audit threshold since there were expenses of \$750,000 or more related to federal awards during the fiscal year.

The 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

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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

EPWater 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 best understood when considered in the context of the unique environment in which EPWater operates.

Local Economy - El Paso is currently the sixth-largest city in Texas and ranks as the 22nd largest city in the United States by population. El Paso County has an estimated population of over 875,000 residents, while the adjacent city of Ciudad Juárez, Mexico, is home to approximately 1.6 million people. Additionally, Southern New Mexico, including the Las Cruces metropolitan area, contributes another 229,000 residents to the region. Together, these three areas form the Borderplex, the largest binational metropolitan area along the U.S.-Mexico border and one of the world's most economically and culturally interconnected regions.

Additional factors affecting the financial condition of the El Paso region and EPWater.

- Fort Bliss is a diverse community made up of soldiers, family members, students, employees, and retirees. The Fort Bliss area is home to 38,500 active-duty military personnel, along with more than 1,000 reservists. In addition, Fort Bliss supports over 90,000 family members of active duty and retired personnel and employs over 13,000 civilians.
- El Paso's economy gained 1,500 jobs during 2024, representing an annual increase of 0.4%. According to the Texas Labor Market Information, as of December 2024, El Paso's unemployment rate was at 4.5%.

El Paso MSA Total Nonfarm Employment by Industry										
Industry	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Mining, Logging and Construction	16,100	17,100	17,400	17,500	17,700	17,300	17,400	16,200	15,200	13,500
Manufacturing	17,400	17,300	18,700	17,500	16,800	16,800	16,400	16,500	17,000	17,100
Trade, Transportation, and Utilities	73,900	76,600	75,400	72,900	66,500	70,600	68,700	67,500	66,600	64,700
Information	6,600	6,600	6,100	5,100	4,500	4,900	4,600	5,000	5,100	5,300
Financial Activities	14,700	13,500	13,400	13,700	13,200	13,600	12,900	12,800	12,500	12,000
Professional and Business Services	43,200	41,600	41,700	40,500	37,200	37,200	34,800	35,200	33,400	32,200
Education and Health Services	54,200	52,700	49,600	47,400	47,100	48,700	47,600	45,900	43,700	42,400
Leisure and Hospitality	42,500	41,400	40,100	37,900	33,900	37,700	37,900	35,200	34,500	33,300
Other Services	10,400	10,000	9,400	9,000	8,100	9,100	9,200	9,100	9,500	9,300
Government	73,100	73,800	70,900	68,700	69,700	73,600	73,200	73,000	71,700	70,400
Total	352,100	350,600	342,700	330,200	314,700	329,500	322,700	316,400	309,200	300,200

- The El Paso Tri-State region is the fifth-largest manufacturing center in North America, with 295,000 jobs tied to manufacturing.
- El Paso ranks 2nd among the safest metro cities in the United States, with a population of over 500,000, according to the FBI Uniform Crime Report, 2023.
- El Paso was named the 2nd best city in the USA according to the U.S. News and World Report: “El Paso has an average commute time of 21 minutes, a medium home value of \$175,800, a medium household income of \$57,754, and a monthly rent of \$883. The cost of living in El Paso is lower than the national average.”

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, offering 170 bachelor’s, 70 master’s, and 26 doctoral programs with a total enrollment of around 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 for the first six months of the fiscal year. 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 PSB. The PSB approves the combined annual operating and capital budget and updates to the Rules and Regulations around January, with an effective date of March 1.

The budget and the annual financial report are prepared using the accrual basis of accounting. Revenues are recognized as they are earned, and expenses are recognized when incurred. The operating budget is prepared at the object level. The object is the goods or service account for which the expenditure was made. 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 financial policies as a framework for creating the annual budget for both utilities. See Note 1, Fund Accounting, for more information regarding the fund composition of EPWater.

Long-term Financial Planning

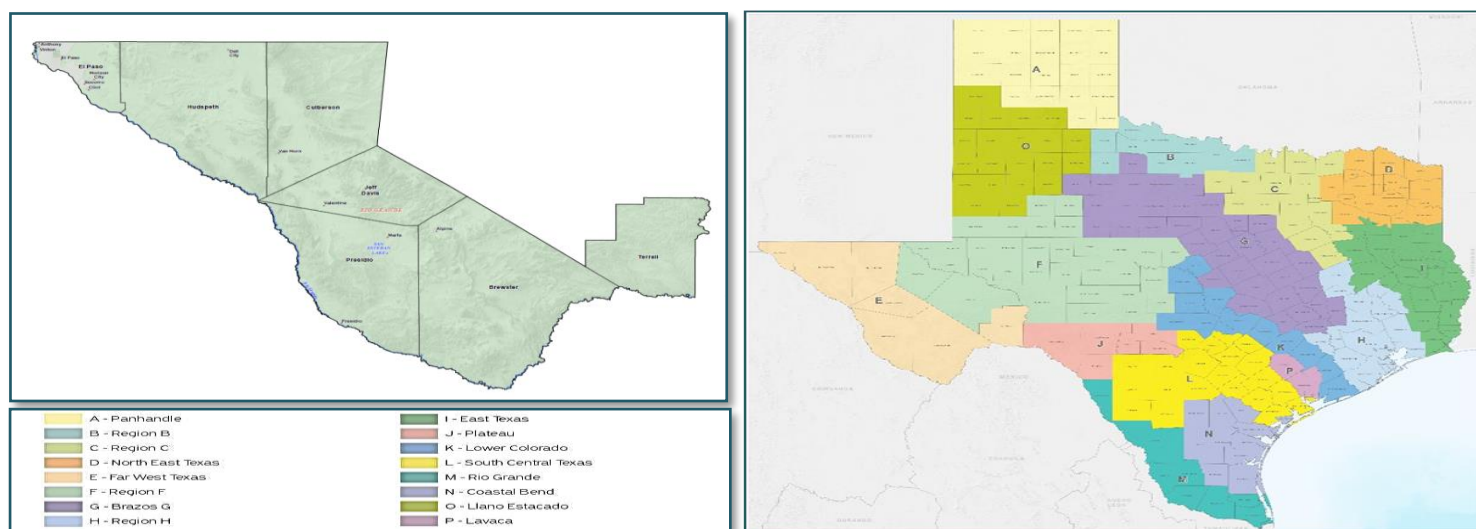
Long-term water and wastewater planning remains a critical component in managing the region’s water resources. In 1995, the Texas Legislature designated EPWater as the Regional Planner for El Paso County, facilitating a coordinated approach to developing and stewardship of local water resources. This unique regional collaboration helps ensure a reliable water supply to support 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 committed to advancing regional planning efforts. The utility is an active participant in Region E, one of sixteen regional water planning areas established under Senate Bill 1 in 1997, which mandates long-term, region-specific water planning in Texas. Region E stretches from the City of El Paso at the Texas-New Mexico border, across the Salt Flats, and southeast toward the Big Bend area and the Pecos River, encompassing seven counties within the Rio Grande Basin. In collaboration with other Region E Planning Group stakeholders, EPWater contributed to developing the 2021 Region E Far West Texas Water Plan, which was submitted to the Texas Water Development Board (TWDB). This regional plan forms part of the State Water Plan submitted to the Texas Legislature and provides a comprehensive evaluation of current and projected water demands across all user categories. It also assesses water supply availability under drought-of-record conditions and identifies alternative strategies to address projected shortfalls. The plan is updated every five years and spans a 50-year planning horizon.

The 2021 Region E Far West Texas Water Plan outlines EPWater’s continued use of existing supplies from the Rio Grande, groundwater from the Hueco and Mesilla Bolsons, desalination, reclaimed water, and conservation measures. Additionally, the plan includes strategies to:

- Expand the use of reclaimed water,
- Implement aquifer storage and recovery,
- Expand the Kay Bailey Hutchison Desalination Plant,
- Develop the Pure Water Center, and
- Initiate Phase I of groundwater importation from the Dell City area, which is projected to begin around 2040.

EPWater remains committed to maintaining a diversified water supply portfolio that ensures long-term reliability and resilience in the face of population growth, climate variability, and regulatory changes.

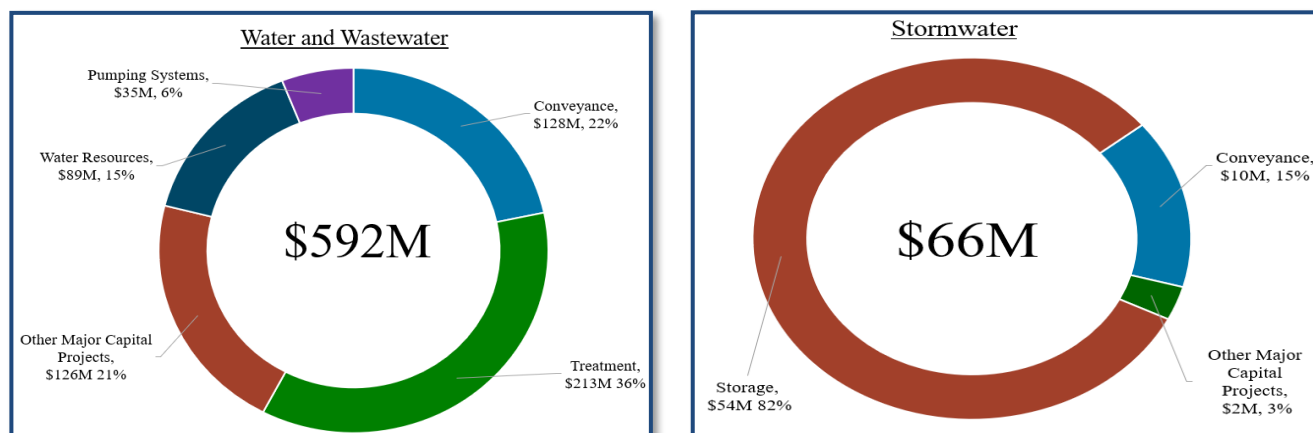
TWDB Region E Map



Capital Improvement Program

EPWater remains committed to strategic long-term planning to meet a growing and dynamic community's water, wastewater, reclaimed water, and stormwater needs. As part of this commitment, EPWater continues implementing a robust 10-year Capital Improvement Program (CIP) that addresses aging infrastructure, supports service reliability, and ensures continued compliance with environmental and public health standards. Over the next decade, the utility has identified capital needs exceeding \$5.2 billion for water, wastewater, and reclaimed water infrastructure and an additional \$500 million to advance the implementation of the Stormwater Master Plan and improve drainage citywide. For FY 2025–26 alone, EPWater has budgeted approximately \$592 million in investments across the water and wastewater-related systems and \$66 million for the drainage system. These investments are essential to maintaining system integrity, preparing for population growth, and responding to prolonged drought conditions.

Capital Improvement Program FY 2025-26

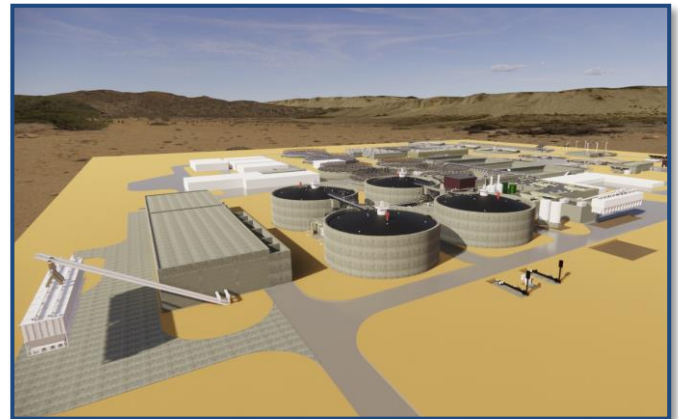
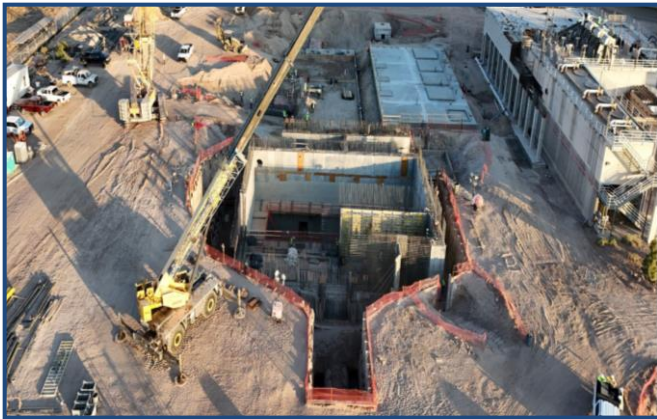


Other Strategic Initiatives

Several strategic initiatives are underway to strengthen the Utility for the future. Notably, EPWater broke ground on the Pure Water Center, an innovative, large-scale facility that will convert reclaimed wastewater into 10 MGD of high-quality drinking water through advanced purification, enhancing drought resilience and ensuring a sustainable water supply for years to come. Estimated total project cost of \$331 million, and projected to be completed by late 2028.



A significant investment is also being directed toward the rehabilitation and expansion of the Roberto R. Bustamante Wastewater Treatment Plant to ensure reliability and to address growth in the far east side of El Paso. The project, once completed, will treat up to 51 million gallons of wastewater per day. The total cost of this project is estimated at \$1.3 billion.



Meter Replacement Program

EPWater is implementing a citywide Advanced Metering Infrastructure (AMI) program to modernize its water metering system. The initiative involves replacing 240,000 mechanical meters with advanced ultrasonic meters featuring Acoustic Leak Detection (ALD) technology. These meters enable remote reading, more accurate billing, early leak detection, and real-time usage insights, which support both operational efficiency and water conservation.

Following a successful pilot, EPWater launched a full-scale rollout, and by February 2025, over 40,000 meters have been replaced. To accelerate the program, the implementation timeline was shortened from 10 years to 4, with additional contractor and consultant support brought on to expedite installations. Total capital expenditures are expected to reach \$68 million over the next two years, with a \$5 million federal WaterSMART grant to help fund the project.

This program aligns with EPWater's strategic goals and Key Performance Indicators (KPIs), delivering enhanced service reliability, reducing water loss, and increasing bill water revenue due to the increased accuracy of the new meters.

Lead and Copper, and Per- and Polyfluoroalkyl Substances (PFAS) Assessment

In continued alignment with our commitment to public health and regulatory compliance, EPWater has made significant progress toward meeting federal requirements under the revised Lead and Copper Rule (LCRR) and the Lead and Copper Rule Improvements (LCRI). As mandated by the Environmental Protection Agency (EPA), EPWater conducted a comprehensive service line inventory and, by the October 2024 deadline, issued approximately 134,000 customer notifications regarding unknown service line materials.

To date, approximately 74,000 lines have been verified as non-lead due to post-1988 installation, and an additional 36,000 have been assessed through visual inspection and mostly identified as copper. While no lead lines have been found, a portion of galvanized lines requiring replacement has been documented. EPWater remains committed to full compliance, including mandatory annual updates to the Texas Commission on Environmental Quality (TCEQ), ongoing customer outreach, and the full replacement of any identified lead or galvanized lines by the EPA's December 2037 deadline.

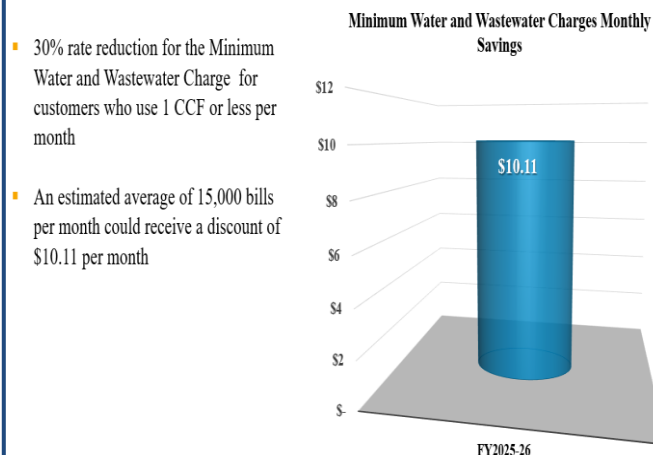
These efforts underscore our proactive approach to infrastructure integrity, environmental justice, and the health and safety of our community.

New Rate Initiatives for Conservation and Affordability

According to the current Five-Year Financial Plan, gradual water and wastewater rate adjustments totaling approximately 68%, and fee adjustments of 26% for stormwater are projected over the next five years. This would bring the average water and wastewater residential bill from \$69.97 to \$117.21, and a typical residential stormwater customer's fee would increase from \$6.40 to \$8.09 by year five. For FY 2025-26, the typical residential customer will see an increase of 7% in their water bill, 5% in the wastewater bill, and 16% in the drainage fee. These adjustments will support operations, capital investments, debt obligations, and reserve targets, ensuring long-term financial sustainability. Effective March 1, 2025, as a result of a comprehensive rate study, the Board approved new water conservation initiatives that reward low-water users with lower water and wastewater rates. These initiatives have the potential to provide rate reductions to almost 75,000 customers on average on a monthly basis. Together, these efforts reflect EPWater's commitment to responsible stewardship, innovation, and resilience as we continue delivering high-quality services to the El Paso community.

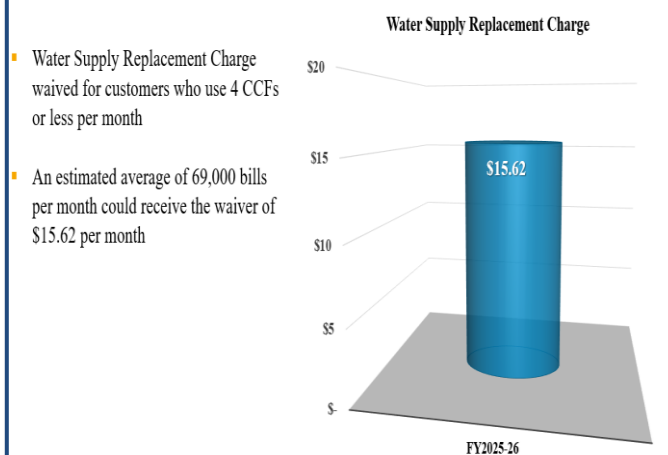
Affordability: Water Conservation Saves Money

An estimated \$1.8 million could be saved by high-conserving customers next year



Affordability: Water Conservation Saves Money

An estimated \$12.9 million could be saved by conserving customers next year



Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to EPWater for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending February 29, 2024. This marks the twenty-ninth consecutive year that EPWater received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an ACFR that is easily readable, efficiently organized, and satisfies Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for one year. We believe that our current ACFR continues to meet the Certificate of Achievement Program 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 the fiscal year beginning March 1, 2024. This marks the twenty-seventh consecutive year EPWater has received this award. To qualify for the Distinguished Budget Presentation Award, a government's budget document must be rated proficient in several key areas, including serving as a policy document, a financial plan, an operations guide, and a communications tool.

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 extend our sincere appreciation to Gustavo Hurtado, Fiscal Operations Manager, Jeff Tepsick, Interim Chief Financial Officer, and all team members who contributed to the preparation of this report. Credit is also due to the Mayor and Public Service Board for their continued support and commitment to maintain the highest standards of professionalism in the financial management of EPWater.


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


Ana Sanchez
**Vice President of Financial and
Management Services**


Luz E. Holguin
Assistant Chief Financial Officer


Jeff Tepsick
Interim Chief Financial Officer


Gustavo Hurtado
Fiscal Operations Manager



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

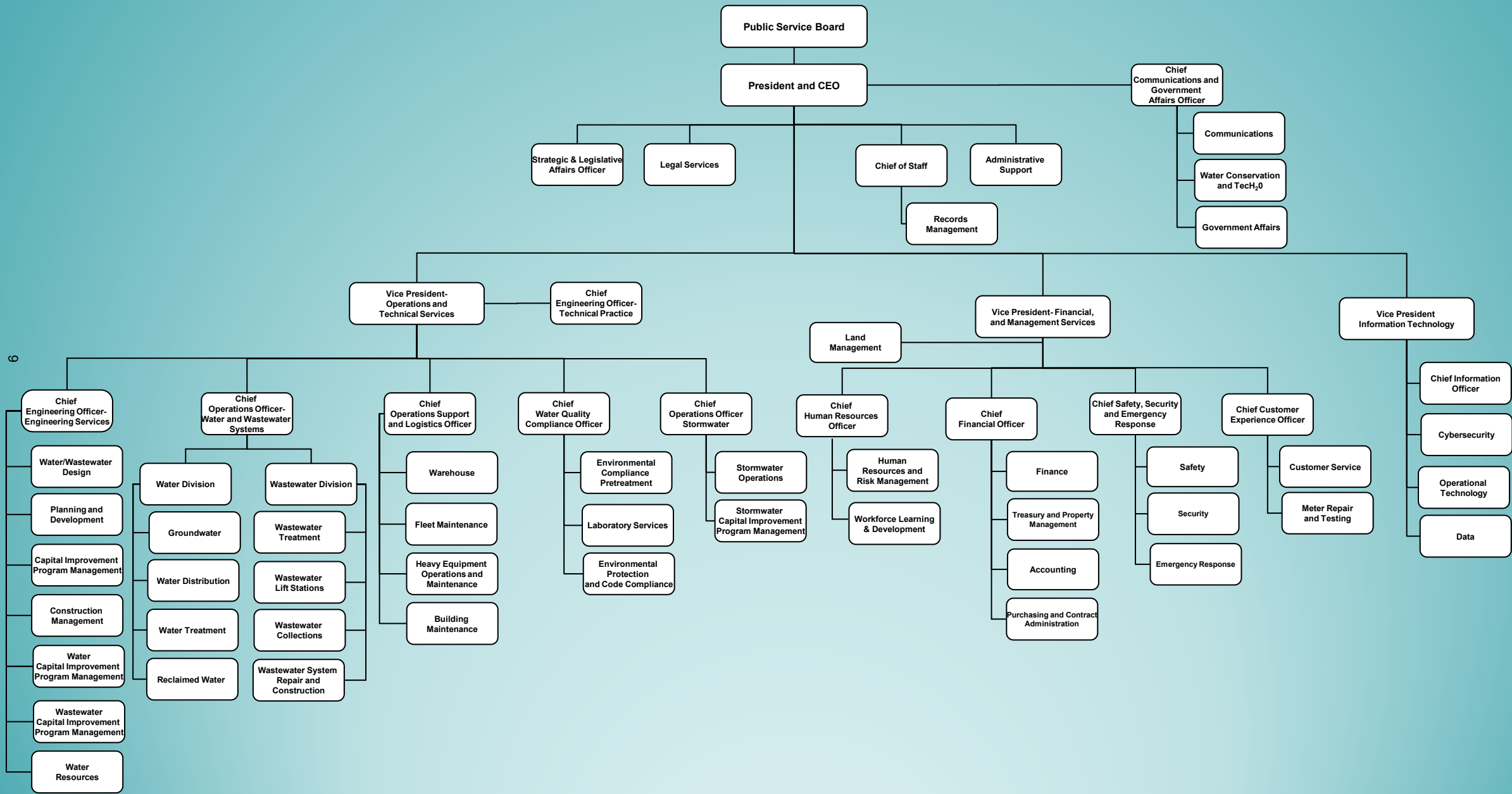
February 29, 2024

Christopher P. Morill

Executive Director/CEO

El Paso Water

Organizational Chart





ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED FEBRUARY 28, 2025

PUBLIC SERVICE BOARD



Stefanie Block Uribarri
Secretary-Treasurer



Bryan Morris, P.E.
Chair



Charlie Intebi
Secretary-Treasurer



Hector Ocaranza
Member



Anna Gitter, Ph.D.
Member



Lane Gaddy
Member



Renard Johnson
Mayor, City of El Paso

EXECUTIVE STAFF

John Balliew, P.E., President and CEO

Gilbert Trejo, P.E., Vice President of Engineering, Operations & Technical Services

Ana Sanchez, Vice President of Financial & Management Services

Adam Wickersham, Vice President of Information Technology

Martin Noriega, P.E., Chief Operations Officer – Water & Wastewater Systems

Felipe Lopez, P.E., Chief Operations Officer – Technical Practice

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

Irazema Solis Rojas, P.E., Chief Technical Officer – Engineering Services

Lisa Rosendorf, Chief Communications & Government Affairs Officer

Jeff Tepsick, Interim Chief Financial Officer

Alfredo Solano, Chief Information Officer

Ruben Rodriguez, Chief Water Quality Compliance Officer

Elmer Beeler, Chief Support and Logistics Officer

Monica Ontiveros, Chief Human Resources Officer

Lidia Carranco, Chief Customer Experience Officer

Claudia Duran, Chief of Staff

ACCOUNTING/FINANCE

Luz Holguin, Assistant Chief Financial Officer
Gustavo Hurtado, Fiscal Operations Manager
Daniel Cortes, Business and Financial Manager
Cinthya Dominguez, Senior Budget Analyst

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 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, 2025 and February 29, 2024, 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 accompanying 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, 2025 and February 29, 2024, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, the Public Service Board - El Paso Water Utilities adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*. Additionally, as described in Note 1 to the financial statements, the Public Service Board - El Paso Water Utilities adopted the provisions of GASB Statement No. 101, *Compensated Absences*. Accordingly, the accounting changes have been retroactively applied to the earliest period presented. Our opinions are not modified with respect to these matters.

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 GAAS 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 GAAS 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 14 through 23 and pages 119 through 128, 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 GAAS, 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 accompanying 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 GAAS. 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 comprehensive financial 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 August 8, 2025, 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 Rudolock Patterson LLC

El Paso, Texas
August 8, 2025



Public Service Board - El Paso Water Utilities
Management's Discussion and Analysis

This Management Discussion and Analysis (MD&A) provides an overview and evaluation of El Paso Water Utilities' (EPWater) financial activities for the fiscal year ending February 28, 2025. It is intended to provide readers with a clear understanding of the utility's financial condition, operational results, and key developments during the year. To gain a more comprehensive insight into EPWater's financial performance and strategic direction, readers are encouraged to review this section alongside the accompanying letter of transmittal and the audited 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 \$1.72 billion (*net position*).
- EPWater's total assets and deferred outflows of resources increased by \$319 million from 2024 to 2025. This was primarily driven by a \$378.5 million increase in water, wastewater, and stormwater infrastructure net of accumulated depreciation and amortization, partially offset by a \$88.2 million decrease in investments restricted for construction and improvements.
- EPWater's total liabilities and deferred inflows of resources increased by \$198.1 million during the fiscal year, mainly due to a \$240 million increase in outstanding Extendable Commercial Paper (ECP) notes, and partially offset by a \$60 million decrease in outstanding Commercial Paper (CP) notes.
- The debt service coverage for the Water and Wastewater Utility of 2.08 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 2.01 times is also well above the required 1.25 times as per its bond ordinance.

Overview of Financial Statements

- [Enterprise Funds](#) – EPWater operates two enterprise funds: the Water and Wastewater Utility Fund and the Municipal Drainage Utility Fund. All transactions between these two funds are eliminated in the combined financial statements.
- [Statements of Net Position](#) – Provide a snapshot of EPWater's assets, liabilities, deferred outflows and inflows of resources, and total net position at the end of the fiscal year. These statements help assess the utility's overall financial health.
- [Statements of Revenues, Expenses, and Changes in Net Position](#) – Show how EPWater's net position has changed over the fiscal years presented. They are useful in determining whether the utility covered its costs through rates and other charges.
- [Statements of Cash Flows](#) – Present cash inflows and outflows from operating, capital, and related financing, and investing activities for each fiscal year.
- [Notes to financial statements](#) – Contain detailed information essential for a full understanding of EPWater's financial statements.
- [Required Supplemental Information](#) – Provides insight into EPWater's funding progress for other post-employment benefits and pension liabilities.

Additional supplementary information is included to provide further analysis, although it is not considered a required component of the basic financial statements.

- [Supplementary Schedules](#) – Present separate financial statements by fund, along with additional schedules offering detailed financial data for each individual fund.
- [Statistical Section](#) – Offers contextual summary information to help readers better understand the data presented in the financial statements, notes, and required supplementary information. It provides a broader perspective on EPWater's financial trends and overall health.

El Paso Service Area and Customer Growth

Over the last five years, the average annual retail customer growth has been a manageable 0.9%. The following table shows water, wastewater, and drainage retail customer growth for the past three years:

Water Customers	FY 2025	FY 2024	FY 2023
Metered water customers, beginning of year	221,673	220,749	218,646
Additions, net	537	924	2,103
Metered water customers, end of year	222,210	221,673	220,749
Wastewater Customers			
Wastewater customers, beginning of year	211,782	210,925	208,718
Additions, net	840	857	2,207
Wastewater customers, end of year	212,622	211,782	210,925
Drainage Customers			
Drainage customers, beginning of year	205,219	205,324	203,190
Additions (deletions), net	925	(105)	2,134
Drainage customers, end of year	206,144	205,219	205,324

EPWater provides wholesale water and wastewater services beyond the city limits to several entities. These include the Lower Valley Water District, Gaslight Square MHE, Paseo Del Este, Square Dance, the Village of Vinton, Fort Bliss, and the County East Montana area. Haciendas Del Norte WID receives water service only.

Retail water and wastewater services outside the city are offered to Westway and Canutillo, while retail water services are provided to Ponderosa/Western Village, Homestead, and Esperanza. The Public Service Board (PSB) has set outside-city retail water and wastewater rates at 115% of inside-city rates.

Drainage services are offered exclusively to customers located within the city limits of the City of El Paso, Texas.

Fiscal Year 2025 Financial Results

The following Enterprise Funds Statements of Net Position summarize the financial position of the Water and Wastewater Utility and the Municipal Drainage Utility after eliminating inter-fund payables, receivables, and land asset transfers.

Enterprise Funds Statements of Net Position			
	FY 2025	RESTATED FY 2024	RESTATED FY 2023
Current Assets	\$795,975,704	\$860,529,958	\$792,316,211
Noncurrent Assets	86,758,362	78,250,155	78,871,609
Capital Assets (Net)	3,126,327,752	2,747,850,016	2,381,010,642
Total Assets	4,009,061,818	3,686,630,129	3,252,198,462
Deferred Outflows of Resources	27,215,514	30,626,720	18,676,388
Total Assets and Deferred Outflows of Resources	\$4,036,277,332	\$3,717,256,849	\$ 3,270,874,850
Current Liabilities	\$265,878,870	\$245,748,096	\$200,090,857
Noncurrent Liabilities	1,969,548,900	1,799,853,768	1,530,181,010
Total Liabilities	2,235,427,770	2,045,601,864	1,730,271,867
Deferred Inflows of Resources	78,571,673	70,277,207	73,057,161
Net Position:			
Restricted	244,254,614	219,579,477	206,910,925
Net Investment in Capital Assets	1,393,973,922	1,299,896,410	1,198,392,085
Unrestricted	84,049,353	81,901,891	62,242,812
Total Net Position	1,722,277,889	1,601,377,778	1,467,545,822
Total Liabilities, Deferred Inflows of Resources and Net Position	\$4,036,277,332	\$3,717,256,849	\$ 3,270,874,850

*2024 and 2023 were restated in 2025 due to the implementation of GASB Statement No. 101. See Note 30 for more information.

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

Total Assets and Deferred Outflows

- From 2024 to 2025, EPWater's total assets and deferred outflows of resources increased by \$319 million, reaching \$4 billion. This increase was primarily driven by a \$378.5 million increase in water, wastewater, and stormwater infrastructure, net of accumulated depreciation, and partially offset by a \$88.2 million decrease in investments restricted for construction and improvements.
- From 2023 to 2024, EPWater's total assets and deferred outflows of resources increased by \$446.4 million, reaching \$3.7 billion. This increase was primarily driven by a \$366.8 million rise in water, wastewater, and stormwater infrastructure, net of accumulated depreciation, along with a \$55.4 million increase in cash, cash equivalents, and investments.

Current Assets

- From 2024 to 2025, current assets decreased by \$64.6 million, mainly due to a decrease of \$62.9 million in cash and cash equivalents and investments, and a decrease in customers' accounts receivable of \$2.5 million.
- From 2023 to 2024, current assets increased by \$68.2 million, primarily due to a \$194.4 million increase in cash and cash equivalents from restricted assets. This increase was driven by bond proceeds from the Water and Sewer Revenue Improvement and Refunding Bonds Series 2023 and 2023A, and the Municipal Drainage Utility Revenue Bond, Series 2023. The overall increase was partially offset by a \$158.2 million decrease in investments restricted for construction and improvements.

Total Liabilities

- From 2024 to 2025, total liabilities increased by \$189.8 million, mainly due to a \$240 million increase in outstanding ECP notes, partially offset by a \$60 million decrease in CP notes. In 2023, the City Council approved a \$60 million ECP program for the Drainage Utility, followed by a \$300 million ECP program for the Water and Wastewater Utility in 2024, replacing the CP program as the primary funding source for its Capital Improvement Program.

- From 2023 to 2024, total liabilities rose by \$315.3 million, primarily due to a \$162.5 million increase in revenue bonds (net of premiums/discounts) from issuing two Water and Wastewater bonds and one Stormwater bond. Additional increases included \$50 million in CP notes for the Water and Wastewater Utility and \$60 million in ECP notes for the Municipal Drainage Utility.

Enterprise Funds Statements of Revenues, Expenses, and Changes in Net Position			
	FY 2025	RESTATED FY 2024	RESTATED FY 2023
Operating Revenues:			
Water	\$178,011,384	\$170,207,883	\$146,817,647
Water supply replacement charge	40,877,194	38,880,293	35,503,953
Reclaimed Water	6,426,578	5,631,875	5,137,535
Wastewater	158,998,404	152,914,105	110,264,375
Drainage fees	37,944,836	33,345,709	28,660,599
Customer connection fees	5,929,408	6,507,724	5,009,431
City of El Paso Franchise fee	6,550,000	6,550,000	6,550,000
Other operating revenue	8,899,580	6,037,403	5,280,387
Total Operating Revenues	443,637,384	420,074,992	343,223,927
Operating Expenses:			
O&M – Water and Reclaimed Water	81,655,823	72,415,274	61,458,008
O&M – Wastewater	42,226,125	37,705,421	40,622,488
General, Administrative, and Engineering	53,128,512	45,673,660	34,873,512
O&M – Drainage	9,749,581	7,054,203	6,644,930
Other Operating Expenses	6,462,950	4,694,714	4,940,735
Other Post-Employment Benefits	119,665	-	164,923
Pension Expense	6,854,524	9,135,432	3,108,123
Depreciation and amortization	91,264,116	82,502,764	76,033,958
Payment to the City of El Paso Franchise fee	6,550,000	6,550,000	6,550,000
Payment to the City of El Paso per Bond Covenants	20,992,232	20,226,629	17,593,314
Total Operating Expenses	319,003,528	285,958,097	251,989,991
Operating Income	124,633,856	134,116,895	91,233,936
Interest Earnings	27,004,079	31,801,837	14,450,518
Gain on Land Assets Converted by Sale	835,758	2,806,363	1,948,237
Gain on Sale of Miscellaneous Assets	278,771	465,835	3,955,125
Federal Grant Revenue – Non-Capital	287,100	1,016,932	-
Other nonoperating lease revenue	2,948,414	2,803,537	2,761,095
Other nonoperating expenses	(1,529,768)	(2,129,069)	(5,076,188)
Interest on Long-Term Debt	(58,498,264)	(52,727,108)	(38,281,338)
Total Nonoperating Expense	(28,673,910)	(15,961,673)	(20,242,551)
Increase in Net Position, Before Contributions	95,959,946	118,155,222	70,991,385
Federal Grant Revenue - Capital Contributions	10,653,124	2,686,245	710,370
Non-Federal grant revenue - capital contributions	552,940	3,138,165	1,470,333
Capital and Non-Federal Grant Contributions	13,734,101	9,852,324	8,385,861
Change in Net Position	120,900,111	133,831,956	81,557,949
Net position - Beginning, as previously reported	-	1,472,265,379	1,385,972,373
Restatements and adjustments	-	(4,719,557)	15,500
Net position - Beginning, as restated	1,601,377,778	1,467,545,822	1,385,972,373
Total Net Position – Ending	\$1,722,277,889	\$1,601,377,778	\$1,467,545,822

* 2024 and 2023 were restated in 2025 due to the implementation of GASB Statement No. 101. See Note 30 for more information.

Water and Wastewater Utility Fund

Total operating revenues increased by \$18.5 million from 2024 to 2025, mainly due to rate increases for water and wastewater service and increase in customers. The revenue increases were as following:

- \$9.8 million in water and water supply replacement charge revenue (4% rate increase)
- \$6 million in wastewater revenue (4% rate increase)

Total operating revenues increased by \$72.2 million from 2023 to 2024, mainly due to rate increases for water and wastewater service and increase in customers. The revenue increases were as following:

- \$26.8 million in water and water supply replacement charge revenue (9% rate increase)
- \$42.6 million in wastewater revenue (40% rate increase)

Total operating expenses of \$302.4 million for 2025 increased by \$30.4 million from 2024, mainly due to the following:

- Increase of \$21.6 million in operations and maintenance for the water and wastewater system mainly due to an increase of \$7 million in personnel services as the Utility filled 94 vacant positions and implemented budgeted salary increases, and an increase of \$8 million in system maintenance
- Increase of \$8.3 million in depreciation and amortization expense

Total operating expenses of \$272 million for 2024 increased by \$32.3 million from 2023, mainly due to the following:

- Increase of \$18.2 million in operations and maintenance for the water and wastewater system mainly due to an increase of \$13.8 million in personnel services as the Utility filled 125 vacant positions and implemented budgeted salary increases, and an increase of \$9.3 million in system maintenance, and \$7 million in materials and supplies
- Increase of \$6.1 million in depreciation and amortization expense
- Increase of \$5.7 million in pension expenses due to increases in salary expenses

Total non-operating expenses of \$52.3 million for 2025 increased by \$3.4 million from 2024, mainly due to an increase in ECP interest expense of \$3.6 million.

Total non-operating expenses of \$48.8 million for 2024 increased by \$10.2 million from 2023, mainly due to an increase in interest on long-term debt of \$13.1 million as the Utility completed two bond issues for \$180.6 million to fund water and wastewater CIP projects.

Total non-operating revenue of \$29 million for 2025 decreased by \$8 million from 2024, mainly due to a decrease in interest earnings of \$5.3 million due to a decrease in interest rate yields and a decrease in bond funds available for investment as these funds continue to be depleted to pay for expenditures for construction projects.

Total non-operating revenue of \$37 million for 2024 increased by \$14.9 million from 2023, mainly due to an increase in interest earnings of \$16.5 million as the federal funds rate increased during 2024, and by the end of the fiscal year was at 5.5%.

Net position before capital contributions - The balance of \$79 million decreased by \$23.3 million from 2024 to 2025, primarily due to the following factors:

- Decrease in operating income of \$11.9 million
- Decrease in interest income of \$5.3 million

Net position before capital contributions of \$102.4 million increased by \$44.6 million from 2023 to 2024, mainly due to the following:

- Increase of \$39.9 million in operating income.
- Increase in interest income of \$16.5 million.

- Offset by an increase in interest expense on long-term debt of \$13.1 million.

Total contributions of \$24.9 million in 2025 were \$9.3 million more than in 2024, mainly due to an increase of \$3.9 million in capital contributions and an increase in federal and non-federal grant contributions of \$5.4 million.

Total contributions of \$15.7 million for 2024 were \$5.1 million more than in 2023, mainly due to an increase of \$1.5 million in capital contributions and an increase in federal and non-federal grant contributions of \$3.6 million.

Water and Wastewater Capital Improvement Program

EPWater spent \$418 million on water, wastewater, and reclaimed water system capital improvements in fiscal year 2025. Major expenditures included the following:

- \$110.3 million for wastewater plants upgrades and rehabilitation
- \$24.6 million for the construction of the EPWater administration building
- \$21.8 million for well rehabilitation and construction
- \$15.6 million for the Frontera Force Main rehabilitation

Water and Wastewater Utility Financial Indicators

Over the past three years, the Water and Wastewater Utility's debt service coverage ratio has ranged from 2.08 to 2.49 times. The decrease in coverage in 2025 compared to 2024 is primarily due to higher operating expenses and the increase of more than \$14.5 million in bond principal and interest payments. In recent years, the Utility has issued additional debt to fund the large-scale Capital Improvement Program, which is essential for maintaining and expanding critical water and wastewater infrastructure. Despite these financial pressures, the Utility remains financially stable, and the debt service coverage for 2025 of 2.08 times is above our budgeted 2.05 times coverage and well above the 1.50 times as required by the bond ordinance. The debt service coverage is discussed in Note 19.

Financial Indicators for the Water and Wastewater Utility			
	<u>FY 2025</u>	<u>RESTATED FY 2024</u>	<u>RESTATED FY 2023</u>
Current Assets/Current Liabilities	2.96	3.56	4.09
Operating Ratio	0.53	0.50	0.53
Debt Service Coverage	2.08 times	2.49 times	2.42 times
Debt Ratio	0.45	0.44	0.43

Municipal Drainage Utility Fund

Total operating revenues of \$39.1 million increased by \$5.1 million from 2024 to 2025 due to EPWater approving a 13% stormwater fee increase effective March 1, 2024.

Total operating revenues of \$34 million increased by \$4.7 million from 2023 to 2024 due to EPWater approving a 15% stormwater fee increase effective March 1, 2023.

Operating expenses of \$16.8 million increased by \$2.7 million from 2024, mainly due to an increase of \$2.7 million in stormwater operations and maintenance and an increase in depreciation expense of \$426,000.

Operating expenses of \$14.2 million increased by \$1.7 million from 2023, mainly due to an increase of \$406,000 in stormwater operations and maintenance, an increase of \$629,000 in indirect cost allocations, and an increase in depreciation and amortization expense of \$366,000.

Drainage Utility Capital Improvement Program

EPWater spent \$29.2 million in fiscal year 2025 on capital improvements for the Municipal Drainage Utility, including:

- \$6.1 million for the Arroyo 1 Dam detention improvements

- \$3.5 million for the corrugated metal pipe replacement program
- \$3.3 million in open space acquisitions
- \$2.8 million in land acquisitions for stormwater projects

Municipal Drainage Utility Financial Indicators

Over the past three years, the Municipal Drainage Utility's debt service coverage ratio has ranged from 2.01 to 2.20 times. The Utility remains financially stable, and the debt service coverage for 2025 of 2.01 times is above the budgeted 1.86 times coverage and well above the 1.25 times as required by the bond ordinance. The debt service coverage is discussed in Note 19.

Financial Indicators for the Municipal Drainage Utility			
	<u>FY 2025</u>	<u>RESTATED FY 2024</u>	<u>RESTATED FY 2023</u>
Current Assets/Current Liabilities	3.17	2.89	2.62
Operating Ratio	0.31	0.29	0.29
Debt Service Coverage	2.01 times	2.20 times	2.05 times
Debt Ratio	0.47	0.48	0.42

EPWater fulfilled all financial obligations during the fiscal year, including operating expenses and debt service requirements. In addition, the utility continued to address the demands of a growing community by rehabilitating existing infrastructure and investing in new water, wastewater, and drainage systems to enhance service delivery and meet customer needs.

Capital Assets

EPWater's net investment in water, wastewater, and drainage capital assets as of February 28, 2025, was \$3.1 billion (net of accumulated depreciation and amortization), an increase of 13.8% from 2024. The following table reflects the changes within each classification of capital assets net of depreciation and amortization. The increase in capital assets was primarily due to the addition of \$143.2 million in new water, wastewater, and reclaimed water and drainage projects placed in service during the year, and an increase of \$210.9 million in construction work in progress. The capital asset information is detailed in Note 10. The commitments related to construction work in progress are discussed in Note 26.

Capital Assets (Net of Accumulated Depreciation/Amortization)			
	<u>FY 2025</u>	<u>FY 2024</u>	<u>RESTATED FY 2023</u>
Land and Right-of-Way	\$395,049,413	\$371,082,593	\$359,033,667
Right to use lease assets	5,599,390	4,857,447	\$5,175,982
SBITA assets	1,560,657	1,931,671	2,851,638
Irrigation Water Rights Contracts	13,055,442	13,030,296	12,754,043
Buildings and Shops	55,719,123	46,958,776	48,252,507
Vehicles	16,791,124	13,054,613	8,373,902
Equipment and Tools	32,030,656	32,403,841	32,856,855
Water System	917,797,055	863,513,238	809,471,541
Wastewater System	581,104,592	521,861,939	424,482,607
Drainage System	196,302,052	178,734,742	162,330,302
Construction Work in Progress	911,318,248	700,420,860	515,427,598
Total	\$3,126,327,752	\$2,747,850,016	\$2,381,010,642

Debt Administration

EPWater issued one bond during this fiscal year:

- In April 2024, EPWater issued \$54.1 million of Municipal Drainage Utility System Revenue Refunding Bonds, Series 2024, to take long \$60 million of outstanding ECP notes.

The total long-term liabilities are summarized in Note 11 of the financial statements, and the revenue bonds in Note 12.

An adequate level of debt and a strong financial position reflect superior fiscal management, which has allowed EPWater to continue to earn among the highest ratings awarded by rating agencies:

Bond, Commercial Paper, and Extendable Commercial Paper Ratings			
	<u>Standard & Poor's</u>	<u>Fitch</u>	<u>Moody's</u>
Water and Wastewater Extendable Commercial Paper	A-1+	AA+	-
Water and Wastewater Commercial Paper	A-1+	AA+	P-1
Water and Sewer System Bonds	AA	AA+	-
Municipal Drainage System Bonds	AA+	AA+	-
Municipal Drainage Extendable Commercial Paper	A-1+	-	-

EPWater, through the City of El Paso and Bank of America, N.A., currently has a revolving credit agreement in which Bank of America, N.A., is obligated under the Credit Agreement to loan to the City of El Paso amounts not to exceed \$80 million for interim financing for the Water and Wastewater Utility. The Commercial Paper program information is detailed in Note 13.

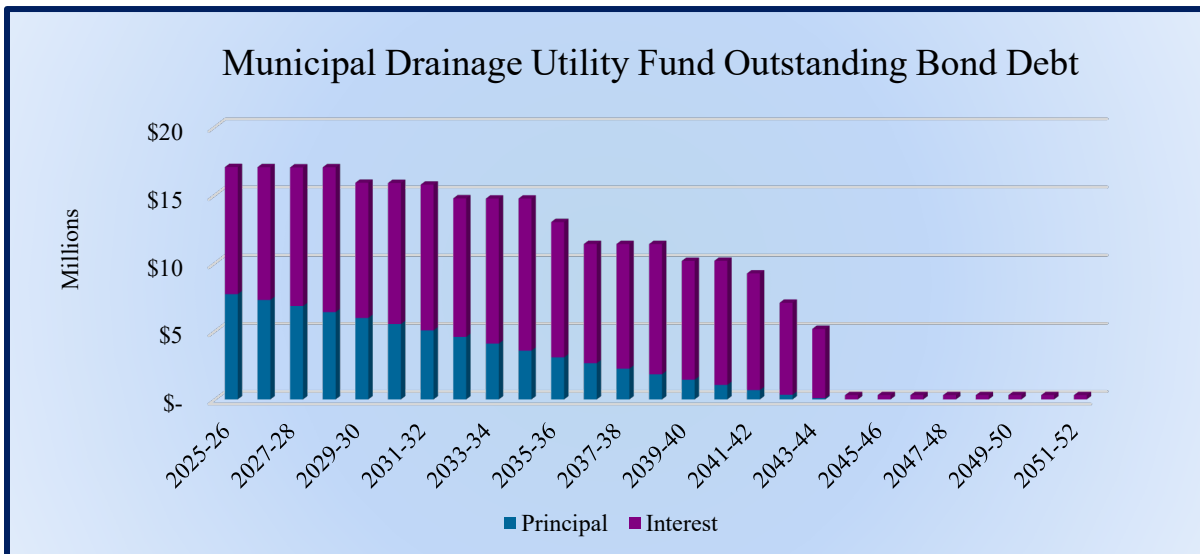
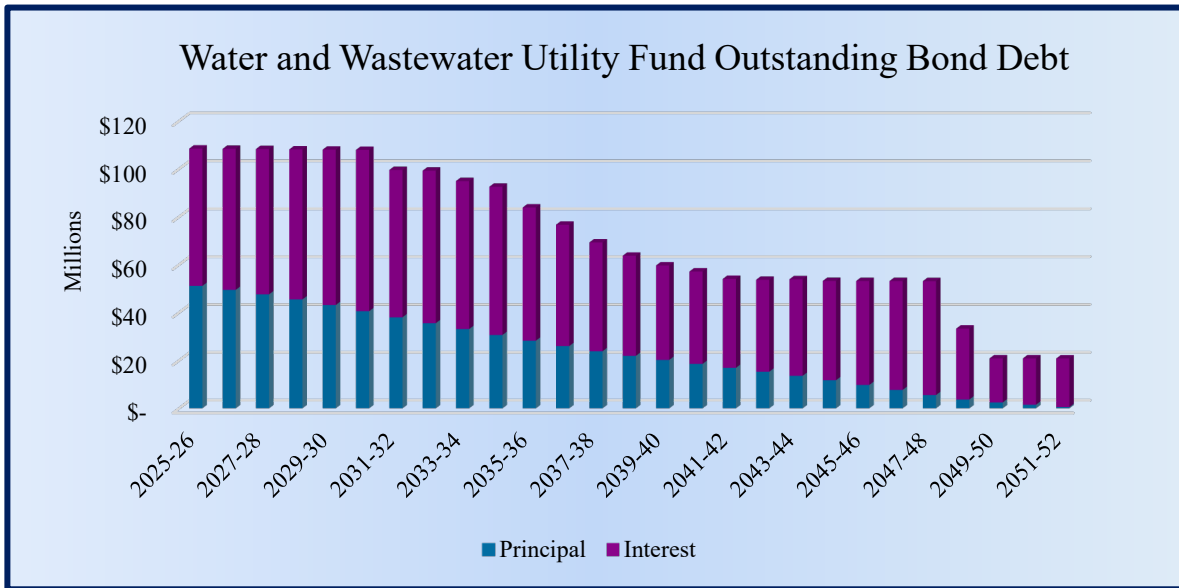
EPWater, through the City of El Paso, approved an ECP program not to exceed \$60 million for interim financing for the Municipal Drainage Utility CIP and entered into a dealer agreement with Morgan Stanley & Co. LLC to solicit and arrange sales of ECP notes. EPWater issued \$60 million in ECP notes during the fiscal year 2025. The ECP information is detailed in Note 15.

EPWater, through the City of El Paso, approved an ECP program not to exceed \$300 million for interim financing for the Water and Sewer Utility CIP and entered into a dealer agreement with Morgan Stanley & Co. LLC to solicit and arrange sales of ECP notes. EPWater issued \$280 million in ECP notes during the fiscal year 2025. The ECP information is detailed in Note 15.

Summary of Significant Outstanding Debt

	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>
Water and Wastewater Revenue Bonds	\$1,329,315,000	\$1,383,620,000	1,251,640,000
Water and Wastewater Commercial Paper	-	60,000,000	10,000,000
Water and Sewer Extendable Commercial Paper	280,000,000	-	-
Water and Wastewater Unamortized Premiums Net of Discounts	112,996,239	119,857,089	107,017,891
Municipal Drainage System Bonds	189,354,000	142,622,000	126,385,000
Municipal Drainage System Revolving Note	-	-	15,000,000
Municipal Drainage System Extendable Commercial Paper	20,000,000	60,000,000	-
Municipal Unamortized Premiums Net of Discounts	19,974,893	14,801,243	13,378,007
Total	<u>\$1,951,640,132</u>	<u>\$1,780,900,332</u>	<u>\$1,523,420,898</u>

As of February 28, 2025, the following charts show all outstanding principal and interest owed by EPWater.



Economic Factors and Next Year's Budget and Rates

Several key economic and environmental factors were considered in preparing the EPWater budget for Fiscal Year 2025-2026:

- Drought conditions are expected in 2025 due to the below-normal snowpack in Colorado, and the estimated river water allocation to EPWater is estimated at 30,000 acre-feet, which is half of the normal allotment.
- In 2024, the El Paso MSA home sales increased by 4%, with the median sales prices increasing by 4.1% to \$264,950 according to the Texas Realtors. The number of months Single-Family Housing remained in inventory increased from 3 months to 3.4 months, and the average days on market increased from 54 days to 63 days during the same period.
- EPWater budget includes \$891.1 million in new CIP funding with \$737.8 million in ECP to fund the Water and Wastewater Utility CIP for Fiscal Year 2025-2026. The Municipal Drainage Utility budget includes \$62 million in new CIP funding for fiscal year 2025-2026, with \$46.5 million being funded by ECP.

All of these factors were taken into consideration in preparing EPWater's budget for the fiscal year 2025-2026. The Public Service Board adopted a Water and Wastewater Utility budget that includes a seven percent rate increase for water and a six percent increase for wastewater services, in addition to a sixteen percent stormwater fee increase for the Municipal Drainage Utility. EPWater will continue to look for efficiencies, refinancing debt opportunities, and cutting costs whenever possible. In 2024, EPWater conducted a rate study focused on affordability, conservation, and customer input. Based on the study, the Public Service Board approved the following two water and wastewater rate changes effective March 1, 2025:

- A 30% discount on minimum water and wastewater charges for customers using 1 CCF or less
- An increase in the monthly water billed threshold from 3 CCFs to 4 CCFs for the waiver of the water supply replacement charge.

Request for Information

The financial report is designed to provide a general overview of 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, 2025

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 68,187,596	\$ 3,762,355	\$ -	\$ 71,949,951
Investments	15,046,311	3,000,000	-	18,046,311
Accounts receivable - customers	44,123,787	2,045,740	-	46,169,527
Leases receivable	1,854,344	31,359	-	1,885,703
Accounts receivable - other	4,819,162	348,845	-	5,168,007
Property investment costs	373,137	-	-	373,137
Due from Municipal Drainage Utility	92,020	-	(92,020)	-
Due from Municipal Drainage Utility land transfer	2,000,000	-	(2,000,000)	-
Accrued interest receivable	3,552,507	67,198	-	3,619,705
Inventory - materials and supplies	10,284,788	-	-	10,284,788
Other current assets	666,417	-	-	666,417
Prepaid expenses	2,664,901	-	-	2,664,901
Accounts receivable - City of El Paso land transfer	831,643	-	-	831,643
Restricted current assets:				
Restricted for bond requirements:				
Cash and cash equivalents	93,028,770	13,048,605	-	106,077,375
Investments	52,630,090	6,156,346	-	58,786,436
Restricted for construction and improvements:				
Cash and cash equivalents	271,334,683	56,261,778	-	327,596,461
Investments	132,131,306	-	-	132,131,306
Accounts receivable - government grants	9,649,025	-	-	9,649,025
Notes receivable	75,011	-	-	75,011
Total current assets	713,345,498	84,722,226	(2,092,020)	795,975,704
Noncurrent assets:				
Leases receivable	61,018,501	730,311	-	61,748,812
Accounts receivable - City of El Paso land transfer	23,889,943	-	-	23,889,943
Property investment costs	1,119,607	-	-	1,119,607
Due from Municipal Drainage Utility land transfer	5,044,800	-	(5,044,800)	-
Capital assets net of accumulated depreciation/amortization:				
Water and Wastewater Utility capital assets	1,614,149,787	-	-	1,614,149,787
Municipal Drainage Utility capital assets	-	198,650,257	-	198,650,257
Right to use lease assets	5,599,390	-	-	5,599,390
Right to use SBITA assets	1,551,811	8,846	-	1,560,657
Land and right of way	320,398,202	99,322,180	(24,670,969)	395,049,413
Construction work in progress	851,458,306	60,146,942	(287,000)	911,318,248
Total capital assets	2,793,157,496	358,128,225	(24,957,969)	3,126,327,752
Total noncurrent assets	2,884,230,347	358,858,536	(30,002,769)	3,213,086,114
Total assets	3,597,575,845	443,580,762	(32,094,789)	4,009,061,818
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on bond refunding	1,177,690	-	-	1,177,690
Deferred outflows - pension	21,395,778	948,214	-	22,343,992
Deferred outflows - OPEB	3,453,274	240,558	-	3,693,832
Total deferred outflows of resources	26,026,742	1,188,772	-	27,215,514
Total assets and deferred outflows of resources	\$ 3,623,602,587	\$ 444,769,534	\$ (32,094,789)	\$ 4,036,277,332

	Water and Wastewater Utility	Municipal Drainage Utility	Eliminations	Total
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 8,175,058	\$ 298,587	\$ -	\$ 8,473,645
Environmental Services collections and other payments due to City of El Paso	10,770,464	-	-	10,770,464
Customer deposits	13,320,139	-	-	13,320,139
Accrued compensated absences	3,212,546	154,568	-	3,367,114
Accrued payroll and benefits	3,059,239	170,045	-	3,229,284
Due to Water and Wastewater Utility	-	92,020	(92,020)	-
Due to Water and Wastewater Utility land transfer	-	2,000,000	(2,000,000)	-
Unearned rent revenue	2,134,908	20,603	-	2,155,511
Lease liabilities	229,778	-	-	229,778
SBITA liabilities	654,432	-	-	654,432
Other current liabilities	1,579,262	-	-	1,579,262
Self-insurance workers' compensation and health claims	416,484	-	-	416,484
Other government payable	211,316	-	-	211,316
Customer advances for construction	500,377	-	-	500,377
OPEB Liability	543,409	30,487	-	573,896
Current liabilities payable from restricted assets:				
Revenue bonds payable and unamortized premiums net of discounts	61,800,569	9,794,447	-	71,595,016
Unearned non-federal grant revenue - TWDB	21,343,923	5,698,001	-	27,041,924
Accrued interest on long term debt	27,963,078	4,158,365	-	32,121,443
Accounts payable	68,974,288	4,133,371	-	73,107,659
Retainage payable on construction contracts	16,370,369	160,757	-	16,531,126
Total current liabilities	241,259,639	26,711,251	(2,092,020)	265,878,870
Noncurrent liabilities:				
Accrued compensated absences	6,268,898	226,643	-	6,495,541
Due to Water and Wastewater Utility land transfer	-	5,044,800	(5,044,800)	-
Lease liabilities	5,770,639	-	-	5,770,639
SBITA liabilities	88,740	-	-	88,740
Self-insurance workers' compensation claims	626,549	-	-	626,549
Other government payable	756,163	-	-	756,163
Revenue bonds payable and unamortized premiums net of discounts	1,380,510,670	199,534,446	-	1,580,045,116
Extendable commercial paper notes	280,000,000	20,000,000	-	300,000,000
OPEB Liability	12,526,591	702,771	-	13,229,362
Net Pension Liability	48,289,452	2,127,958	-	50,417,410
Noncurrent liabilities payable from restricted assets:				
Arbitrage liability	10,595,935	1,523,445	-	12,119,380
Total noncurrent liabilities	1,745,433,637	229,160,063	(5,044,800)	1,969,548,900
Total liabilities	1,986,693,276	255,871,314	(7,136,820)	2,235,427,770
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - gain on bond refunding	3,218,936	100,852	-	3,319,788
Deferred inflows - leases	62,689,484	729,929	-	63,419,413
Deferred inflows - pension	221,902	156,495	-	378,397
Deferred inflows - OPEB	10,635,412	818,663	-	11,454,075
Total deferred inflows of resources	76,765,734	1,805,939	-	78,571,673
NET POSITION				
Restricted:				
Restricted for debt service	117,695,782	15,046,586	-	132,742,368
Restricted for construction and improvements	93,795,098	17,717,148	-	111,512,246
Total restricted	211,490,880	32,763,734	-	244,254,614
Net investment in capital assets	1,263,204,355	155,727,536	(24,957,969)	1,393,973,922
Unrestricted	85,448,342	(1,398,989)	-	84,049,353
Total net position	1,560,143,577	187,092,281	(24,957,969)	1,722,277,889
Total liabilities, deferred inflows of resources, and net position	\$ 3,623,602,587	\$ 444,769,534	\$ (32,094,789)	\$ 4,036,277,332

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
RESTATED
February 29, 2024

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 62,215,564	\$ 10,720,729	\$ -	\$ 72,936,293
Investments	9,997,884	3,007,778	-	13,005,662
Accounts receivable - customers	46,649,478	2,040,149	-	48,689,627
Leases receivable	2,237,838	41,581	-	2,279,419
Accounts receivable - other	6,088,809	350,954	-	6,439,763
Property investment costs	373,137	-	-	373,137
Due from Municipal Drainage Utility land transfer	2,000,000	-	(2,000,000)	-
Accrued interest receivable	4,224,242	139,162	-	4,363,404
Due from Water and Wastewater Utility	-	39,501	(39,501)	-
Inventory - materials and supplies	10,256,767	-	-	10,256,767
Other current assets	562,704	-	-	562,704
Prepaid expenses	3,116,057	-	-	3,116,057
Accounts receivable - City of El Paso land transfer	822,979	-	-	822,979
Restricted current assets:				
Restricted for bond requirements:				
Cash and cash equivalents	94,317,459	9,833,261	-	104,150,720
Investments	44,769,721	5,303,075	-	50,072,796
Restricted for construction and improvements:				
Cash and cash equivalents	267,220,052	49,799,754	-	317,019,806
Investments	218,310,458	2,000,000	-	220,310,458
Accounts receivable - government grants	6,020,525	-	-	6,020,525
Notes receivable	109,841	-	-	109,841
Total current assets	779,293,515	83,275,944	(2,039,501)	860,529,958
Noncurrent assets:				
Leases receivable	51,274,356	761,670	-	52,036,026
Accounts receivable - City of El Paso land transfer	24,721,583	-	-	24,721,583
Property investment costs	1,492,546	-	-	1,492,546
Due from Municipal Drainage Utility land transfer	6,044,800	-	(6,044,800)	-
Capital assets net of accumulated depreciation/amortization:				
Water and Wastewater Utility capital assets	1,488,948,044	-	-	1,488,948,044
Municipal Drainage Utility capital assets	-	180,609,400	-	180,609,400
Right to use lease assets	4,857,448	-	-	4,857,448
Right to use SBITA assets	1,906,152	25,519	-	1,931,671
Land and right of way	313,867,115	81,886,447	(24,670,969)	371,082,593
Construction work in progress	628,452,171	72,255,689	(287,000)	700,420,860
Total capital assets	2,438,030,930	334,777,055	(24,957,969)	2,747,850,016
Total noncurrent assets	2,521,564,215	335,538,725	(31,002,769)	2,826,100,171
Total assets	3,300,857,730	418,814,669	(33,042,270)	3,686,630,129
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on bond refunding	1,563,797	-	-	1,563,797
Deferred outflows - pension	24,583,239	1,073,490	-	25,656,729
Deferred outflows - OPEB	3,192,298	213,896	-	3,406,194
Total deferred outflows of resources	29,339,334	1,287,386	-	30,626,720
Total assets and deferred outflows of resources	\$ 3,330,197,064	\$ 420,102,055	\$ (33,042,270)	\$ 3,717,256,849

	Water and Wastewater Utility	Municipal Drainage Utility	Eliminations	Total
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 9,128,128	\$ 218,331	\$ -	\$ 9,346,459
Environmental Services collections and other payments due to City of El Paso	12,608,858	-	-	12,608,858
Customer deposits	12,890,913	-	-	12,890,913
Accrued compensated absences	2,852,257	134,880	-	2,987,137
Accrued payroll and benefits	2,546,926	129,295	-	2,676,221
Due to Municipal Drainage Utility	39,501	-	(39,501)	-
Due to Water and Wastewater Utility land transfer	-	2,000,000	(2,000,000)	-
Unearned rent revenue	1,681,427	15,861	-	1,697,288
Lease liabilities	111,772	-	-	111,772
SBITA liabilities	907,665	20,586	-	928,251
Other current liabilities	1,770,091	53	-	1,770,144
Self-insurance workers' compensation and health claims	49,615,872	365,396	-	365,396
Other government payable	202,034	-	-	202,034
Customer advances for construction	574,598	-	-	574,598
OPEB Liability	568,654	30,972	-	599,626
Current liabilities payable from restricted assets:				
Revenue bonds payable and unamortized premiums net of discounts	61,165,850	8,420,142	-	69,585,992
Unearned non-federal grant revenue - TWDB	20,419,933	5,437,040	-	25,856,973
Accrued interest on long term debt	29,753,113	3,409,052	-	33,162,165
Accounts payable	49,615,872	8,359,121	-	57,974,993
Retainage payable on construction contracts	11,784,384	624,892	-	12,409,276
Total current liabilities	218,987,372	28,800,225	(2,039,501)	245,748,096
Noncurrent liabilities:				
Accrued compensated absences	6,633,421	236,456	-	6,869,877
Due to Water and Wastewater Utility land transfer	-	6,044,800	(6,044,800)	-
Lease liabilities	5,036,445	-	-	5,036,445
SBITA liabilities	542,012	-	-	542,012
Self-insurance workers' compensation claims	442,958	-	-	442,958
Other governments payable	967,479	-	-	967,479
Revenue bonds payable and unamortized premiums net of discounts	1,442,311,239	149,003,101	-	1,591,314,340
Commercial paper notes	60,000,000	-	-	60,000,000
Extendable commercial paper notes	-	60,000,000	-	60,000,000
OPEB Liability	12,597,823	686,156	-	13,283,979
Net Pension Liability	53,560,388	2,385,548	-	55,945,936
Noncurrent liabilities payable from restricted assets:				
Arbitrage liability	4,681,854	768,888	-	5,450,742
Total noncurrent liabilities	1,586,773,619	219,124,949	(6,044,800)	1,799,853,768
Total liabilities	1,805,760,991	247,925,174	(8,084,301)	2,045,601,864
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - gain on bond refunding	3,964,339	115,259	-	4,079,598
Deferred inflows - leases	53,315,205	787,043	-	54,102,248
Deferred inflows - pension	317,254	214,570	-	531,824
Deferred inflows - OPEB	10,685,708	877,829	-	11,563,537
Total deferred inflows of resources	68,282,506	1,994,701	-	70,277,207
NET POSITION				
Restricted:				
Restricted for debt service	109,334,067	11,727,284	-	121,061,351
Restricted for construction and improvements	89,342,643	9,175,483	-	98,518,126
Total restricted	198,676,710	20,902,767	-	219,579,477
Net investment in capital assets	1,180,202,082	144,652,297	(24,957,969)	1,299,896,410
Unrestricted	77,274,775	4,627,116	-	81,901,891
Total net position	1,456,153,567	170,182,180	(24,957,969)	1,601,377,778
Total liabilities, deferred inflows of resources, and net position	\$ 3,330,197,064	\$ 420,102,055	\$ (33,042,270)	\$ 3,717,256,849

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, 2025

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
Operating revenues:				
Water	\$ 178,025,535	\$ -	\$ (14,151)	\$ 178,011,384
Water supply replacement charge	40,877,194	-	-	40,877,194
Reclaimed water	6,426,578	-	-	6,426,578
Wastewater	158,998,404	-	-	158,998,404
Drainage fees	-	38,144,557	(199,721)	37,944,836
Customer connection fees	5,929,408	-	-	5,929,408
City of El Paso Franchise fee	6,550,000	-	-	6,550,000
Other operating revenue	7,930,627	992,953	(24,000)	8,899,580
Total operating revenues	<u>404,737,746</u>	<u>39,137,510</u>	<u>(237,872)</u>	<u>443,637,384</u>
Operating expenses:				
Operations and maintenance - water and reclaimed water	81,728,679	-	(72,856)	81,655,823
Operations and maintenance - wastewater	42,314,130	-	(88,005)	42,226,125
General, administrative and engineering expenses	51,129,372	-	1,999,140	53,128,512
Operations and maintenance - drainage	-	9,787,732	(38,151)	9,749,581
Indirect cost allocation	-	2,038,000	(2,038,000)	-
Other operating expenses	6,462,950	-	-	6,462,950
Other Post-Employment Benefits	119,665	-	-	119,665
Pension expense	6,655,479	199,045	-	6,854,524
Depreciation and amortization	86,453,106	4,811,010	-	91,264,116
Payment to City of El Paso Franchise fee	6,550,000	-	-	6,550,000
Payment to City of El Paso per bond covenants	20,992,232	-	-	20,992,232
Total operating expenses	<u>302,405,613</u>	<u>16,835,787</u>	<u>(237,872)</u>	<u>319,003,528</u>
Operating income	<u>102,332,133</u>	<u>22,301,723</u>	<u>-</u>	<u>124,633,856</u>
Nonoperating revenues (expenses):				
Interest earnings and net change in fair value of investments	24,711,902	2,292,177	-	27,004,079
Gain on sale of land	835,758	-	-	835,758
Gain on sale of miscellaneous assets	278,771	-	-	278,771
Federal grant revenue - non capital	287,100	-	-	287,100
Other nonoperating lease revenues	2,891,300	57,114	-	2,948,414
Other nonoperating expenses	(914,591)	(615,177)	-	(1,529,768)
Interest on long term debt	(51,372,528)	(7,125,736)	-	(58,498,264)
Total nonoperating expenses	<u>(23,282,288)</u>	<u>(5,391,622)</u>	<u>-</u>	<u>(28,673,910)</u>
Increase in net position, before contributions	<u>79,049,845</u>	<u>16,910,101</u>	<u>-</u>	<u>95,959,946</u>
Federal grant revenue - capital	10,653,124	-	-	10,653,124
Non-Federal grant revenue - capital	552,940	-	-	552,940
Capital contributions	13,734,101	-	-	13,734,101
Total contributions	<u>24,940,165</u>	<u>-</u>	<u>-</u>	<u>24,940,165</u>
Change in net position	<u>103,990,010</u>	<u>16,910,101</u>	<u>-</u>	<u>120,900,111</u>
Net position - Beginning	<u>1,456,153,567</u>	<u>170,182,180</u>	<u>(24,957,969)</u>	<u>1,601,377,778</u>
Total net position - Ending	<u>\$ 1,560,143,577</u>	<u>\$187,092,281</u>	<u>\$ (24,957,969)</u>	<u>\$ 1,722,277,889</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 REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
RESTATED

For the Year Ended February 29, 2024

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
Operating revenues:				
Water	\$ 170,216,061	\$ -	\$ (8,178)	\$ 170,207,883
Water supply replacement charge	38,880,293	-	-	38,880,293
Reclaimed water	5,631,875	-	-	5,631,875
Wastewater	152,914,105	-	-	152,914,105
Drainage fees	-	33,517,191	(171,482)	33,345,709
Customer connection fees	6,507,724	-	-	6,507,724
City of El Paso Franchise fee	6,550,000	-	-	6,550,000
Other operating revenue	5,576,766	484,637	(24,000)	6,037,403
Total operating revenues	<u>386,276,824</u>	<u>34,001,828</u>	<u>(203,660)</u>	<u>420,074,992</u>
Operating expenses:				
Operations and maintenance - water and reclaimed water	72,476,885	-	(61,611)	72,415,274
Operations and maintenance - wastewater	37,780,910	-	(75,489)	37,705,421
General, administrative and engineering expenses	43,323,042	-	2,350,618	45,673,660
Operations and maintenance - drainage	-	7,086,381	(32,178)	7,054,203
Indirect cost allocation	-	2,385,000	(2,385,000)	-
Other operating expenses	4,694,714	-	-	4,694,714
Pension expense	8,840,741	294,691	-	9,135,432
Depreciation and amortization	78,117,941	4,384,823	-	82,502,764
Payment to City of El Paso Franchise fee	6,550,000	-	-	6,550,000
Payment to City of El Paso per bond covenants	20,226,629	-	-	20,226,629
Total operating expenses	<u>272,010,862</u>	<u>14,150,895</u>	<u>(203,660)</u>	<u>285,958,097</u>
Operating income	<u>114,265,962</u>	<u>19,850,933</u>	<u>-</u>	<u>134,116,895</u>
Nonoperating revenues (expenses):				
Interest earnings and net change in fair value of investments	30,034,874	1,766,963	-	31,801,837
Gain on sale of land	2,714,126	92,237	-	2,806,363
Gain on sale of miscellaneous assets	465,835	-	-	465,835
Federal grant revenue - non capital	1,016,932	-	-	1,016,932
Other nonoperating lease revenues	2,742,909	60,628	-	2,803,537
Other nonoperating expenses	(1,663,410)	(465,659)	-	(2,129,069)
Interest on long term debt	(47,182,950)	(5,544,158)	-	(52,727,108)
Total nonoperating expenses	<u>(11,871,684)</u>	<u>(4,089,989)</u>	<u>-</u>	<u>(15,961,673)</u>
Increase in net position, before contributions	<u>102,394,278</u>	<u>15,760,944</u>	<u>-</u>	<u>118,155,222</u>
Federal grant revenue - capital	2,686,245	-	-	2,686,245
Non-Federal grant revenue - capital	3,138,165	-	-	3,138,165
Capital contributions	9,852,324	-	-	9,852,324
Total contributions	<u>15,676,734</u>	<u>-</u>	<u>-</u>	<u>15,676,734</u>
Change in net position	<u>118,071,012</u>	<u>15,760,944</u>	<u>-</u>	<u>133,831,956</u>
Net position, 2/28/23, as previously reported	<u>1,342,690,123</u>	<u>154,533,225</u>	<u>(24,957,969)</u>	<u>1,472,265,379</u>
Restatements - change in accounting principle	(4,607,568)	(111,989)	-	(4,719,557)
Net position, 2/28/23, as restated	<u>1,338,082,555</u>	<u>154,421,236</u>	<u>(24,957,969)</u>	<u>1,467,545,822</u>
Total net position, 2/29/2024	<u>\$ 1,456,153,567</u>	<u>\$170,182,180</u>	<u>\$ (24,957,969)</u>	<u>\$ 1,601,377,778</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, 2025

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 403,558,534	\$ 38,899,581	\$ -	\$ 442,458,115
Cash received from Municipal Drainage Utility	1,944,630	-	(1,944,630)	-
Cash received from Water and Wastewater Utility	-	199,721	(199,721)	-
Environmental Services fees collected for the City of El Paso	88,582,899	-	-	88,582,899
Franchise fees collected	6,550,000	-	-	6,550,000
Cash payments to suppliers for goods and services	(120,436,323)	(7,581,504)	-	(128,017,827)
Cash payments to employees for services	(72,482,240)	(2,456,218)	-	(74,938,458)
Environmental Services fees paid to the City of El Paso	(90,363,119)	-	-	(90,363,119)
Payments to City of El Paso per bond covenants	(21,057,304)	-	-	(21,057,304)
Payments to City of El Paso Franchise fees	(6,550,000)	-	-	(6,550,000)
Cash payments to Municipal Drainage Utility	(199,721)	-	199,721	-
Cash payments to Water and Wastewater Utility	-	(1,944,630)	1,944,630	-
Net cash provided by operating activities	189,547,356	27,116,950	-	216,664,306
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from:				
Revenue bonds	-	54,145,000	-	54,145,000
Premiums and gains on revenue bonds	-	6,451,879	-	6,451,879
Extendable Commercial paper	280,000,000	-	-	280,000,000
Commercial paper	10,000,000	20,000,000	-	30,000,000
Revolving note	-	-	-	-
Principal payments on leases receivable	2,938,673	41,581	-	2,980,254
Interest payments on leases receivable	679,503	17,005	-	696,508
Cash receipts from grants	7,844,946	-	-	7,844,946
Acquisition and construction from capital grants	(11,206,064)	-	-	(11,206,064)
Acquisition and construction of capital assets net of disposals	(390,659,868)	(33,852,065)	3,787,000	(420,724,933)
Principal payments on lease liabilities	(178,177)	-	-	(178,177)
Interest payments on lease liabilities	(386,161)	-	-	(386,161)
Principal payments on SBITA liabilities	(1,594,225)	(20,586)	-	(1,614,811)
Interest payments on SBITA liabilities	(10,938)	(114)	-	(11,052)
Refunding commercial paper	(70,000,000)	-	-	(70,000,000)
Principal payments on revenue bonds	(54,305,000)	(7,413,000)	-	(61,718,000)
Interest and fees on revenue bonds and commercial paper	(54,937,749)	(7,529,680)	-	(62,467,429)
Refunding of revolving notes	-	(60,000,000)	-	(60,000,000)
Interest payments on notes and other long term debt	(48,495)	-	-	(48,495)
Proceeds from sale of assets net of related expenses	2,897,942	-	(3,787,000)	(889,058)
Proceeds from unearned non-federal grant	923,990	260,961	-	1,184,951
Net cash used by capital and related financing activities	(278,041,623)	(27,899,019)	-	(585,940,642)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale and maturities of investment securities	322,085,156	-	-	322,085,156
Purchase of investment securities	(248,806,972)	1,155,547	-	(247,651,425)
Interest received on investment securities	24,014,057	2,345,516	-	26,359,573
Net cash provided by investing activities	97,292,241	3,501,063	-	100,793,304
Net increase in cash and cash equivalents	8,797,974	2,718,994	-	11,516,968
Cash and cash equivalents:				
Beginning of year	423,753,075	70,353,744	-	494,106,819
End of year	\$ 432,551,049	\$ 73,072,738	\$ -	\$ 505,623,787

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, 2025

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 102,332,133	\$ 22,301,723	\$ -	\$ 124,633,856
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	86,453,106	4,811,011	-	91,264,117
(Increase) decrease in assets and deferred outflows:				
Accounts receivable	4,526,232	(2,841)	-	4,523,391
Due from Municipal Drainage Utility	(92,020)	-	92,020	-
Due from Water and Wastewater Utility	-	39,501	(39,501)	-
Inventory	(28,021)	-	-	(28,021)
Prepaid expenses	451,156	-	-	451,156
Other current assets	(103,713)	-	-	(103,713)
Deferred outflows - pension	3,187,461	125,276	-	3,312,737
Deferred outflows - OPEB	(260,976)	(26,662)	-	(287,638)
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable	(953,070)	80,256	-	(872,814)
Other current liabilities	(1,155,128)	4,742	-	(1,150,386)
Due to Municipal Drainage Utility	(39,501)	-	39,501	-
Due to Water and Wastewater Utility	-	92,020	(92,020)	-
Accrued compensated absences	(4,234)	9,875	-	5,641
Accrued payroll and benefits	512,313	40,750	-	553,063
Total OPEB Liability	(96,477)	16,130	-	(80,347)
Net Pension Liability	(5,270,936)	(257,590)	-	(5,528,526)
Deferred inflows - Pension	(95,352)	(58,075)	-	(153,427)
Deferred inflows - OPEB	(50,296)	(59,166)	-	(109,462)
Self-insurance claims	234,679	-	-	234,679
Net cash provided by operating activities	<u>189,547,356</u>	<u>27,116,950</u>	<u>-</u>	<u>216,664,306</u>
Noncash investing, capital, and financing activities:				
Capital contributions from developers	\$ 13,734,101	\$ -	\$ -	\$ 13,734,101
Assets aquired through leases	1,030,377	-	-	1,030,377
Assets aquired through SBITA's	861,620	-	-	861,620
Change in fair value of investments	(7,829)	(1,040)	-	(8,869)
	<u>\$ 15,618,269</u>	<u>\$ (1,040)</u>	<u>\$ -</u>	<u>\$ 15,617,229</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
RESTATED
For the Year Ended February 29, 2024

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 375,025,302	\$ 33,951,251	\$ -	\$ 408,976,553
Cash received from Municipal Drainage Utility	2,185,111	-	(2,185,111)	-
Cash received from Water and Wastewater Utility	-	171,482	(171,482)	-
Environmental Services fees collected for the City of El Paso	85,522,149	-	-	85,522,149
Franchise fees collected	6,550,000	-	-	6,550,000
Cash payments to suppliers for goods and services	(102,006,552)	(5,402,938)	-	(107,409,490)
Cash payments to employees for services	(63,478,771)	(1,816,923)	-	(65,295,694)
Environmental Services fees paid to the City of El Paso	(86,842,174)	-	-	(86,842,174)
Payments to City of El Paso per bond covenants	(19,933,264)	-	-	(19,933,264)
Payments to City of El Paso Franchise fees	(6,550,000)	-	-	(6,550,000)
Cash payments to Municipal Drainage Utility	(171,482)	-	171,482	-
Cash payments to Water and Wastewater Utility	-	(2,185,111)	2,185,111	-
Net cash provided by operating activities	190,300,319	24,717,761	-	215,018,080
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from:				
Revenue bonds	180,605,000	22,870,000	-	203,475,000
Premiums and gains on revenue bonds	19,510,624	2,399,999	-	21,910,623
Commercial paper	90,000,000	60,000,000	-	150,000,000
Revolving note	-	10,000,000	-	10,000,000
Principal payments on leases receivable	2,278,756	45,014	-	2,323,770
Interest payments on leases receivable	802,261	16,420	-	818,681
Cash receipts from grants	2,569,643	-	-	2,569,643
Acquisition and construction from capital grants	(5,629,672)	-	-	(5,629,672)
Acquisition and construction of capital assets net of disposals	(371,390,649)	(59,152,142)	3,787,000	(426,755,791)
Principal payments on lease liabilities	(212,122)	-	-	(212,122)
Interest payments on lease liabilities	(381,618)	-	-	(381,618)
Principal payments on SBITA liabilities	(1,502,886)	(19,533)	-	(1,522,419)
Interest payments on SBITA liabilities	(14,539)	(222)	-	(14,761)
Refunding commercial paper	(40,000,000)	-	-	(40,000,000)
Principal payments on revenue bonds	(48,625,000)	(6,633,000)	-	(55,258,000)
Interest and fees on revenue bonds and commercial paper	(44,319,070)	(5,546,393)	-	(49,865,463)
Payments on revolving notes	-	(25,000,000)	-	(25,000,000)
Interest payments on notes and other long term debt	(57,368)	-	-	(57,368)
Proceeds from sale of assets net of related expenses	7,293,938	92,237	(3,787,000)	3,599,175
Proceeds from unearned non-federal grant	20,419,933	248,297	-	20,668,230
Net cash used by capital and related financing activities	(188,652,769)	(679,323)	-	(189,332,092)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale and maturities of investment securities	830,084,040	23,069,173	-	853,153,213
Purchase of investment securities	(642,599,420)	(26,637,208)	-	(669,236,628)
Interest received on investment securities	27,878,214	1,613,562	-	29,491,776
Net cash provided (used) by investing activities	215,362,834	(1,954,473)	-	213,408,361
Net increase in cash and cash equivalents	217,010,384	22,083,965	-	239,094,349
Cash and cash equivalents:				
Beginning of year	206,742,691	48,269,779	-	255,012,470
End of year	\$ 423,753,075	\$ 70,353,744	\$ -	\$ 494,106,819

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
RESTATED
For the Year Ended February 29, 2024

	Water and Wastewater Utility Fund	Municipal Drainage Utility Fund	Eliminations	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 114,265,962	\$ 19,850,933	\$ -	\$ 134,116,895
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	78,117,941	4,384,823	-	82,502,764
(Increase) decrease in assets and deferred outflows:				
Accounts receivable	(5,362,223)	177,416	-	(5,184,807)
Due from Water and Wastewater Utility	-	232,067	(232,067)	-
Inventory	(1,287,868)	-	-	(1,287,868)
Prepaid expenses	(779,560)	-	-	(779,560)
Other current assets	(124,266)	-	-	(124,266)
Deferred outflows - pension	(12,267,493)	(539,481)	-	(12,806,974)
Deferred outflows - OPEB	436,744	33,791	-	470,535
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable	3,555,633	69,948	-	3,625,581
Other current liabilities	(87,705)	(4,536)	-	(92,241)
Due to Municipal Drainage Utility	(232,067)	-	232,067	-
Accrued compensated absences	914,462	96,780	-	1,011,242
Accrued payroll and benefits	791,410	32,481	-	823,891
Total OPEB Liability	964,611	1,202	-	965,813
Net Pension Liability	13,589,447	522,332	-	14,111,779
Deferred inflows - pension	(95,352)	(26,998)	-	(122,350)
Deferred inflows - OPEB	(1,894,859)	(112,997)	-	(2,007,856)
Self-insurance claims	(204,498)	-	-	(204,498)
Net cash provided by operating activities	<u>190,300,319</u>	<u>24,717,761</u>	<u>-</u>	<u>215,018,080</u>
Noncash investing, capital, and financing activities:				
Capital contributions from developers	\$ 9,852,324	\$ -	\$ -	\$ 9,852,324
Assets acquired through SBITA's	160,859	-	-	160,859
Change in fair value of investments	(241,623)	(17,578)	-	(259,201)
	<u>\$ 9,771,560</u>	<u>\$ (17,578)</u>	<u>\$ -</u>	<u>\$ 9,753,982</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, 2025 and February 29, 2024

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 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
A COMPONENT UNIT OF THE CITY OF EL PASO

NOTES TO FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

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 property investment costs included in the February 28, 2025 and February 29, 2024 financial statements are expenses related to preservation of the farming operations on the Property. The expenses prevented deterioration in the value of the Property investment and facilitated leasing the Property. The property investment costs are being repaid 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 over 300 water customers. On March 1, 2022, the Corporation assumed responsibility to oversee the business activities of EPWater's farm land leases in Hudspeth-Culberson and Jeff Davis counties as part of its long term water supply strategy. 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 - EPWater 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 are 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 within the City of El Paso.

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, 2025 and February 29, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

On June 19, 2007, the City of El Paso adopted City Ordinance No. 016668 establishing certain “funds” for the Municipal Drainage 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 3.

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. The budgets are used to control, monitor, and manage the operations of the two utility funds.

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 and the liability is incurred.

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 related to the water and wastewater systems. 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.

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, and overhead. 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 estimated acquisition value as of the date of contribution. Included in capital assets are intangible assets, which consist of purchased water rights, land easements, and right to use lease assets. 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. Intangible assets not considered to have indefinite useful lives are amortized over their estimated useful life. At the time of retirement of capital assets, the accumulated depreciation is removed with the original cost of the asset plus any cost of removal and any gain or loss on disposal of the asset is recognized.

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

Drainage system	50-100 years
Building and shops	25-33 years
Water plant	10-50 years
Wastewater plant	5-50 years
Management information systems	5-20 years
Equipment and tools	3-33 years
Vehicles and heavy equipment	5-7 years
Water rights contract	75 years

Right to use lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. When a lease contains a purchase option EPWater chooses to exercise, the lease asset is amortized over the useful life of the underlying asset. The amortization expense is presented with depreciation expense for financial reporting purposes.

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences - EPWater implemented *GASB Statement No. 101, Compensated Absences*, as of March 1, 2023, the earliest period presented, as required by the standard. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Also, see Note 30 for details related to the financial statement impact of the GASB 101 implementation.

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.

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. As of February 28, 2025 and February 29, 2024, EPWater's total compensated absences liability was \$9,862,655 and \$9,857,014, respectively.

Accrued compensated absences for the Water and Wastewater Utility is as follows:

	<u>2025</u>	<u>2024</u>
Total payable, beginning of year	\$ 9,485,678	\$ 8,571,216
Compensated absences earned	4,477,912	4,326,734
Compensated absences used	<u>(4,482,146)</u>	<u>(3,412,272)</u>
Total payable, end of year	<u>\$ 9,481,444</u>	<u>\$ 9,485,678</u>

Accrued compensated absences for the Municipal Drainage Utility is as follows:

	<u>2025</u>	<u>2024</u>
Total payable, beginning of year	\$ 371,336	\$ 274,556
Compensated absences earned	226,936	258,811
Compensated absences used	<u>(217,061)</u>	<u>(162,031)</u>
Total payable, end of year	<u>\$ 381,211</u>	<u>\$ 371,336</u>

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 assets that applies to a future period and will not be recognized as an outflow of resources (expense/reduction) until then.

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

February 28, 2025 and February 29, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 assets 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 leases - A deferred inflow of resources for leases occurs at the time the value of the leases receivable is measured plus any payment received at or before the commencement of the lease term that relates to future periods. This deferred inflow will be amortized in a systematic and rational manner over the term of the lease.

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.

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.

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

February 28, 2025 and February 29, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases - A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset, the underlying asset, as specified in the contract for a period of time, in excess of one year, in an exchange or exchange-like transaction. The lease liability is measured at the present value of the payments expected to be made, less any lease incentives, over the noncancellable term of the lease using the stated rate present in the contract or, when that is not present, an estimated incremental borrowing rate. The corresponding lease asset is measured at the amount of the initial measurement of the lease liability plus any payments made to the lessor at or before commencement of the lease term, including certain direct costs. In addition, in accordance with the capitalization policy, EPWater capitalizes right to use lease assets with individual values at initial measurement of \$25,000 and above. Subsequent to the initial measurement, the lease liability is reduced by the principal portion of the lease payments made. The right to use lease asset is also subsequently amortized on a straight-line basis over lease asset's useful life. Interest expense is also recognized based on the rate applied to each agreement. When EPWater enters into a lease liability agreement where the payments require periodic increases for either usage of the underlying asset or adjustments for changes in the consumer price index, only the variable payments that are fixed in substance are included in the initial measurement of the liability and corresponding lease asset.

A lease receivable for EPWater as lessor is measured at the present value of the lease payments expected to be received during the noncancellable lease term, using an estimated incremental borrowing rate. Escalation payments that require fixed periodic payment increases are included in the initial measurement of the lease receivable as part of the future minimum rent payments. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. Interest revenue is also recorded based on the rate applied to each lease agreement. Under certain lease agreements, EPWater receives variable lease payments that are dependent on changes in the consumer price index. Certain other agreements stipulate EPWater is to receive revenue from production royalties based on mining operations conducted at leased properties, which provide for the payment of a fee based on the greater of the value of the product extracted from the leased properties or a guaranteed minimum royalty. Payments in excess of the guaranteed minimum royalty are considered variable payments and are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is also measured at the initial lease receivable amount and adjusted for lease payments received at or before the lease commencement date. This deferred inflow is amortized and recognized as lease revenue over the life of the lease.

Subscription-Based Information Technology Arrangements - EPWater implemented *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*, during fiscal year February 29, 2024. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a 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 payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. See Note 10 for information regarding EPWater's right to use SBITA assets and Note 17 for the related liabilities.

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NOTES TO FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A SBITA is defined as a contract that conveys control of the right to use another party's information technology software (IT) alone or in combination with tangible capital assets, the underlying IT assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The subscription term includes the period during which a government has a noncancellable right to use the underlying assets. The subscription term also includes periods covered by an option to extend, if it is reasonably certain that the option will be exercised, or to terminate, if it is reasonably certain that the option will not be exercised. The SBITA liability is measured at the present value of subscription payments expected to be made during the subscription term, using the estimated incremental borrowing rate. The corresponding subscription asset is measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. In addition, in accordance with the capitalization policy, EPWater capitalizes right to use SBITA assets with individual values at initial measurement of \$25,000 and above. Subsequent to the initial measurement, the SBITA liability is reduced by the principal portion of the SBITA payment made. Interest expense is recognized based on the rate applied to each agreement. The right to use SBITA asset is subsequently amortized on a straight-line basis over the subscription term.

Reclassifications - Certain amounts presented in the prior year data have been reclassified in order to be more consistent with current year's data. See Note 30 for more information.

In the Statement of Revenues, Expenses, and Changes in Net Position certain amounts have been reclassified within operating revenues and expenses, which did not affect the overall operating income.

In the Statement of Net Position certain amounts have been reclassified in Restricted Net Position for Construction and Improvements, Net Investment in Capital Assets, and Unrestricted due to a recalculation of unspent bond proceeds, a reclassification of an internal advance, and a reclassification for capital accounts and retainage payable that arise from construction of capital assets.

EPWater implemented GASB No. 100, *Accounting Changes and Error Corrections - an amendment of GASB No. 62*, as of March 1, 2023, the earliest period presented, as required by the standard. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections and to provide more understandable, reliable, relevant, consistent, and comparable information for making or assessing accountability. See Note 30 for more details.

EPWater also implemented GASB No. 101, *Compensated Absences*, as of March 1, 2023, the earliest period presented, as required by the standard. The primary objective of this Statement is to improve the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. See Note 30 for more details.

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

February 28, 2025 and February 29, 2024

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.

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

February 28, 2025 and February 29, 2024

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

On June 19, 2007, the City of El Paso adopted Ordinance #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 stormwater 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.

The Ordinance further stated 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 shall also 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, \$37,307,963 has been set aside from 10% of revenues and interest earnings for Green Projects and as of February 28, 2025, \$33,916,598 been spent including the following purchases:

- Eight Park-Pond Conversions throughout the city for \$1,800,000,
- 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,
- 152.66 acres for \$2 million in May 2018,
- 1,107 acres for \$11,300,000 on July 23, 2019,
- 1,056 acres for \$14,044,800 on July 3, 2021, of which three payments totaling \$7 million have been made and the remainder to be paid back within four years and,
- 68.635 acres for \$2,255,700 on August 28, 2024.

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 #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.

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

February 28, 2025 and February 29, 2024

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.

The carrying amount of cash for the Water and Wastewater Utility at February 28, 2025 and February 29, 2024, was \$(11,395,571) and \$847,465, respectively, and the bank balances totaled \$334,283 and \$11,073,275, respectively. The carrying amount of cash for the Municipal Drainage Utility at February 28, 2025 and February 29, 2024, was \$(270,357) and \$(372,682), respectively, and the bank balances totaled \$0 and \$0, respectively. The FDIC standard maximum deposit insurance amount of \$250,000 for interest bearing account is permanent. As of February 28, 2025, \$1,250,000 of the bank balances were covered by FDIC and secured by government securities with a fair value of \$58,932,093. As of February 29, 2024, \$1,250,000 of the bank balances were covered by FDIC and secured by government securities with a fair value of \$144,408,308. The negative balances represent outstanding items due to the accounts being zero balance accounts as mentioned below.

As of February 28, 2025, EPWater held 20 Wells Fargo Money Market Sweep accounts with the advantage to gain a higher yield in lieu of receiving the Earnings Credit rating. This is an EPWater strategy to gain more yield on bank account funds. The in-transit sweeps are collateralized by Wells Fargo and the sweep balances are invested in US Treasury Obligations and repurchase agreements which are collateralized by US Treasury Obligations.

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

February 28, 2025 and February 29, 2024

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

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

	February 28, 2025	
	Cash and Cash Equivalents	Investments
Unrestricted assets	<u>\$ 68,187,596</u>	<u>\$ 15,046,311</u>
Restricted assets		
Bond requirements	93,028,770	52,630,090
Construction and improvements	<u>271,334,683</u>	<u>132,131,306</u>
Total restricted assets	<u>364,363,453</u>	<u>184,761,396</u>
Total	<u><u>\$ 432,551,049</u></u>	<u><u>\$ 199,807,707</u></u>

	February 29, 2024	
	Cash and Cash Equivalents	Investments
Unrestricted assets	<u>\$ 62,215,564</u>	<u>\$ 9,997,884</u>
Restricted assets		
Bond requirements	94,317,459	44,769,721
Construction and improvements	<u>267,220,052</u>	<u>218,310,458</u>
Total restricted assets	<u>361,537,511</u>	<u>263,080,179</u>
Total	<u><u>\$ 423,753,075</u></u>	<u><u>\$ 273,078,063</u></u>

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

February 28, 2025 and February 29, 2024

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

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

	February 28, 2025	
	Cash and Cash Equivalents	Investments
Unrestricted assets	<u>\$ 3,762,355</u>	<u>\$ 3,000,000</u>
Restricted assets		
Bond requirements	13,048,605	6,156,346
Construction and improvements	<u>56,261,778</u>	<u>-</u>
Total restricted assets	<u>69,310,383</u>	<u>6,156,346</u>
Total	<u><u>\$ 73,072,738</u></u>	<u><u>\$ 9,156,346</u></u>

	February 29, 2024	
	Cash and Cash Equivalents	Investments
Unrestricted assets	<u>\$ 10,720,729</u>	<u>\$ 3,007,778</u>
Restricted assets		
Bond requirements	9,833,261	5,303,075
Construction and improvements	<u>49,799,754</u>	<u>2,000,000</u>
Total restricted assets	<u>59,633,015</u>	<u>7,303,075</u>
Total	<u><u>\$ 70,353,744</u></u>	<u><u>\$ 10,310,853</u></u>

The **Public Funds Investment Act** (Texas 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
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NOTES TO FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

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. 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 Hermes, Inc. 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 (Texas Short Term Asset Reserve Program), 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. Although all securities in the Fund are marked to market daily using the fair value method, amortized cost, which generally approximates the fair value of securities, is utilized. 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. 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.

EPWater also participates in LOGIC (Local Government Investment Cooperative), which is a local government investment pool administered by Hilltop Securities and J.P. Morgan Chase. Portfolio assets are valued on the basis of the amortized cost valuation technique.

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

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.

The Water and Wastewater Utility cash equivalents and investments at February 28, 2025 and February 29, 2024 are categorized as summarized below:

February 28, 2025							
Investment Type	Value	Original Maturities - EPWater Position		EPWater's	Pool's/Fund's	Credit Rating	Percent of Grand Total
		Less than 1 year	1-5 years	Weighted Average Maturity (days)	Weighted Average Maturity (days)		
Government Investment Pools Account							
TexPool	\$ 7,747,426	\$ 7,747,426	\$ -	1	36	AAAm	1.20%
TexPool Prime	139,178,538	139,178,538	-	1	49	AAAm	21.62%
TexStar	12,885,452	12,885,452	-	1	35	AAAm	2.00%
LOGIC	135,477,953	135,477,953	-	1	43	AAAm	21.05%
Total Pools	295,289,369	295,289,369	-				45.87%
Money Market Funds							
Fidelity Investment Money Market							
Treasury	93,028,770	93,028,770	-	1	26	AAAm	14.45%
Cavanal Hill US Treasury	30,492,781	30,492,781	-	1	30	AAAm	4.74%
Allspring Treasury Plus Money Market Fund	25,135,700	25,135,700	-	1	52	AAAm	3.90%
Total Money Market Funds	148,657,251	148,657,251	-				23.09%
Securities							
<u>Federal Agency Discount:</u>							
US Treasury Notes	38,602,360	25,142,088	13,460,272	201		Aaa	6.00%
Treasury Bills	26,339,084	26,339,084	-	26		AA+	4.09%
<u>Federal Agency Coupon:</u>							
Federal Home Loan Bank	15,548,979	15,548,979	-	30		Aaa	2.42%
Federal Farm Credit Bank	10,547,508	10,547,508	-	42		Aaa	1.64%
Federal National Mortgage	3,769,776	3,769,776	-	178		Aaa	0.59%
Certificate of Deposit*	105,000,000	75,000,000	30,000,000	36		Not Rated	16.31%
Total Securities	199,807,707	156,347,435	43,460,272	69			31.04%
Portfolio Total	\$ 643,754,327	\$ 600,294,055	\$ 43,460,272	22			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, 2025 and February 29, 2024

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

February 29, 2024							
Investment Type	Value	Original Maturities - EPWater Position		EPWater's	Pool's/Fund's	Credit Rating	Percent of Grand Total
		Less than 1 year	1-5 years	Weighted	Weighted		
				Average Maturity (days)	Average Maturity (days)		
Government Investment Pools Account							
TexPool	\$ 6,935,796	\$ 6,935,796	\$ -	1	34	AAAm	1.00%
TexPool Prime	118,212,683	118,212,683	-	1	42	AAAm	16.99%
TexStar	11,986,156	11,986,156	-	1	37	AAAm	1.72%
LOGIC	117,312,838	117,312,838	-	1	42	AAAm	16.86%
Total Pools	254,447,473	254,447,473	-				36.56%
Money Market Funds							
Fidelity Investment Money Market							
Treasury	94,317,459	94,317,459	-	1	42	AAAm	13.55%
Cavanal Hill US Treasury	29,172,732	29,172,732	-	1	17	AAAm	4.19%
Allspring Treasury Plus Money Market Fund	44,967,946	44,967,946	-	1	43	AAAm	6.46%
Total Money Market Funds	168,458,137	168,458,137	-				24.20%
Securities							
<u>Federal Agency Discount:</u>							
Federal Home Loan Bank Discount							
Notes	65,474,518	65,474,518	-	83		Aaa	9.41%
US Treasury Notes	10,606,093	10,046,446	559,647	152		AA+	1.52%
Treasury Bills	83,993,710	83,993,710	-	76		AA+	12.07%
<u>Federal Agency Coupon:</u>							
Federal Home Loan Bank	9,999,657	9,999,657	-	179		Aaa	1.44%
Federal Agricultural Mortgage Corp	5,004,085	-	5,004,085	267		N/A	0.72%
Certificate of Deposit*	98,000,000	-	98,000,000	78		Not Rated	14.08%
Total Securities	273,078,063	169,514,331	103,563,732	88			39.24%
Portfolio Total	\$ 695,983,673	\$ 592,419,941	\$ 103,563,732	36			100.00%

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

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

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February 28, 2025 and February 29, 2024

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

The Municipal Drainage Utility cash equivalents and investments at February 28, 2025 and February 29, 2024 are categorized as summarized below:

February 28, 2025							
Investment Type	Value	Original Maturities - EPWater Position		EPWater's	Pool's/Fund's	Credit Rating	Percent of Grand Total
		Less than 1 year	1-5 years	Weighted Average Maturity (days)	Weighted Average Maturity (days)		
Government Investment Pools Account							
TexPool	\$ 205,957	\$ 205,957	\$ -	1	36	AAA	0.25%
TexPool Prime	18,861,698	18,861,698	-	1	49	AAA	22.86%
TexStar	2,365,412	2,365,412	-	1	35	AAA	2.87%
LOGIC	22,073,087	22,073,087	-	1	43	AAA	26.76%
Total Pools	43,506,154	43,506,154	-				52.74%
Money Market Funds							
Fidelity Treasury Class III FOIXX	15,951,351	15,951,351	-	1	46	AAA	19.34%
State Street Institutional Treasury (TRVXX)	328,793	328,793	-	1	50	AAA	0.40%
Allspring 100% Treasury Money Market Fund	13,048,605	13,048,605	-	1	51	AAA	15.82%
Allspring Treasury Plus Money Market Fund	508,192	508,192	-	1	52	AAA	0.62%
Total Money Market Funds	29,836,941	29,836,941	-				36.17%
Securities							
Federal Agency Coupon:							
Federal Home Loan Bank	1,585,080	1,585,080	-	56		Aaa	1.92%
Federal Agency Discount:							
US Treasury Notes	2,707,691	497,306	2,210,385	323		Aaa	3.28%
Treasury Bills	1,863,575	1,863,575	-	188		AA+	2.26%
Certificate of Deposit*	3,000,000	3,000,000	-	103		Not Rated	3.64%
Total Securities	9,156,346	6,945,961	2,210,385	99			11.10%
Portfolio Total	\$ 82,499,441	\$ 80,289,056	\$ 2,210,385	12			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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4. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

February 29, 2024							
Investment Type	Value	Original Maturities - EPWater Position		EPWater's	Pool's/Fund's	Credit Rating	Percent of Grand Total
		Less than 1 year	1-5 years	Weighted	Weighted		
				Average Maturity (days)	Average Maturity (days)		
Government Investment Pools Account							
TexPool	\$ 195,925	\$ 195,925	\$ -	1	34	AAAm	0.24%
TexPool Prime	19,742,656	19,742,656	-	1	42	AAAm	24.36%
TexStar	2,502,140	2,502,140	-	1	37	AAAm	3.09%
LOGIC	20,214,163	20,214,163	-	1	42	AAAm	24.94%
Total Pools	42,654,884	42,654,884	-				52.64%
Money Market Funds							
Fidelity Treasury Only Class III FOIXX	15,466,573	15,466,573	-	1	45	AAAm	19.09%
State Street Institutional Treasury (TRVXX)	67,832	67,832	-	1	48	AAAm	0.08%
Allspring 100% Treasury Money Market Fund	10,863,424	10,863,424	-	1	51	AAAm	13.41%
Allspring Treasury Plus Money Market Fund	1,673,713	1,673,713	-	1	43	AAAm	2.07%
Total Money Market Funds	28,071,542	28,071,542	-				34.64%
Securities							
<u>Federal Agency Coupon:</u> Federal Home Loan Bank	3,848,690	3,848,690	-	256		Aaa	4.75%
<u>Federal Agency Discount:</u> Federal Home Loan Bank Discount Notes	432,559	432,559	-	8		Aaa	0.53%
Treasury Bills	3,029,604	3,029,604	-	100		AA+	3.74%
Certificate of Deposit*	3,000,000	-	3,000,000	85		Not Rated	3.70%
Total Securities	10,310,853	7,310,853	3,000,000	150			12.72%
Portfolio Total	\$ 81,037,279	\$ 78,037,279	\$ 3,000,000	20			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, 2025 and February 29, 2024

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, 2025 and February 29, 2024:

February 28, 2025		Fair Value Measurements Using			
Investments by Fair Value	Level	Fair Value	Level 1	Level 2	Level 3
Securities					
U.S. Agencies		\$ 94,807,707	\$ -	\$ 94,807,707	\$ -
Total Securities		\$ 94,807,707	\$ -	\$ 94,807,707	\$ -

February 29, 2024		Fair Value Measurements Using			
Investments by Fair Value	Level	Fair Value	Level 1	Level 2	Level 3
Securities					
U.S. Agencies		\$ 175,078,063	\$ -	\$ 175,078,063	\$ -
Total Securities		\$ 175,078,063	\$ -	\$ 175,078,063	\$ -

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.

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

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, 2025 and February 29, 2024:

February 28, 2025		Fair Value Measurements Using			
Investments by Fair Value	Level	Fair Value	Level 1	Level 2	Level 3
Securities					
U.S. Agencies		\$ 6,156,346	\$ -	\$ 6,156,346	\$ -
Total Securities		\$ 6,156,346	\$ -	\$ 6,156,346	\$ -

February 29, 2024		Fair Value Measurements Using			
Investments by Fair Value	Level	Fair Value	Level 1	Level 2	Level 3
Securities					
U.S. Agencies		\$ 7,310,853	\$ -	\$ 7,310,853	\$ -
Total Securities		\$ 7,310,853	\$ -	\$ 7,310,853	\$ -

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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February 28, 2025 and February 29, 2024

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

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.

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 48 and 49, 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.

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 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.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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February 28, 2025 and February 29, 2024

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

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.

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.

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

February 28, 2025 and February 29, 2024

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, 2025 and February 29, 2024, totaled \$3,824,610 and \$2,293,778, respectively. The write-off for the Municipal Drainage Utility for fiscal year ending February 28, 2025 and February 29, 2024, totaled \$318,441 and \$162,685, 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>2025</u>	<u>2024</u>
Water and Wastewater Utility		
Water	\$ 5,544,534	\$ 5,618,206
Wastewater	<u>6,897,100</u>	<u>6,831,968</u>
Total unbilled accounts receivable	<u>\$ 12,441,634</u>	<u>\$ 12,450,174</u>

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.

	<u>February 28, 2025</u>	
	Due from Other Funds	Due to Other Funds
Water and Wastewater Utility	\$ 92,020	\$ -
Municipal Drainage Utility	-	<u>92,020</u>
Total	<u>\$ 92,020</u>	<u>\$ 92,020</u>
	<u>February 29, 2024</u>	
	Due from Other Funds	Due to Other Funds
Water and Wastewater Utility	\$ -	\$ 39,501
Municipal Drainage Utility	<u>39,501</u>	<u>-</u>
Total	<u>\$ 39,501</u>	<u>\$ 39,501</u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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February 28, 2025 and February 29, 2024

6. INTERFUND BALANCES AND TRANSACTION ACTIVITY (Continued)

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

	February 28, 2025	
	Water and Wastewater Utility	Municipal Drainage Utility
Water revenue	\$ 14,151	\$ -
Drainage fee revenue	-	199,721
Rent revenue - water and wastewater	24,000	-
Operations and maintenance - water and reclaimed water	(72,856)	-
Operations and maintenance - wastewater	(88,005)	-
General, administrative and engineering	1,999,140	-
Operation and maintenance - drainage	-	(38,151)
Indirect cost allocation	-	(2,038,000)
Total	<u>\$ 1,876,430</u>	<u>\$ (1,876,430)</u>

	February 29, 2024	
	Water and Wastewater Utility	Municipal Drainage Utility
Water revenue	\$ 8,178	\$ -
Drainage fee revenue	-	171,482
Rent revenue - water and wastewater	24,000	-
Operations and maintenance - water and reclaimed water	(61,611)	-
Operations and maintenance - wastewater	(75,489)	-
General, administrative and engineering	2,350,618	-
Operation and maintenance - drainage	-	(32,178)
Indirect cost allocation	-	(2,385,000)
Total	<u>\$ 2,245,696</u>	<u>\$ (2,245,696)</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 2025 and 2024, the budgeted and actual indirect cost were \$2,038,000 and \$2,385,000, respectively. During the budget process the indirect cost allocation will be adjusted based on estimated indirect costs.

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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February 28, 2025 and February 29, 2024

6. INTERFUND BALANCES AND TRANSACTION ACTIVITY (Continued)

Interfund Land - The following interfund 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 29, 2020, the Water and Wastewater Utility transferred/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, a third payment of \$1,500,000 in fiscal year 2022, fourth payment of \$1,500,000 in fiscal year 2023, and the final payment of \$2,000,000 was made in fiscal year 2024. In fiscal year ending February 28, 2022, the Water and Wastewater Utility transferred/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, and the second payment of \$2,000,000 was made in fiscal year 2023. A third payment of \$2,000,000 was made in fiscal year 2024, and a fourth payment of \$1,000,000 was made in fiscal year 2025 with the remaining balance to be paid in four years.

The following table presents the balance remaining on the land transfers:

		February 28, 2025	
		Due from Municipal Drainage	Due to Water and Wastewater
Water and Wastewater Utility		\$ 7,044,800	\$ -
Municipal Drainage Utility		-	7,044,800
Total		<u>\$ 7,044,800</u>	<u>\$ 7,044,800</u>
		February 29, 2024	
		Due from Municipal Drainage	Due to Water and Wastewater
Water and Wastewater Utility		\$ 8,044,800	\$ -
Municipal Drainage Utility		-	8,044,800
Total		<u>\$ 8,044,800</u>	<u>\$ 8,044,800</u>

**PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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7. WATER AND WASTEWATER UTILITY GOVERNMENT GRANTS RECEIVABLE

The Water and Wastewater Utility had \$9,649,025 and \$6,020,525 in Federal and Non-Federal grants receivable for years ended February 28, 2025 and February 29, 2024. 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 a 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>	<u>2025</u>	<u>2024</u>
<u>Federal Grants</u>		
Northwest Development Water and Sewer - EDA #08-01-05242	\$ -	\$ 212,855
Aquifer Storage and Recovery Design - USBR #R21AP10323	74,347	72,550
Aquifer Storage and Recovery Construction - USBR #R22AP00675	855,520	426,164
Advanced Water Purification Facility - USBR #R23AP00273	2,353,452	1,066,137
Upper Valley Water Treatment Plant Reuse Study - USBR #R24AP00669	213,781	-
Installation of Smart Meters in El Paso, TX - USBR #R23AP00496	2,357,640	-
Fort Bliss Infrastructure Resilience Implementation - DOD #HQ00052410013	451,548	-
ARPA County of El Paso Water and Wastewater-DOT #SLFRP1174	3,341,491	261,527
ARPA Village of Vinton Water and Wastewater-DOT #SLFRP4644	-	98,595
<u>Non-Federal Grants</u>		
Montana Vista Collector Phase 1 - TWDB Project #10438 G1000915	-	753,015
Aquifer Storage and Recovery - DEAAG #2020-02-09	-	3,129,682
McGregor Range Booster Station - DEAAG #2024-01-10	1,246	-
Totals	<u>\$ 9,649,025</u>	<u>\$ 6,020,525</u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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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 for \$18,600,000 for economic development. In addition, the City of El Paso agreed to pay EPWater in 30 equal payments beginning August 31, 2022 at an interest rate of 1.758%. As of February 28, 2025, the balance was \$17,146,377.

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 for Parcel A when the City of El Paso completes the sale of Parcel A for economic development. In addition, the City agreed to pay EPWater \$4,949,500 for Parcel B in 15 equal payments commencing September 30, 2020. As of February 28, 2025, the balance remaining on Parcel B was \$3,299,667. As of February 28, 2025, the City had not yet sold Parcel A that the \$4,275,542 payment is contingent upon and thus it is reported as long term.

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

<u>Year ended February</u>	<u>Amount</u>
2026	\$ 831,643
2027	840,463
2028	849,437
2029	858,569
2030	867,862
2031 - 2035	4,484,522
2036 - 2040	3,092,775
2041 - 2045	3,374,358
2046 - 2050	3,681,577
2051 - 2052	<u>1,564,838</u>
Total	20,446,044
Due upon sale of land	<u>4,275,542</u>
Total Receivable	<u>\$ 24,721,586</u>
Less current portion	<u>(831,643)</u>
Noncurrent receivable	<u>\$ 23,889,943</u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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February 28, 2025 and February 29, 2024

9. LEASES RECEIVABLE

Water and Wastewater Utility

The Water and Wastewater Utility as lessor has several land lease agreements. The lease terms varied from 5 to 81 years with payments varying from \$0 to \$886,830, paid on a monthly, quarterly and annual basis. Additionally, for new leases entered into during fiscal years 2025 and 2024, a receivable balance in the amount of \$26,081,800 and \$3,275,083, respectively, was established. The leases receivable are measured at the present value of the future minimum rent payments expected to be received during the lease term using EPWater's estimated incremental borrowing rates ranging from 0.36% to 4.01%. Lease revenue recognized by the Water and Wastewater Utility at February 28, 2025 and February 29, 2024 was \$2,889,677 and \$2,742,909, respectively and interest revenue recognized was \$1,361,751 and \$886,857, respectively. At February 28, 2025 and February 29, 2024, the Water and Wastewater Utility reported a total lease receivable of \$62,872,845 and \$53,512,194, respectively, with a current portion of \$1,854,344 and \$2,237,838, respectively, and a noncurrent portion of \$61,018,501 and \$51,274,356, respectively. A related deferred inflow of resources is also recognized in the amount of \$62,689,484 and \$53,315,205, which will be recognized as revenue over the lease terms. As of February 28, 2025 and February 29, 2024, the Water and Wastewater Utility reported recognized inflows of resources for variable payments not previously included in the measurement of the lease receivable in the amount of \$173,773 and \$215,086, respectively.

Water and Wastewater Utility Fund annual future receivable payments are as follows:

Year Ending February,	Principal	Interest	Total
2026	\$ 1,854,344	\$ 1,542,225	\$ 3,396,569
2027	1,789,123	1,550,572	3,339,695
2028	1,840,852	1,552,620	3,393,472
2029	1,889,347	1,563,898	3,453,245
2030	1,953,824	1,556,410	3,510,234
2031 - 2035	9,152,725	7,757,443	16,910,168
2036 - 2040	9,524,317	6,541,529	16,065,846
2041 - 2045	8,414,455	5,502,444	13,916,899
2046 - 2050	6,676,795	4,438,326	11,115,121
2051 - 2055	7,645,099	3,184,562	10,829,661
2056 - 2060	8,522,756	1,404,848	9,927,604
2061 - 2065	423,670	498,388	922,058
2066 - 2070	473,753	448,305	922,058
2071 - 2075	530,460	391,598	922,058
2076 - 2080	595,195	326,863	922,058
2081 - 2085	350,496	262,121	612,617
2086 - 2090	264,803	215,197	480,000
2091 - 2095	319,026	160,974	480,000
2096 - 2100	384,354	95,646	480,000
2101 - 2104	267,451	20,549	288,000
Total	<u>\$ 62,872,845</u>	<u>\$ 39,014,518</u>	<u>\$ 101,887,363</u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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February 28, 2025 and February 29, 2024

9. LEASES RECEIVABLE (Continued)

Municipal Drainage Utility

The Municipal Drainage Utility as lessor has several land lease agreements. The lease terms vary from 5 to 61 years with payments varying from \$1,000 to \$28,933, paid on a monthly and annual basis. No new leases were entered into during fiscal year 2025. For new leases entered into during fiscal year 2024, a receivable in the amount of \$46,874 was established. The lease receivables are measured at the present value of the future minimum rent payments expected to be received during the lease term using EPWater's estimated incremental borrowing rates ranging from 0.36% to 3.93%. Lease revenue recognized by the Municipal Drainage Utility at February 28, 2025 and February 29, 2024 was \$57,114 and \$60,628, respectively and interest revenue recognized was \$17,585 and \$17,188, respectively. As of February 28, 2025 and February 29, 2024, the Municipal Drainage Utility reported a total receivable of \$761,670 and \$803,251, respectively, with a current portion of \$31,359 and \$41,581, respectively, and a noncurrent portion of \$730,311 and \$761,670, respectively. A related deferred inflow of resources is also recognized in the amount of \$729,929 and \$787,043, respectively, which will be recognized as revenue over the lease terms.

Municipal Drainage Utility Fund annual future receivable payments are as follows:

Year Ending February,	Principal	Interest	Total
2026	\$ 31,359	\$ 16,346	\$ 47,705
2027	33,123	15,797	48,920
2028	34,963	15,208	50,171
2029	36,944	14,617	51,561
2030	40,089	13,899	53,988
2031 - 2035	224,588	57,606	282,194
2036 - 2040	226,620	34,204	260,824
2041 - 2045	89,307	12,710	102,017
2046 - 2050	-	10,173	10,173
2051 - 2055	-	11,793	11,793
2056 - 2060	-	13,671	13,671
2061 - 2065	-	15,849	15,849
2066 - 2070	-	18,373	18,373
2071 - 2075	10,094	11,206	21,300
2076 - 2080	19,183	5,509	24,692
2081 - 2083	15,400	1,264	16,664
Total	\$ 761,670	\$ 268,225	\$ 1,029,895

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

10. CAPITAL ASSETS

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

	Beginning Balance 03/01/2024	Additions	Transfers	Deletions	Ending Balance 02/28/2025
Utility plant, not being depreciated:					
Land and right-of-way	\$ 20,759,345	\$ -	\$ 4,915,913	\$ 37,590	\$ 25,637,668
Land	293,107,770	-	2,768,365	1,115,601	294,760,534
Construction work in progress	628,452,171	417,986,462	(194,980,327)	-	851,458,306
Total utility plant, not being depreciated:	942,319,286	417,986,462	(187,296,049)	1,153,191	1,171,856,508
Utility plant and irrigation water rights being depreciated and amortized:					
Irrigation water rights contracts	15,691,741	235,943	-	-	15,927,684
Buildings and shops	70,193,515	-	11,756,401	6,981	81,942,935
Vehicles	43,528,287	-	6,713,794	1,500,502	48,741,579
Equipment and tools	83,047,430	28,014	2,552,208	724,667	84,902,985
Water system	1,596,506,857	14,566,502	85,977,698	5,969,019	1,691,082,038
Wastewater system	1,100,836,380	8,389,465	80,295,948	1,067,343	1,188,454,450
Total utility plant, being depreciated and amortized	2,909,804,210	23,219,924	187,296,049	9,268,512	3,111,051,671
Right-to-use lease assets:					
Land	5,233,605	-	-	58,752	5,174,853
Vehicles	341,082	678,072	-	341,082	678,072
Equipment	241,603	352,305	-	241,602	352,306
Total Right-to-use lease assets	5,816,290	1,030,377	-	641,436	6,205,231
Subscription-based IT arrangements (SBITAs)	4,257,962	887,720	-	861,446	4,284,236
Less accumulated depreciation and amortization for:					
Irrigation water rights contracts	(2,661,446)	(210,796)	-	-	(2,872,242)
Buildings and shops	(24,082,234)	(2,956,860)	-	(6,981)	(27,032,113)
Vehicles	(31,486,206)	(3,504,679)	-	(1,500,530)	(33,490,355)
Equipment and tools	(50,658,220)	(2,938,780)	-	(724,667)	(52,872,333)
Water system	(732,993,619)	(46,260,383)	-	(5,969,019)	(773,284,983)
Wastewater system	(578,974,441)	(29,051,112)	-	(675,695)	(607,349,858)
Total accumulated depreciation and amortization	(1,420,856,166)	(84,922,610)	-	(8,876,892)	(1,496,901,884)
Less accumulated amortization for Right-to-use lease assets:					
Land	(464,623)	(135,290)	-	(58,752)	(541,161)
Vehicles	(311,385)	(85,474)	-	(341,082)	(55,777)
Equipment	(182,834)	(67,671)	-	(241,602)	(8,903)
Subscription-based IT arrangements (SBITAs)	(2,351,810)	(1,242,061)	-	(861,446)	(2,732,425)
Total accumulated amortization	(3,310,652)	(1,530,496)	-	(1,502,882)	(3,338,266)
Total utility plant capital assets being depreciated and amortized, net	1,495,711,644	(61,315,085)	187,296,049	391,620	1,621,300,988
Total Utility plant assets, net	\$ 2,438,030,930	\$ 356,671,377	\$ -	\$ 1,544,811	\$ 2,793,157,496

Total depreciation and amortization charged to operations for the year ended February 28, 2025 was \$86,453,106.

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

February 28, 2025 and February 29, 2024

10. CAPITAL ASSETS (Continued)

Land not in service is essentially unimproved land that EPWater has purchased for its surface and ground water rights. EPWater owns a total of 168,709.94 acres of land, which includes 20,499.15 acres in El Paso County, 76,437.39 acres in Hudspeth, Presidio, Jeff Davis, and Culberson County, 71,005.12 acres in Dell City, and 768.28 acres in New Mexico.

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

	Restated Beginning Balance 03/01/2023	Additions	Transfers	Deletions	Ending Balance 02/29/2024
Utility plant, not being depreciated:					
Land and right-of-way	\$ 20,327,847	\$ -	\$ 431,498	\$ -	\$ 20,759,345
Land	291,709,823	-	2,001,948	604,001	293,107,770
Construction work in progress	472,608,655	373,099,931	(217,256,415)	-	628,452,171
Total utility plant, not being depreciated:	784,646,325	373,099,931	(214,822,969)	604,001	942,319,286
Utility plant and irrigation water rights being depreciated and amortized:					
Irrigation water rights contracts	15,209,481	482,260	-	-	15,691,741
Buildings and shops	68,827,540	-	1,365,975	-	70,193,515
Vehicles	36,553,979	-	7,408,694	434,386	43,528,287
Equipment and tools	81,120,734	15,598	2,407,607	496,509	83,047,430
Water system	1,505,262,968	9,549,462	86,147,554	4,453,127	1,596,506,857
Wastewater system	977,744,362	5,912,538	117,493,139	313,659	1,100,836,380
Total utility plant, being depreciated and amortized	2,684,719,064	15,959,858	214,822,969	5,697,681	2,909,804,210
Right-to-use lease assets:					
Land	5,233,605	-	-	-	5,233,605
Vehicles	341,082	-	-	-	341,082
Equipment	241,603	-	-	-	241,603
Total Right-to-use lease assets	5,816,290	-	-	-	5,816,290
Subscription-based IT arrangements (SBITAs)	3,935,564	322,398	-	-	4,257,962
Less accumulated depreciation and amortization for:					
Irrigation water rights contracts	(2,455,438)	(206,008)	-	-	(2,661,446)
Buildings and shops	(21,375,540)	(2,706,694)	-	-	(24,082,234)
Vehicles	(28,771,034)	(3,149,558)	-	(434,386)	(31,486,206)
Equipment and tools	(48,324,938)	(2,829,791)	-	(496,509)	(50,658,220)
Water system	(695,791,427)	(41,655,319)	-	(4,453,127)	(732,993,619)
Wastewater system	(553,261,755)	(26,026,345)	-	(313,659)	(578,974,441)
Total accumulated depreciation and amortization	(1,349,980,132)	(76,573,715)	-	(5,697,681)	(1,420,856,166)
Less accumulated amortization for Right-to-use lease assets:					
Land	(310,828)	(153,795)	-	-	(464,623)
Vehicles	(207,590)	(103,795)	-	-	(311,385)
Equipment	(121,890)	(60,944)	-	-	(182,834)
Subscription-based IT arrangements (SBITAs)	(1,126,118)	(1,225,692)	-	-	(2,351,810)
Total accumulated amortization	(1,766,426)	(1,544,226)	-	-	(3,310,652)
Total utility plant capital assets being depreciated and amortized, net	1,342,724,360	(61,835,685)	214,822,969	-	1,495,711,644
Total Utility plant assets, net	\$ 2,127,370,685	\$ 311,264,246	\$ -	\$ 604,001	\$ 2,438,030,930

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NOTES TO FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

10. CAPITAL ASSETS (Continued)

Total depreciation and amortization charged to operations for the year ended February 29, 2024 was \$78,117,941.

Land not in service is essentially unimproved land that EPWater has purchased for its surface and ground water rights. EPWater owns a total of 168,760.46 acres of land, which includes 20,494.12 acres in El Paso County, 76,437.39 acres in Hudspeth, Presidio, Jeff Davis, and Culberson County, 71,005.12 acres in Dell City, and 823.83 acres in New Mexico.

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

	Beginning Balance 03/01/2024	Additions	Transfers	Deletions	Ending Balance 02/28/2025
MDU non-depreciable assets					
Land and right-of-way	\$ 81,886,447	\$ -	\$ 18,435,733	\$ 1,000,000	\$ 99,322,180
Construction work in progress	72,255,689	29,162,180	(41,270,927)	-	60,146,942
Total MDU non-depreciable assets	154,142,136	29,162,180	(22,835,194)	1,000,000	159,469,122
MDU depreciable assets					
Drainage implementation costs	544,106	-	-	-	544,106
Buildings and shops	979,849	-	-	-	979,849
Vehicles	6,700,906	-	774,512	391,293	7,084,125
Equipment and tools	1,239,788	-	-	43,541	1,196,247
Drainage system	209,671,921	-	22,060,682	-	231,732,603
Total MDU depreciable assets	219,136,570	-	22,835,194	434,834	241,536,930
Subscription-based IT arrangements (SBITAs)	58,865	-	-	-	58,865
Less accumulated depreciation for:					
Drainage implementation costs	(544,106)	-	-	-	(544,106)
Buildings and shops	(132,354)	(39,194)	-	-	(171,548)
Vehicles	(5,688,374)	(247,144)	-	(391,293)	(5,544,225)
Equipment and tools	(1,225,157)	(14,627)	-	(43,541)	(1,196,243)
Drainage system	(30,937,179)	(4,493,372)	-	-	(35,430,551)
Total accumulated depreciation	(38,527,170)	(4,794,337)	-	(434,834)	(42,886,673)
Less accumulated amortization for:					
Subscription-based IT arrangements (SBITAs)	(33,346)	(16,673)	-	-	(50,019)
Total MDU depreciable assets	180,634,919	(4,811,010)	22,835,194	-	198,659,103
Total MDU assets, net	\$334,777,055	\$ 24,351,170	\$ -	\$ 1,000,000	\$358,128,225

Total depreciation and amortization charged to operations for the year ended February 28, 2025 was \$4,811,010.

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NOTES TO FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

10. CAPITAL ASSETS (Continued)

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

	Restated Beginning Balance 03/01/2023	Additions	Transfers	Deletions	Ending Balance 02/29/2024
MDU non-depreciable assets					
Land and right-of-way	\$ 71,666,966	\$ -	\$ 13,529,481	\$ 3,310,000	\$ 81,886,447
Construction work in progress	43,105,943	63,873,952	(34,724,206)	-	72,255,689
Total MDU non-depreciable assets	114,772,909	63,873,952	(21,194,725)	3,310,000	154,142,136
MDU depreciable assets					
Drainage implementation costs	544,106	-	-	-	544,106
Buildings and shops	895,357	-	84,492	-	979,849
Vehicles	6,307,633	-	637,751	244,478	6,700,906
Equipment and tools	1,247,298	-	-	7,510	1,239,788
Drainage system	189,199,439	-	20,472,482	-	209,671,921
Total MDU depreciable assets	198,193,833	-	21,194,725	251,988	219,136,570
Subscription-based IT arrangements (SBITAs)	58,865	-	-	-	58,865
Less accumulated depreciation for:					
Drainage implementation costs	(544,106)	-	-	-	(544,106)
Buildings and shops	(94,850)	(37,504)	-	-	(132,354)
Vehicles	(5,716,676)	(216,176)	-	(244,478)	(5,688,374)
Equipment and tools	(1,186,239)	(46,428)	-	(7,510)	(1,225,157)
Drainage system	(26,869,137)	(4,068,042)	-	-	(30,937,179)
Total accumulated depreciation	(34,411,008)	(4,368,150)	-	(251,988)	(38,527,170)
Less accumulated amortization for: Subscription-based IT arrangements (SBITAs)	(16,673)	(16,673)	-	-	(33,346)
Total MDU depreciable assets, net	163,825,017	(4,384,823)	21,194,725	-	180,634,919
Total MDU assets, net	\$278,597,926	\$ 59,489,129	\$ -	\$ 3,310,000	\$334,777,055

Total depreciation and amortization charged to operations for the year ended February 29, 2024 was \$4,384,823.

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

February 28, 2025 and February 29, 2024

10. CAPITAL ASSETS (Continued)

Water and Wastewater Utility construction work in progress at February 28, 2025 and February 29, 2024, composed of the following:

	February 28, 2025	
	Estimated Cost	Cost Incurred To Date
<u>Water Projects</u>		
Pure Water Center	\$ 109,045,466	\$ 18,603,222
Hawkins Administration Building	71,997,995	32,498,722
Well Construction, Equipping, Drilling and Testing	40,426,910	18,359,390
Aquifer Storage and Recovery - Phase I	28,941,405	9,888,827
Pumping System Improvements and Rehabilitation	26,619,000	16,660,158
Texas Senate Bill 3 Backup Energy Compliance	25,817,740	11,084,810
Planned Water Line Replacement Program	25,144,940	12,611,395
Heath De Leon Tank and Pump Station - Engineering	23,090,154	6,432,331
Jonathan Rogers WTP Power Reliability Upgrade	21,758,014	6,355,629
Gas Line Crossings - Construction	17,402,200	9,414,319
Montana Waterline Replacement	17,387,164	13,107,373
Riverside International Industrial Center - Phase I	17,268,854	5,075,170
Eastwood Reservoir Roof Rehabilitation	15,217,972	14,474,177
Airport Booster Station Replacement - Engineering	14,615,064	13,048,987
Joe Caro Pump Station Reconstruction	11,774,637	7,724,818
Airport Well Collector 30" Water Main Replacement	9,878,684	9,260,527
Northeast Development Wells Drilling	9,333,000	9,205,930
Water Rights - Land Acquisition	9,278,019	-
John Hayes 24" Water Line Main Extension	9,019,683	8,889,497
Ranchos Real Pump Station - Design	8,722,224	7,409,520
Montana East Marvin Desert Meadows 24" Water Line	8,711,310	32,052
Water Routine Construction On-Call Services Program	8,348,361	6,990,692
Franklin East Water Line - Design	8,178,361	6,129,072
Sierra Crest 1-2, Mountain Park 2 - Design	7,140,000	596,029
Jonathan Rogers WTP Structural Rehabilitation	7,068,600	4,485,269
Cross Feeder Main Valve Replacement	6,861,540	6,618,040
Water and Wastewater Vehicles and Heavy Equipment	6,568,230	-
TXDOT Loop 375 - Montana to Spur 601	6,284,749	6,124,333
Los Siglos Drive 16" Water Main	6,171,000	1,178,948
Well Rehabilitation	5,607,064	4,195,584
Ortho-Polyphosphate Treatment - Construction	5,334,600	5,214,948
Northeast Dyer/Railroad 16" Water Line Extension	5,256,912	5,005,348
Jonathan Rogers WTP Settling Pond Gate Improvements - Design	5,044,241	3,730,948
North 2 Pump Station - Construction	4,933,877	4,871,375
Northwest Water Supply Service Area Improvement	4,792,611	2,239,080
Northwest Water Distribution Mains	4,760,081	4,612,520
Southside Road Reconstruction	4,569,600	4,116,053
TXDOT - Sean Haggerty - Green Belt	4,562,860	175,385
McGregor 16" Water Line Extension - Design	4,358,146	3,206,450
Woods Water Storage Reservoir Rehabilitation	4,348,957	4,288,065
Yandell 24" Water Main Replacement	4,336,086	2,958,864

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February 28, 2025 and February 29, 2024

10. CAPITAL ASSETS (Continued)

	February 28, 2025	
	Estimated Cost	Cost Incurred To Date
TXDOT Borderland Expressway Water Mains	4,155,480	3,379,310
Sheridan 16" Water Line Replacement - Design	4,074,900	3,339,777
Leak Detection Loggers	4,043,280	2,037,960
Canutillo Pump Station Chlorination Scrubber Improvements	3,754,142	806,697
Cielo Vista Blend Tank Replacement	3,572,183	3,461,765
Riverside Canal Bridge and Access	3,542,270	5,811,613
Airport Well Field Corridor F	3,202,278	3,057,192
Cross Feeder Main Valve Replacement Phase II	3,195,150	2,798,862
Disinfection Byproducts Removal at Crown Point and Nevins	3,086,155	2,325,594
Asset Management Program	3,060,000	452,452
Canal Street WTP Primary Sedimentation Basin Covers	3,060,000	2,562,686
Gate Valve Replacement Project	2,986,560	146,045
TXDOT Artercraft Road Water Line Improvements	2,790,941	1,797,126
County Water System - Tierra De Oro	2,754,000	742,264
TXDOT US 62 Montana Global Reach to Tierra Este	2,739,861	2,267,839
Canal Street WTP Actuators Replacement	2,726,031	1,240,396
EDA Northwest Development Waterline Extension	2,556,000	-
East High and Franklin East 1 Pressure Zone	2,550,000	1,605,000
Hawkins Administration Building Data Center	2,550,000	-
Electromagnetic Conditional Assessment	2,516,614	2,478,451
Jonathan Rogers WTP Small Upgrades and Emergency Replacement	2,366,400	766,099
North I - East Reservoir Roof Rehabilitation - Design	2,316,859	2,161,515
Water Facilities Rehabilitation	2,288,001	2,245,218
Westway Booster Station Improvements - Design	2,264,400	1,220,740
Kay Baily Hutchison Desalination Plant 33 MGD Expansion - Skid #6	2,244,000	1,920,343
Pure Water Center Well Flow Lines	2,142,000	70,089
PeopleSoft Financials Upgrade	2,084,880	1,700,526
Other Water Projects Under \$2,000,000	122,276,078	65,711,354
Subtotal - Water Projects	836,874,774	422,980,770

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February 28, 2025 and February 29, 2024

10. CAPITAL ASSETS (Continued)

	February 28, 2025	
	Estimated Cost	Cost Incurred To Date
<u>Wastewater Projects</u>		
Roberto R. Bustamante WWTP Expansion and Upgrade - Construction	\$ 291,052,887	\$ 44,311,186
Roberto R. Bustamante WWTP Grit Screen	176,483,204	100,213,562
Frontera New Force Main Phase III - Design	60,869,306	39,829,263
Fred Hervey WRP Headworks and Filter Improvements	54,433,950	24,346,003
Roberto R. Bustamante WWTP Digester #2 Rehabilitation	32,927,221	14,073,604
John T. Hickerson WRF Emergency Backup Power	32,308,890	5,266,188
Montana Vista Sewer Line Extension Phase II	31,414,150	406,255
On-Call Manhole Rehabilitation	17,857,577	17,644,237
Haskell R. Street WWTP Emergency Generator	16,481,879	1,770,815
Fred Hervey WRP Emergency Generator	15,765,722	2,098,876
Grouse Lift Station	15,573,213	14,984,470
Luckett Court Wastewater Line Replacement	13,769,966	12,756,045
Haskell R. Street WWTP Upgrades and Rehabilitation	13,455,475	1,300,421
Northeast Dyer/Railroad Lift Station - Construction	11,043,490	9,196,487
Wastewater Pipe Rehabilitation	10,512,708	4,351,552
Northwest Area First Time Wastewater Area No. 1	10,377,000	3,940,348
Boone Interceptor Phase II	9,703,377	9,099,715
Country Club and Sunset Lift Station Rehabilitation	8,457,354	8,312,558
Fred Hervey WRP Blower Building - Construction	7,162,849	6,330,618
John T. Hickerson WRF Screens Rehabilitation	6,731,082	6,650,538
Prado, Mansfield and Knowles Lift Station	5,974,059	702,500
Alfalfa Lift Station Rehabilitation - Design	5,941,500	2,097,350
Miranda and Roxanne Sewer Relief Line	5,837,460	5,592,771
Sewer Construction On-Call Services Program	5,771,645	1,938,543
Northeast Dyer/Railroad 18" and 36" Interceptor	5,760,491	5,619,867
Doniphan Wastewater Collector	5,160,180	4,644,644
Fred Hervey WRP Clarifier Replacement Project - Construction	5,151,610	5,114,241
Fred Hervey WRP Road Access	4,290,001	363,238
Wastewater Facilities Rehabilitation	3,916,800	3,513,940
Independence Interceptor Mansfield and Prado - Design	3,901,500	2,786,896
Air Release Valve Rehabilitation Phase I - East	3,779,100	1,476,693
Northeast Dyer/Railroad 36" Sewer Interceptor Phase IV - Design	3,717,995	1,870,242
Northeast Dyer/Railroad Interceptor Extension Phase III	3,446,042	3,430,626
Roberto R. Bustamante WWTP Electric Rooms HVAC Improvements	3,077,320	2,606,168
Mesa Del Castillo Lift Station - Decommissioning 8" Sewer Line	3,060,000	2,779,147
Energy Management Master Plan Wastewater Systems	3,043,094	2,975,080
Wastewater Field Office Reconstruction	2,862,090	2,719,737
Upper Valley Outfall Relocation Phase II - Design	2,778,762	1,854,674
Remote Access and Multi-factor Authentication	2,750,000	-
Fred Hervey WRP Small Upgrades and Emergency Replacement	2,394,017	-
Coronado Country Club III Reclaimed Tank Rehabilitation - Design	2,227,013	699,486
Coronado I Tank Rehabilitation	2,113,978	308,108

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10. CAPITAL ASSETS (Continued)

	February 28, 2025	
	Estimated Cost	Cost Incurred To Date
Pellicano Wastewater Improvements Loop 375 County Project - Construction	2,079,984	1,807,705
Other Wastewater Projects Under \$2,000,000	75,194,794	46,693,139
Subtotal-Wastewater Projects	1,000,610,735	428,477,536
Totals	\$ 1,837,485,509	\$ 851,458,306

	February 29, 2024	
	Estimated Cost	Cost Incurred To Date
<u>Water Projects</u>		
Hawkins Administration Building	\$ 75,893,360	\$ 14,895,387
Advanced Water Treatment Facility - Engineering	35,019,676	13,326,790
Aquifer Storage and Recovery - Phase I	24,836,490	7,664,908
Heath De Leon Tank and Pump Station - Engineering	23,093,154	1,096,543
Montana Waterline Replacement	21,109,000	478,428
Well Construction, Equipping, Drilling and Testing	21,004,750	11,830,437
Texas Senate Bill 3 Backup Energy Compliance	20,296,645	3,304,775
Pumping System Improvements and Rehabilitation	16,269,006	15,409,007
Riverside International Industrial Center - Phase I	16,181,463	3,062,474
Eastwood Reservoir Roof Rehabilitation	14,390,600	12,352,714
Airport Booster Station Replacement - Engineering	13,766,664	8,335,792
Montana East 36" Water Line - Design	13,220,503	12,346,170
Joe Caro Pump Station Reconstruction	12,120,505	2,133,231
Gas Line Crossings - Construction	11,635,200	6,387,194
Airport Well Collector 30" Water Main Replacement	11,179,973	8,766,543
Planned Water Line Replacement Program	10,433,000	6,515,366
Mesa Street, Crestmont to Festival 30" Water Line	10,193,412	9,317,389
John Hayes 24" Water Line Main Extension	9,957,093	8,735,809
Northeast Development Wells Drilling	9,078,000	6,045,998
Water Routine Construction On-Call Services Program	8,935,200	4,780,629
Pumping Systems Emergency Rehabilitation	8,670,000	1,574,696
Ranchos Real Pump Station - Design	8,455,800	5,381,749
Franklin East Water Line - Design	7,630,621	323,621
Jonathan Rogers WTP Power Reliability Upgrade	7,497,000	647,067
TXDOT Loop 375 - Montana to Spur 601	6,080,749	5,553,521
Jonathan Rogers WTP Settling Pond Gate Improvements - Design	6,028,118	2,310,901
Water and Wastewater Vehicles and Heavy Equipment	6,013,118	-
Well Rehabilitation	5,975,298	2,870,769
Planned Water Line Replacement Phase XIII - Design	5,849,840	1,292,729
Northeast Dyer/Railroad 16" Water Line Extension	5,636,521	2,633,498
Cross Feeder Main Valve Replacement	5,484,540	4,444,063

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10. CAPITAL ASSETS (Continued)

	February 29, 2024	
	Estimated Cost	Cost Incurred To Date
Ortho-Polyphosphate Treatment - Construction	5,334,600	4,810,579
Mountain Parks Water Line Extension - Construction	5,304,000	5,129,421
North 2 Pump Station - Construction	4,933,877	4,871,375
Northwest Water Distribution Mains	4,834,800	4,591,010
Ridgecrest Tank - Land Acquisition	4,750,000	4,701,342
Southside Road Reconstruction	4,569,600	3,973,406
Woods Water Storage Reservoir Rehabilitation	4,468,620	4,096,698
Granular Activated Carbon Replacement	4,408,197	-
McGregor 16" Water Line Extension - Design	4,401,300	174,127
Water Rights - Land Acquisition	4,334,377	-
TXDOT Borderland Expressway Water Mains	4,145,280	1,669,190
Yandell 24" Water Main Replacement	4,120,800	212,748
PeopleSoft Financials Upgrade	4,080,000	-
Sheridan 16" Water Line Replacement - Design	3,972,900	478,358
Leak Detection Loggers	3,890,606	2,519,726
Sierra Crest 1-2, Mountain Park 2 - Design	3,723,000	372,183
Riverside Canal Bridge and Access	3,493,500	3,792,862
Delta Drive Water Line Replacement	3,368,100	2,926,576
Cielo Vista Blend Tank Replacement	3,366,383	3,138,167
Airport Well Field Corridor F	3,320,100	2,802,204
Vinton (Westway) 1.25 MG Tank Construction	3,309,753	3,144,121
Disinfection Byproducts Removal at Crown Point and Nevins	3,264,000	2,015,021
TXDOT Mesa Paving - Water Improvements	3,080,400	1,946,588
Canal Street WTP Actuators Replacement	3,065,100	859,957
Canal Street WTP Primary Sedimentation Basin Covers	3,060,000	2,512,232
Pico Norte Elevated Tank Land Acquisition	3,000,000	870,725
TXDOT US 62 Montana Global Reach to Tierra Este	2,943,861	2,248,862
Jonathan Rogers WTP Transmission Pipeline Surge Protection Tanks - Construction	2,831,624	2,820,229
North I - East Reservoir Roof Rehabilitation - Design	2,774,400	1,479,179
EDA Northwest Development Waterline Extension	2,556,000	-
Electromagnetic Conditional Assessment	2,518,897	2,388,092
Canal Street WTP Raw Water Intake Screens	2,499,000	2,424,861
Sean Haggerty 16" Water Line Extension Phase I - Construction	2,417,400	1,747,823
Plant Equipment Maintenance Shop - Construction	2,376,000	2,176,258
Upper Valley - Strahan 36" Water Line 2A	2,365,380	783,472
Supplement Oversized Water Lines	2,300,000	1,310,649
Jonathan Rogers WTP Equipment Replacement	2,225,000	1,005,369
Advanced Water Purification Facility Well Flow Lines	2,142,000	27,971
Westway Booster Station Improvements - Design	2,060,400	205,056
Pecos Street Water Line Replacement	2,040,510	1,679,070
Other Water Projects Under \$2,000,000	114,256,812	59,352,362
Subtotal - Water Projects	703,841,876	325,076,067

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10. CAPITAL ASSETS (Continued)

	February 29, 2024	
	Estimated Cost	Cost Incurred To Date
<u>Wastewater Projects</u>		
Roberto R. Bustamante WWTP Expansion and Upgrade - Construction	\$ 248,316,897	\$ 24,001,436
Roberto R. Bustamante WWTP Grit Screen	175,473,204	53,881,650
Frontera New Force Main Phase III	62,637,486	22,256,018
John T. Hickerson WRF Train Improvements	33,508,630	30,776,116
Fred Hervey WRP Headworks and Filter Improvements	31,237,419	2,814,279
John T. Hickerson WRF Emergency Backup Power	28,653,890	1,232,256
Roberto R. Bustamante WWTP Digester #2 Rehabilitation	15,168,609	9,643,231
Grouse Lift Station Phase VI - Construction	14,475,710	9,781,089
Lockett Court Wastewater Line Replacement	12,378,800	10,518,135
On-Call Manhole Rehabilitation	11,734,080	7,693,843
Northeast Dyer/Railroad Lift Station - Construction	10,967,740	3,901,284
Sewer Construction On-Call Services Program	9,832,752	3,157,727
Haskell R. Street WWTP Emergency Generator	8,812,800	354,842
Country Club and Sunset Lift Station Rehabilitation	8,486,400	5,459,198
Fred Hervey WRP Emergency Generator	8,304,840	352,713
Northwest Area First Time Wastewater Area No. 1	7,650,000	-
Boone Interceptor Phase II - Construction	7,548,000	4,741,017
Northeast Interceptor System	7,211,400	5,741,954
John T. Hickerson WRF Screens Rehabilitation	6,487,200	1,601,662
Prado, Mansfield and Knowles Lift Station	6,078,180	479,436
Miranda and Roxanne Sewer Relief Line	5,837,460	4,926,528
Northeast Dyer/Railroad 18" and 36" Interceptor	5,753,073	5,640,396
Sunland Park Lift Station Rehabilitation - Construction	5,712,000	4,709,990
Fred Hervey WRP Clarifier Replacement Project - Construction	5,628,360	3,977,118
Fred Hervey WRP Blower Building - Construction	5,599,800	4,959,114
Northeast Dyer/Railroad 36" Sewer Interceptor Phase IV - Design	5,251,913	182,473
Frontera Lift Station Header Rehabilitation	5,100,000	2,856,000
Fred Hervey Road Access - Design	4,902,001	316,510
Doniphan Wastewater Collector - Construction	4,590,000	4,422,840
Energy Management Master Plan Wastewater Systems - Construction	4,590,000	1,891,065
Haskell R. Street WWTP Upgrades and Rehabilitation	4,439,040	12,621
Air Release Valve Rehabilitation Phase I - East	4,388,040	88,415
Northeast Dyer/Railroad Interceptor Extension Phase III	4,013,700	171,810
Alameda Sewer Line Replacement - Construction	3,871,920	3,066,161
Independence Interceptor Mansfield and Prado - Design	3,825,000	189,374
Alfalfa Lift Station Rehabilitation - Design	3,799,500	732,306
Mesquite Hills Wastewater Collector Line	3,774,000	-
Bird Avenue/RiverBend to Doniphan Sewer Collection Main	3,416,976	3,396,151
Mesa Del Castillo Lift Station - Decommissioning 8" Sewer Line	3,060,000	1,230,757
Roberto R. Bustamante WWTP Electric Rooms HVAC Improvements	3,050,800	2,246,964
Haskell R. Street WWTP Chlorine Scrubber Replacement	2,994,720	2,402,907
Zaragoza Sewer Line Replacement - Design	2,866,200	2,688,876
Sean Haggerty Sewer Interceptor Phase I - Construction	2,805,000	2,355,312

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10. CAPITAL ASSETS (Continued)

	February 29, 2024	
	Estimated Cost	Cost Incurred To Date
Wastewater Field Office Reconstruction	2,687,139	2,363,281
Wastewater Facilities Rehabilitation	2,590,800	2,017,998
Coronado Country Club III Reclaimed Tank Rehabilitation - Design	2,547,960	101,023
EDA Northwest Development Wastewater Line Extension	2,500,491	2,074,505
Supplement Oversized Wastewater Lines	2,500,000	1,749,000
Wastewater Pipe Rehabilitation - Capacity, Management, Operation, and Maintenance	2,431,680	1,912,751
Coronado I Tank Rehabilitation	2,197,078	158,651
Wastewater Plant Power Upgrades	2,172,478	14,176
Pellicano Wastewater Improvements Loop 375 County Project - Construction	2,079,984	1,807,705
Pecos Street Sewer Line Rehabilitation	2,040,000	1,417,856
Other Wastewater Projects Under \$2,000,000	79,605,576	38,907,584
Subtotal-Wastewater Projects	917,586,726	303,376,104
Totals	\$ 1,621,428,602	\$ 628,452,171

Municipal Drainage Utility construction work in progress at February 28, 2025 and February 29, 2024 composed of the following:

	February 28 2025	
	Estimated Cost	Cost Incurred To Date
<u>Drainage Projects</u>		
Will Ruth Pond - Construction	\$ 54,713,252	\$ 9,078,237
John T. Hickerson WRF Stormwater Basin - Construction	9,180,000	192,767
Corrugated Metal Pipe Replacement Program	9,081,916	7,481,464
Arroyo I Dam - Detention Improvements	6,729,960	6,223,627
Morehead Dam Desilting and Improvements	5,766,200	4,417,311
Americas 10 Watershed Improvement	3,942,300	602,542
Dallas Street Outfall Basin Phase 2	3,770,520	243,781
Various Open Space Projects and Ponds	3,496,443	-
North Hills Dam Rehabilitation	2,846,926	2,838,673
Desilting for Various Ponds	2,738,700	1,140,205
Coors Channel Improvements - Design	2,540,494	2,482,689
Other Drainage Projects Under \$2,000,000	38,943,530	25,445,646
Total Drainage Projects	\$ 143,750,241	\$ 60,146,942

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10. CAPITAL ASSETS (Continued)

	February 29, 2024	
	Estimated Cost	Cost Incurred To Date
<u>Drainage Projects</u>		
Will Ruth Pond	\$ 24,181,569	\$ 8,262,063
Socorro Activity Complex 2 - Land Acquisition	13,700,000	12,346,010
Palisades Stormwater System - Design	9,675,600	843,212
John T. Hickerson WRF Stormwater Basin - Construction	9,180,000	-
Corrugated Metal Pipe Replacement Program	6,745,056	3,989,337
Arroyo I Dam - Detention Improvements	6,160,800	123,995
Pico Norte Pond Rehabilitation	5,790,418	5,591,716
Morehead Dam Desilting and Improvements	5,341,740	2,963,606
Tremont and Coates Dams Rehabilitation	4,240,481	2,928,838
St. Mark Drainage Improvements - Design	3,184,459	2,675,918
Coors Channel Improvements - Design	3,006,584	2,112,827
North Hills Dam Rehabilitation	2,958,000	2,809,298
Various Open Space Projects and Ponds	2,734,101	-
Silver Springs Arroyo Dam	2,375,070	2,317,698
Lower Memphis Dam Improvements	2,343,960	1,684,564
Other Drainage Projects Under \$2,000,000	39,188,229	23,606,607
	<u>\$ 140,806,067</u>	<u>\$ 72,255,689</u>
Total Drainage Projects	<u>\$ 140,806,067</u>	<u>\$ 72,255,689</u>

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
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February 28, 2025 and February 29, 2024

11. LONG-TERM LIABILITIES

Long-term liabilities activity for the Water and Wastewater Utility for the years ended February 28, 2025 and February 29, 2024 was as follows:

	Restated Beginning Balance 03/01/2024	Additions	Reductions	Ending Balance 02/28/2025	Due Within One Year	Long-term Portion
Water and Wastewater Utility:						
Revenue Bonds Payable:						
Revenue Bonds	\$1,214,925,000	\$ -	\$ 43,325,000	\$ 1,171,600,000	\$ 44,075,000	\$ 1,127,525,000
Unamortized premiums net of discounts	119,857,089	-	6,860,850	112,996,239	6,435,569	106,560,670
Direct Placements:						
Revenue bonds	168,695,000	-	10,980,000	157,715,000	11,290,000	146,425,000
Total bonds and premiums payable	\$1,503,477,089	\$ -	\$ 61,165,850	\$ 1,442,311,239	\$ 61,800,569	\$ 1,380,510,670
Compensated absences	9,485,678	4,477,912	4,482,146	9,481,444	3,212,546	6,268,898
Lease Liabilities	5,148,217	1,030,377	178,177	6,000,417	229,778	5,770,639
SBITA Liabilities	1,449,677	861,620	1,568,125	743,172	654,432	88,740
Self-insurance claims	808,354	3,701,578	3,466,899	1,043,033	416,484	626,549
Other government payable	1,169,513	-	202,034	967,479	211,316	756,163
Commercial Paper payable	60,000,000	10,000,000	70,000,000	-	-	-
Extendable Commercial Paper payable	-	280,000,000	-	280,000,000	-	280,000,000
Total OPEB Liability	13,166,477	1,451,278	1,547,755	13,070,000	543,409	12,526,591
Net Pension Liability	53,560,388	6,072,977	11,343,913	48,289,452	-	48,289,452
Arbitrage Liability	4,681,854	5,914,081	-	10,595,935	-	10,595,935
Total Long-term liabilities						
Water and Wastewater Utility	\$1,652,947,247	\$ 313,509,823	\$ 153,954,899	\$ 1,812,502,171	\$ 67,068,534	\$ 1,745,433,637

	Restated Beginning Balance 03/01/2023	Restated Additions	Restated Reductions	Restated Ending Balance 02/29/2024	Restated Due Within One Year	Restated Long-term Portion
Water and Wastewater Utility:						
Revenue Bonds Payable:						
Revenue Bonds	\$1,081,680,000	\$ 171,925,000	\$ 38,680,000	\$ 1,214,925,000	\$ 43,325,000	\$ 1,171,600,000
Unamortized premiums net of discounts	107,017,891	19,510,623	6,671,425	119,857,089	6,860,850	112,996,239
Direct Placements:						
Revenue bonds	169,960,000	8,680,000	9,945,000	168,695,000	10,980,000	157,715,000
Total bonds and premiums payable	\$1,358,657,891	\$ 200,115,623	\$ 55,296,425	\$ 1,503,477,089	\$ 61,165,850	\$ 1,442,311,239
Compensated absences	8,571,216	4,326,734	3,412,272	9,485,678	2,852,257	6,633,421
Lease Liabilities	5,360,340	-	212,123	5,148,217	111,772	5,036,445
SBITA Liabilities	2,641,008	160,859	1,352,190	1,449,677	907,665	542,012
Self-insurance claims	1,012,852	2,635,396	2,839,894	808,354	365,396	442,958
Other government payable	1,362,674	-	193,161	1,169,513	202,034	967,479
Commercial Paper payable	10,000,000	90,000,000	40,000,000	60,000,000	-	60,000,000
Total OPEB Liability	12,201,866	1,442,513	477,902	13,166,477	568,654	12,597,823
Net Pension Liability	39,970,941	20,324,631	6,735,184	53,560,388	-	53,560,388
Arbitrage Liability	-	4,681,854	-	4,681,854	-	4,681,854
Total Long-term liabilities						
Water and Wastewater Utility	\$1,439,778,788	\$ 323,687,610	\$ 110,519,151	\$ 1,652,947,247	\$ 66,173,628	\$ 1,586,773,619

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11. LONG-TERM LIABILITIES (Continued)

Long-term liabilities activity for the Municipal Drainage Utility for the years ended February 28, 2025 and February 29, 2024 was as follows:

	Restated Beginning Balance 03/01/2024	Additions	Reductions	Ending Balance 02/28/2025	Due Within One Year	Long-term Portion
Municipal Drainage Utility:						
Revenue Bonds Payable:						
Revenue Bonds	\$ 124,540,000	\$ 54,145,000	\$ 6,275,000	\$ 172,410,000	\$ 7,370,000	\$ 165,040,000
Unamortized premiums net of discounts	14,801,243	6,451,879	1,278,229	19,974,893	1,332,447	18,642,446
Direct Placements:						
Revenue bonds	18,082,000	-	1,138,000	16,944,000	1,092,000	15,852,000
Total bonds and premiums payable	\$ 157,423,243	\$ 60,596,879	\$ 8,691,229	\$ 209,328,893	\$ 9,794,447	\$ 199,534,446
Compensated absences	371,336	226,936	217,061	381,211	154,568	226,643
Due to Water and Wastewater Utility Land Transfer	8,044,800	-	1,000,000	7,044,800	2,000,000	5,044,800
SBITA Liabilities	20,586	-	20,586	-	-	-
Extendable Commercial Paper payable	60,000,000	20,000,000	60,000,000	20,000,000	-	20,000,000
Total OPEB Liability	717,128	45,719	29,589	733,258	30,487	702,771
Net Pension Liability	2,385,548	266,713	524,303	2,127,958	-	2,127,958
Arbitrage Liability	768,888	754,557	-	1,523,445	-	1,523,445
Total Long-term liabilities						
Municipal Drainage Utility	\$ 229,731,529	\$ 81,890,804	\$ 70,482,768	\$ 241,139,565	\$ 11,979,502	\$ 229,160,063

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11. LONG-TERM LIABILITIES (Continued)

	Restated Beginning Balance 03/01/2023	Restated Additions	Restated Reductions	Restated Ending Balance 02/29/2024	Restated Due Within One Year	Restated Long-term Portion
Municipal Drainage Utility:						
Revenue Bonds Payable:						
Revenue Bonds	\$ 107,105,000	\$ 22,870,000	\$ 5,435,000	\$ 124,540,000	\$ 6,275,000	\$ 118,265,000
Unamortized premiums net of discounts	13,378,007	2,399,999	976,763	14,801,243	1,007,142	13,794,101
Direct Placements:						
Revenue bonds	19,280,000	-	1,198,000	18,082,000	1,138,000	16,944,000
Total bonds and premiums payable	\$ 139,763,007	\$ 25,269,999	\$ 7,609,763	\$ 157,423,243	\$ 8,420,142	\$ 149,003,101
Compensated absences	274,556	258,811	162,031	371,336	134,880	236,456
Due to Water and Wastewater						
Utility Land Transfer	11,344,800	-	3,300,000	8,044,800	2,000,000	6,044,800
SBITA Liabilities	40,118	-	19,532	20,586	20,586	-
Revolving notes	15,000,000	10,000,000	25,000,000	-	-	-
Extendable Commercial Paper payable	-	60,000,000	-	60,000,000	-	60,000,000
Total OPEB Liability	715,926	75,917	74,715	717,128	30,972	686,156
Net Pension Liability	1,863,216	901,893	379,561	2,385,548	-	2,385,548
Arbitrage Liability	-	768,888	-	768,888	-	768,888
Total Long-term liabilities						
Municipal Drainage Utility	\$ 169,001,623	\$ 97,275,508	\$ 36,545,602	\$ 229,731,529	\$ 10,606,580	\$ 219,124,949

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12. 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 \$1,329,315,000 and \$1,383,620,000 as of February 28, 2025 and February 29, 2024, 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 19. The pledge of net revenue is in effect until the bonds are extinguished in 2052. The general purpose of the debt is to improve the water and wastewater services EPWater provides to area residents. The TWDB direct placement debt was issued at subsidized interest rates for qualified water and wastewater projects. The Revenue Bonds payable and TWDB direct placement revenue bonds as of February 28, 2025 and February 29, 2024 include the following individual issues:

	Amounts Outstanding 2/29/24	Issued	Retired/ Refunded	Amounts Outstanding 2/28/25	Due Within One Year
*\$1,000,000 2003A Series with final installment of \$50,000 and interest of 0.00% paid in fiscal year 2025.	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -
\$64,900,000 2014 Series with final installment of \$4,010,000 and interest due of 5.00%. Final payment due March 2025. Refunded \$34,705,000 with the 2021A Bonds.	7,815,000	-	3,805,000	4,010,000	4,010,000
\$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 March 2035. Refunded \$32,035,000 with the 2021A Bonds.	25,780,000	-	9,215,000	16,565,000	9,680,000
\$18,600,000 2015A Series due in annual installments of \$880,000 to \$1,330,000 with interest due at 3.00% to 5.00%. Final payment due March 2035.	12,775,000	-	835,000	11,940,000	880,000
*\$50,000,000 2015B Series due in annual installments of \$2,410,000 to \$2,995,000 with interest due at 1.47% to 2.41%. Final payment due March 2035.	31,790,000	-	2,370,000	29,420,000	2,410,000
\$48,565,000 2015C Series due in annual installments of \$2,545,000 to \$3,200,000 with interest due at 4.00% to 5.00%. Final payment due March 2035.	33,250,000	-	2,430,000	30,820,000	2,545,000
\$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 March 2037.	49,345,000	-	4,055,000	45,290,000	4,255,000

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12. REVENUE BONDS (Continued)

	Amounts Outstanding 2/29/24	Issued	Retired/ Refunded	Amounts Outstanding 2/28/25	Due Within One Year
*\$100,000,000 2016A Series due in annual installments of \$6,000,000 to \$7,000,000 with interest due at 1.08% to 2.12%. Final payment due March 2036.	83,000,000	-	6,000,000	77,000,000	6,000,000
\$83,880,000 2017 Series due in annual installments of \$4,075,000 to \$5,505,000 with interest due at 4.00% to 5.00%. Final payment due March 2038.	70,160,000	-	2,920,000	67,240,000	4,075,000
*\$50,000,000 2017A Series due in annual installments of \$2,500,000 to \$4,000,000 with interest due at 1.21% to 2.29%. Final payment due March 2037.	44,000,000	-	2,500,000	41,500,000	2,500,000
\$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 March 2039.	26,670,000	-	-	26,670,000	2,080,000
*\$1,415,000 2019 Series due in annual installments of \$60,000 to \$90,000 with interest due at 2.00% to 3.60%. Final payment due March 2039.	1,175,000	-	60,000	1,115,000	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 March 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 March 2031.	17,365,000	-	2,660,000	14,705,000	3,000,000
\$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 March 2040.	33,880,000	-	-	33,880,000	-
\$62,990,000 2020A Series due in annual installments of \$2,260,000 to \$7,325,000 with interest due at 0.77% to 1.89%. Final payment due March 2033.	50,285,000	-	11,395,000	38,890,000	7,325,000
\$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 March 2041.	35,490,000	-	-	35,490,000	-

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12. REVENUE BONDS (Continued)

	Amounts Outstanding 2/29/24	Issued	Retired/ Refunded	Amounts Outstanding 2/28/25	Due Within One Year
\$76,310,000 2021A Series due in annual installments of \$1,235,000 to \$15,640,000 with interest due at 0.94% to 2.27%. Final payment due March 2034.	73,800,000	-	1,275,000	72,525,000	1,235,000
\$305,900,000 2022 Series due in annual installments of \$500,000 to \$20,320,000 with interest due at 4.47% to 5.00%. Final payment due March 2052.	305,400,000	-	500,000	304,900,000	500,000
\$267,585,000 2022A Series due in annual installments of \$880,000 to \$19,395,000 with interest due at 4.00% to 5.00%. Final payment due March 2048.	267,585,000	-	1,450,000	266,135,000	2,200,000
\$171,925,000 2023 Series due in annual installments of \$2,290,000 to \$12,085,000 with interest due at 4.00% to 5.25%. Final payment due March 2049.	171,925,000	-	2,785,000	169,140,000	2,290,000
*\$8,680,000 2023A Series due in annual installments of \$320,000 to \$595,000 with interest due at 2.83% to 4.13%. Final payment due March 2044.	8,680,000	-	-	8,680,000	320,000
Total bonds outstanding	1,383,620,000	\$ -	\$ 54,305,000	1,329,315,000	\$ 55,365,000
Less current maturities	(54,305,000)			(55,365,000)	
Total long term portion	<u>\$1,329,315,000</u>			<u>\$1,273,950,000</u>	

**Direct placement revenue bonds*

Interest costs incurred on revenue bonds totaled \$53,887,000 in 2025 and \$52,982,680 in 2024.

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February 28, 2025 and February 29, 2024

12. REVENUE BONDS (Continued)

Water and Wastewater Utility Fund Annual Debt Service Requirements

Year Ending February	Revenue Bonds		Direct Placements	
	Principal	Interest	Principal	Interest
2026	\$ 44,075,000	\$ 49,882,509	\$ 11,290,000	\$ 3,011,854
2027	45,805,000	48,266,835	11,545,000	2,863,696
2028	47,295,000	46,770,017	11,600,000	2,700,385
2029	49,010,000	45,082,475	11,660,000	2,521,263
2030	50,910,000	43,174,148	11,720,000	2,321,851
2031 - 2035	253,495,000	182,519,237	65,845,000	7,806,838
2036 - 2040	224,165,000	129,039,366	31,305,000	1,555,436
2041 - 2045	191,155,000	84,234,699	2,750,000	290,114
2046 - 2050	207,620,000	38,349,695	-	-
2051 - 2052	58,070,000	4,450,750	-	-
	<u>\$ 1,171,600,000</u>	<u>\$ 671,769,731</u>	<u>\$ 157,715,000</u>	<u>\$ 23,071,437</u>

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, 2025 and February 29, 2024, \$0 and \$66,740,000 of the bonds remained outstanding with an estimated escrow balance of \$0 and \$68,224,183.

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.

On June 1, 2023, EPWater issued \$171,925,000 in Water and Sewer System Revenue Improvement and Refunding Bonds, Series 2023 with an average interest rate of 4.93% to refund \$40 million of Water and Sewer Commercial Paper Notes with an average interest rate of 3.15%, and to finance \$150 million of capital improvement projects for the water and wastewater system.

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12. REVENUE BONDS (Continued)

On November 1, 2023, EPWater issued \$8,680,000 in Water and Sewer System Revenue Bonds, Series 2023A, through a private placement with the Texas Water Development Board, through the Economically Distressed Areas Program, with an average interest rate of 3.70% to finance Phase II of the wastewater collection system in the Colonia of Montana Vista in El Paso County, Texas to provide first time wastewater services.

Municipal Drainage Utility

Municipal Drainage Revenue Bonds payable and direct placement revenue bonds for the Municipal Drainage Utility Fund in the amount of \$189,354,000 and \$142,622,000 as of February 28, 2025 and February 29, 2024, respectively, 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 19. The pledge of net revenue is in effect until the bonds are extinguished in 2052. 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, 2025 and February 29, 2024 include the following individual issues:

	Amounts Outstanding 2/29/24	Issued	Retired/ Refunded	Amounts Outstanding 2/28/25	Due Within One Year
*\$2,163,000 2009A Series due in annual installments of \$107,000 with interest at 0.00%. Final payment due March 2031.	\$ 857,000	\$ -	\$ 108,000	\$ 749,000	\$ 107,000
\$22,240,000 2015 Series due in annual installments of \$1,020,000 to \$1,665,000 with interest due at 5.00%. Final payment due March 2035.	15,485,000	-	975,000	14,510,000	1,020,000
\$19,790,000 2016 Series due in annual installments of \$905,000 to \$1,565,000 with interest due at 5.00%. Final payment due March 2036.	15,360,000	-	860,000	14,500,000	905,000
\$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 March 2039.	34,650,000	-	3,480,000	31,170,000	3,710,000
*\$8,945,000 2021 Series due in annual installments of \$665,000 to \$1,000,000 with interest due at 1.60%. Final payment due March 2032.	8,055,000	-	710,000	7,345,000	665,000
\$13,330,000 2021A Series due in annual installments of \$485,000 to \$905,000 with interest due at 2.00% to 5.00%. Final payment due March 2041.	12,425,000	-	460,000	11,965,000	485,000
*\$9,490,000 2022 Series due in annual installments of \$315,000 to \$320,000 with interest due at 0.00%. Final payment due March 2052.	9,170,000	-	320,000	8,850,000	320,000

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12. REVENUE BONDS (Continued)

	Amounts Outstanding 2/29/24	Issued	Retired/ Refunded	Amounts Outstanding 2/28/25	Due Within One Year
\$23,750,000 2022A Series due in annual installments of \$500,000 to \$2,095,000 with interest due at 4.25% to 5.00%. Final payment due March 2042.	23,750,000	-	250,000	23,500,000	500,000
\$22,870,000 2023 Series due in annual installments of \$500,000 to \$1,900,000 with interest due at 4.00% to 5.00%. Final payment due March 2043.	22,870,000	-	250,000	22,620,000	500,000
\$54,145,000 2024 Series due in annual installments of \$250,000 to \$4,760,000 with interest due at 4.00% to 5.00%. Final payment due March 2044.	-	54,145,000	-	54,145,000	250,000
Total bonds outstanding	142,622,000	<u>\$ 54,145,000</u>	<u>\$ 7,413,000</u>	189,354,000	<u>\$ 8,462,000</u>
Less current maturities	<u>(7,413,000)</u>			<u>(8,462,000)</u>	
Total long term portion	<u><u>\$135,209,000</u></u>			<u><u>\$180,892,000</u></u>	

**Direct placement revenue bonds*

Interest costs incurred on revenue bonds totaled \$7,871,177 in 2025 and \$5,664,087 in 2024.

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NOTES TO FINANCIAL STATEMENTS

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12. REVENUE BONDS (Continued)

Municipal Drainage Utility Fund Annual Debt Service Requirements

Year Ending February	Revenue Bonds		Direct Placements	
	Principal	Interest	Principal	Interest
2026	\$ 7,370,000	\$ 8,005,294	\$ 1,092,000	\$ 112,200
2027	7,990,000	7,621,294	1,337,000	99,600
2028	8,390,000	7,211,794	1,352,000	84,920
2029	8,805,000	6,781,919	1,362,000	70,040
2030	9,245,000	6,352,369	1,382,000	54,920
2031 - 2035	47,025,000	25,178,866	4,749,000	71,400
2036 - 2040	46,955,000	13,418,665	1,575,000	-
2041 - 2045	36,630,000	3,625,153	1,575,000	-
2046 - 2050	-	-	1,575,000	-
2051 - 2053	-	-	945,000	-
	<u>\$ 172,410,000</u>	<u>\$ 78,195,354</u>	<u>\$ 16,944,000</u>	<u>\$ 493,080</u>

On June 1, 2023, EPWater issued \$22,870,000 in Municipal Drainage Revenue Refunding Bonds, Series 2023 with an average interest rate of 4.65%, to refund \$25 million of Municipal Drainage Revolving Notes with an average interest rate of 4.23%.

On April 1, 2024, EPWater issued \$54,145,000 in Municipal Drainage Revenue Refunding Bonds, Series 2024 with an average interest rate of 4.87%, to refund \$60 million of Municipal Drainage Extendable Commercial Paper Notes with an average interest rate of 3.86%.

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12. REVENUE BONDS (Continued)

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 and EPWater accrued a liability for the Water and Wastewater Utility fund and the Municipal Drainage Utility fund of \$10,595,935 and \$1,523,445, respectively, as of February 28, 2025. The company has estimated and EPWater accrued a liability for the Water and Wastewater Utility fund and the Municipal Drainage Utility fund of \$4,681,854 and \$768,888, respectively, as of February 29, 2024.

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.

13. COMMERCIAL PAPER

In October 1997, EPWater, through the City of El Paso, approved a Commercial Paper Program 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, in a maximum aggregate amount not to exceed \$80 million.

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NOTES TO FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

13. COMMERCIAL PAPER (Continued)

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, 2025 and February 29, 2024, there were \$0 and \$60 million outstanding, respectively.

14. REVOLVING NOTE

EPWater, through the City of El Paso and Bank of America, N.A., entered into a five year directly placed Note Purchase Agreement on June 19, 2018, with an expiration date of June 19, 2023, with an available commitment of \$25 million and the program was not extended. Any borrowing under this agreement was 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 were ratably secured by and were payable from (i) the proceeds from the sale of 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 had 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 Revolving Credit Agreement also contained a clause to accelerate payment of principal and accrued interest to become immediately due, if EPWater defaulted 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 was the result of EPWater's Municipal Drainage Utility's long-term financing plan, the amounts outstanding were presented as long term. The note program expired June 19, 2023, and no amounts were outstanding as of February 28, 2025 and February 29, 2024.

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NOTES TO FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

15. EXTENDABLE COMMERCIAL PAPER NOTES

Municipal Drainage Utility

On May 9, 2023, the City Council of the City of El Paso, approved an ordinance establishing an Extendable Commercial Paper (ECP) program for the Municipal Drainage Utility in the amount of \$60 million with an expiration date of April 1, 2053. The purpose of the ECP program is to provide funds for interim financing for a portion of the costs of the capital improvements to the stormwater system.

On June 1, 2023, EPWater through the City and Morgan Stanley & Co. LLC entered into a Dealer Agreement with an expiration date of April 1, 2053, to solicit and arrange sales of the ECP Notes.

The ECP Notes are special obligations of the City, and the payment of the principal of and interest on the ECP Notes are secured by and payable only from a lien on and pledge of (i) the Net Revenues, and the Net Revenues are further pledged to the establishment and maintenance of the Payment Fund; provided that the pledge of Net Revenues securing the ECP Notes is expressly made subordinate and inferior to the lien on and pledge of Net Revenues securing Bonds Similarly Secured, and the ECP Notes shall constitute Subordinate Lien Obligations, as provided in the ordinances authorizing the Bonds Similarly Secured, (ii) the Proceeds from the sale of ECP Notes to refinance maturing ECP Notes (i.e., "roll") and the proceeds of Refunding Bonds to be issued by the City, and (iii) all amounts in the funds and accounts created or maintained pursuant to the Ordinance and the Issuing and Paying Agent Agreement, and such amounts constitute funds held for that purpose, subject only to the provisions of the Ordinance and the Issuing and Paying Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein and therein. The ordinance contains a clause for remedies for default, if EPWater defaults on any specified debt resulting from ECP program for failure to pay any interest or principal on the loan note when due for a period of five business days from the date such obligation was due.

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. The "notes" can be sold in denominations of \$100,000 or in integral multiples of \$1,000 in excess thereof with an initial maturity not to exceed 90 days and a final maturity if extended, of not more than 270 days from the issue date. As of February 29, 2024, there was \$60 million outstanding and as of February 28, 2025, the following amount of ECP Notes were outstanding:

<u>2025</u>	<u>Maturity Date</u>	<u>Coupon Rate</u>
\$ 20,000,000	04/11/2025	2.94%
<u>\$ 20,000,000</u>		

Water and Wastewater Utility

On May 7, 2024, the City Council of the City of El Paso, approved an ordinance establishing an Extendable Commercial Paper (ECP) program for the Water and Wastewater Utility in the amount of \$300 million with an expiration date of May 1, 2054. The purpose of the ECP program is to provide funds for interim financing of a portion of the costs of the capital improvements to the water and wastewater systems.

On May 1, 2024, EPWater through the City and Morgan Stanley & Co. LLC entered into a Dealer Agreement with an expiration date of May 1, 2054, to solicit and arrange sales of the ECP Notes.

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NOTES TO FINANCIAL STATEMENTS

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15. EXTENDABLE COMMERCIAL PAPER NOTES (Continued)

The ECP Notes are special obligations of the City, and the payment of the principal of and interest on the ECP Notes are secured by and payable only from a lien on and pledge of (i) the Net Revenues, and the Net Revenues are further pledged to the establishment and maintenance of the Payment Fund; provided that the pledge of Net Revenues securing the ECP Notes is expressly made subordinate and inferior to the lien on and pledge of Net Revenues securing Bonds Similarly Secured, and the ECP Notes shall constitute Subordinate Lien Obligations, as provided in the ordinances authorizing the Bonds Similarly Secured, (ii) the Proceeds from the sale of ECP Notes to refinance maturing ECP Notes (i.e., "roll") and the proceeds of Refunding Bonds to be issued by the City, and (iii) all amounts in the funds and accounts created or maintained pursuant to the Ordinance and the Issuing and Paying Agent Agreement, and such amounts constitute funds held for that purpose, subject only to the provisions of the Ordinance and the Issuing and Paying Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein and therein. The ordinance contains a clause for remedies for default, if EPWater defaults on any specified debt resulting from ECP program for failure to pay any interest or principal on the loan note when due for a period of five business days from the date such obligation was due.

Since these notes represent activity that is the result of EPWater's Water and Wastewater Utility's long-term financing plan, the amounts outstanding are presented as long term. The "notes" can be sold in denominations of \$100,000 or in integral multiples of \$1,000 in excess thereof with an initial maturity not to exceed 90 days and a final maturity if extended, of not more than 270 days from the issue date. As of February 29, 2024, there was \$0 outstanding and as of February 28, 2025, the following amounts of ECP Notes were outstanding:

2025	Maturity Date	Coupon Rate
\$ 60,000,000	3/6/2025	3.25%
60,000,000	3/13/2025	3.25%
55,000,000	3/24/2025	3.05%
50,000,000	3/24/2025	3.05%
55,000,000	3/26/2025	3.05%
<u>\$ 280,000,000</u>		

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16. LEASE LIABILITIES

As of February 28, 2025, the Water and Wastewater Utility has one lease agreement as a lessee to lease land with a 39-year term. During fiscal year ending February 29, 2024, the Water and Wastewater Utility also had another land lease which expired February 1, 2024. At February 28, 2025 and February 29, 2024, the right to use lease liability was \$5,036,445 and \$5,065,963, respectively, based on the present value calculations of future minimum lease payments and a stated incremental borrowing rate of 7.50%. The agreements call for monthly payments during the lease term. Principal payments made by the Water and Wastewater Utility during fiscal year 2025 and 2024 for the land leases were \$29,518 and \$46,940, respectively and interest expense recognized was \$378,777 and \$381,979, respectively.

Principal and interest requirements to maturity for right to use leases are as follows:

Year Ending February	Principal	Interest	Total Requirements
2026	\$ 32,925	\$ 376,575	\$ 409,500
2027	35,482	374,018	409,500
2028	38,237	371,263	409,500
2029	40,121	369,379	409,500
2030	44,321	365,179	409,500
2031 - 2035	277,682	1,769,818	2,047,500
2036 - 2040	403,557	1,643,943	2,047,500
2041 - 2045	585,715	1,461,785	2,047,500
2046 - 2050	852,596	1,194,904	2,047,500
2051 - 2055	1,239,316	808,184	2,047,500
2056 - 2060	1,486,493	253,882	1,740,375
	<u>\$ 5,036,445</u>	<u>\$ 8,988,930</u>	<u>\$ 14,025,375</u>

The Water and Wastewater Utility has lease agreements as a lessee to lease office equipment with a 5-year lease terms. At February 28, 2025 and February 29, 2024, the right to use lease liability was \$340,559 and \$56,191, respectively, based on the present value calculations of future minimum lease payments and an estimated incremental borrowing rate 2.93%. The agreement calls for monthly payments during the lease term. Principal payments made by the Water and Wastewater Utility during fiscal year 2025 and 2024 for office equipment leases were \$67,937 and \$61,111, respectively and interest expense recognized was \$1,272 and \$281, respectively.

Principal and interest requirements to maturity for right to use leases are as follows:

Year Ending February	Principal	Interest	Total Requirements
2026	\$ 66,570	\$ 9,071	\$ 75,641
2027	68,545	7,096	75,641
2028	70,578	5,063	75,641
2029	72,661	2,980	75,641
2030	62,205	829	63,034
	<u>\$ 340,559</u>	<u>\$ 25,039</u>	<u>\$ 365,598</u>

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16. LEASE LIABILITIES (Continued)

The Water and Wastewater Utility has entered into lease agreements as a lessee to lease golf cart vehicles with a 5-year lease term. At February 28, 2025 and February 29, 2024, the right to use lease liability was \$623,413 and \$26,064, respectively, based on the present value calculations of future minimum lease payments and an estimated incremental borrowing rate of 2.38%. The agreement calls for monthly payments during the lease term. Principal payments made by the Water and Wastewater Utility during fiscal year 2025 and 2024, were \$80,722 and \$104,072, respectively and interest expense recognized was \$6,243 and \$221, respectively.

Principal and interest requirements to maturity for right to use leases are as follows:

Year Ending February	Principal	Interest	Total Requirements
2026	\$ 130,283	\$ 13,417	\$ 143,700
2027	133,419	10,281	143,700
2028	136,632	7,068	143,700
2029	139,906	3,794	143,700
2030	83,173	652	83,825
	<u>\$ 623,413</u>	<u>\$ 35,212</u>	<u>\$ 658,625</u>

17. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

As discussed in Note 1, EPWater implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements, during fiscal year February 29, 2024.

The Water and Wastewater Utility has various agreements for software licenses and hosted subscriptions with terms ranging from one to five years. At February 28, 2025 and February 29, 2024, the liability was \$743,172 and \$1,449,677, respectively, based on present value calculations of future minimum subscription payments and estimated incremental borrowing rates that range from 0.43% to 3.02%. Liabilities of \$318,620 and \$160,859 for new arrangements entered into during fiscal years 2025 and 2024, respectively, have been recorded based on present value calculations of future minimum subscription payments and estimated incremental borrowing rates that range between 2.40% to 2.93%. The agreements call for annual payments during the subscription terms. Principal payments made by the Water and Wastewater Utility during fiscal years 2025 and 2024 were \$1,025,125 and \$1,352,190, respectively, and interest expense recognized was \$11,439 and \$11,996, respectively. Variable payments made by the Water and Wastewater Utility during fiscal years 2025 and 2024 were \$38,895 and \$13,993, respectively.

Principal and interest requirements to maturity for SBITAs of the Water and Wastewater Utility are as follows:

Year Ending February	Principal	Interest	Total Requirements
2026	\$ 654,432	\$ 9,734	\$ 664,166
2027	88,740	2,545	91,285
	<u>\$ 743,172</u>	<u>\$ 12,279</u>	<u>\$ 755,451</u>

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**17. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)
(Continued)**

The Municipal Drainage Utility has an agreement for software licenses with a term of four years. At February 28, 2025 and February 29, 2024, the liability was \$0 and \$20,586, based on the present value calculations of future minimum subscription payments and an estimated incremental borrowing rate of 0.55%. The agreement calls for annual payments during the subscription term. Principal payments made by the Municipal Drainage Utility during fiscal years 2025 and 2024 were \$20,586 and \$19,533, respectively, and interest expense recognized was \$61 and \$172, respectively.

There are no future principal and interest requirements for SBITAs for the Municipal Drainage Utility.

18. OTHER GOVERNMENT PAYABLE

During the fiscal year ending February 28, 2010, EPWater entered into a wholesale contract with Fort Bliss to provide water services for 30 years, with an option to renew for an additional 20 year period effective June 1, 2009. EPWater 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 Kay Bailey Hutchison Desalination Plant. The following is a list of the principal and interest payments due to Fort Bliss as of February 28, 2025:

Year Ending February	Principal	Interest	Total
2026	\$ 211,316	\$ 39,214	\$ 250,530
2027	221,023	29,506	250,529
2028	231,177	19,352	250,529
2029	241,797	8,732	250,529
2030	62,166	466	62,632
	<u>\$ 967,479</u>	<u>\$ 97,270</u>	<u>\$ 1,064,749</u>

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19. 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, 2025 and February 29, 2024.

Revenues available for debt service are determined as follows:

	<u>2025</u>	<u>Restated 2024</u>
Water and wastewater revenue	\$ 384,327,711	\$ 367,642,334
Operating revenue deductions	<u>181,947,325</u>	<u>162,421,578</u>
Net water and wastewater revenue	<u>202,380,386</u>	<u>205,220,756</u>
Other revenues available for debt service:		
Interest income	24,711,902	30,034,874
Other miscellaneous operating revenue	7,930,627	5,576,766
Gain on sale of miscellaneous assets	278,771	465,835
Other nonoperating revenues	2,891,300	2,742,909
Less: Other miscellaneous expenses	<u>(7,377,541)</u>	<u>(6,358,124)</u>
Net other revenues available for debt service	<u>28,435,059</u>	<u>32,462,260</u>
Revenues available for debt service	<u><u>\$ 230,815,445</u></u>	<u><u>\$ 237,683,016</u></u>

Comparison of pledged revenues to debt requirements:

	<u>2025</u>	<u>2024</u>
Revenues available for debt service	\$ 230,815,445	\$ 237,683,016
Debt service requirements		
Principal	54,305,000	48,625,000
Interest	<u>56,505,050</u>	<u>46,728,122</u>
Total requirements	<u>\$ 110,810,050</u>	<u>\$ 95,353,122</u>
Debt service ratio	<u><u>2.08</u></u>	<u><u>2.49</u></u>

As calculated above, the approximate amount of pledged revenue for the years ended February 28, 2025 and February 29, 2024 were \$230,815,445 and \$237,683,016, respectively.

The proportion of the specific revenue stream that has been pledged to cover the debt requirements to the total revenue was 57.03% and 61.53% for the years ended February 28, 2025 and February 29, 2024, 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.

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19. REVENUE PLEDGED AND DEBT SERVICE COVERAGE (Continued)

Municipal Drainage Utility

The bond ordinances require EPWater to maintain revenues in each fiscal year, after deductions for maintenance and operation expenses, in an amount equal to at least 1.25 times the debt service requirements in such year for the Municipal Drainage Utility Fund. The computations of this ratio are summarized below for the years ended February 28, 2025 and February 29, 2024.

Revenues available for debt service are determined as follows:

	<u>2025</u>	<u>Restated 2024</u>
Municipal drainage utility revenue	\$ 38,144,557	\$ 33,517,191
Operating revenue deductions	<u>12,024,776</u>	<u>9,766,072</u>
Net municipal drainage utility revenue	<u>26,119,781</u>	<u>23,751,119</u>
Other revenues available for debt service:		
Interest income	2,292,177	1,766,963
Other miscellaneous operating revenue	992,953	484,637
Other nonoperating revenues	57,114	60,628
Less: Other miscellaneous expenses	<u>(615,177)</u>	<u>(465,659)</u>
Net other revenues available for debt service	<u>2,727,067</u>	<u>1,846,569</u>
Revenues available for debt service	<u><u>\$ 28,846,848</u></u>	<u><u>\$ 25,597,688</u></u>

Comparison of pledged revenues to debt requirements:

	<u>2025</u>	<u>2024</u>
Revenues available for debt service	<u>\$ 28,846,848</u>	<u>\$ 25,597,688</u>
Debt service requirements		
Principal	7,413,000	6,633,000
Interest	<u>6,939,770</u>	<u>5,025,959</u>
Total requirements	<u>\$ 14,352,770</u>	<u>\$ 11,658,959</u>
Debt service ratio	<u><u>2.01</u></u>	<u><u>2.20</u></u>

As calculated above, the approximate amount of pledged revenue for the years ended February 28, 2025 and February 29, 2024 were \$28,846,848 and \$25,597,688, respectively.

The proportion of the specific revenue stream that has been pledged to cover the debt requirements to the total revenue were 73.71% and 75.28% for the years ended February 28, 2025 and February 29, 2024, 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.

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20. 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, 2024, the amount increased to \$350,000, and beginning January 1, 2025, the amount increased again to \$400,000. 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.

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, 2025, February 29, 2024, and February 28, 2023, 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, 2025. Accrued liabilities for these self-insurance programs are summarized below for the years ended February 28, 2025, February 29, 2024, and February 28, 2023:

	2025	2024	2023
Health Insurance	\$ 331,796	\$ 97,117	\$ 46,760
Workers' Compensation	711,237	711,237	966,092
Total payable	1,043,033	808,354	1,012,852
Less current portion	416,484	365,396	176,723
Estimated long-term portion	\$ 626,549	\$ 442,958	\$ 836,129

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20. RISK MANAGEMENT (Continued)

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total payable, beginning of year	\$ 808,354	\$ 1,012,852	\$ 1,085,850
Additional claims incurred	3,701,578	2,635,396	1,676,246
Claims paid during the year	<u>(3,466,899)</u>	<u>(2,839,894)</u>	<u>(1,749,244)</u>
Total payable, end of year	<u>\$ 1,043,033</u>	<u>\$ 808,354</u>	<u>\$ 1,012,852</u>

21. PENSION AND RETIREMENT PLAN

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

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

Basis of Accounting - The accounting policies 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, 2024 and August 31, 2023. The total pension liability is based on the interim actuarial valuation as of September 1, 2023 and the actuarial valuation as of September 1, 2022, respectively, and update procedures were used to roll forward the total pension liability to the measurement dates of August 31, 2024 and August 31, 2023.

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21. PENSION AND RETIREMENT PLAN (Continued)

	<u>2025</u>	<u>2024</u>
Total Pension Liability	\$ 1,244,289,324	\$ 1,195,447,246
Less: Fiduciary Net Position	<u>(990,935,503)</u>	<u>(914,311,891)</u>
Net Pension Liability	<u>\$ 253,353,821</u>	<u>\$ 281,135,355</u>
Fiduciary Net Position as a percentage of the Total Pension Liability	<u>79.64%</u>	<u>76.48%</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.

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 0.2083 of 1% of such average for each additional completed or fractional part of a month of service.

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February 28, 2025 and February 29, 2024

21. PENSION AND RETIREMENT PLAN (Continued)

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

- Participants who leave the plan before completion of seven years of service receive a refund of their contributions. Participants leaving the plan with more than seven years but less than ten years of service may receive a refund of their contributions plus interest at 3%, compounded annually, provided they are not eligible for normal retirement. Participants become fully vested after reaching forty-five years of age and seven years of service. Normal retirement is the earlier of (i) sixty years of age with seven years of service or (ii) thirty-five years of service, regardless of age. Participants who have met the minimum vesting requirements may retire but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement which will provide an actuarially reduced pension benefit payment upon termination. Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.25% of average monthly gross earnings received by the employee during the three years immediately prior to retirement, multiplied by the number of completed years of service, plus 0.1875 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, 2024 and August 31, 2023.

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

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

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21. PENSION AND RETIREMENT PLAN (Continued)

For the September 1, 2023 interim and September 1, 2022 actuarial valuations, rolled forward to the measurement dates of August 31, 2024 and August 31, 2023, 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 fair value of investments over a five-year period. The actuarial assumptions at September 1, 2023 and at September 1, 2022 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 remaining amortization period at September 1, 2023 and at September 1, 2022 was 25 years using closed periods ("layers"). For the September 1, 2023 interim actuarial valuation, rolled forward to August 31, 2024, mortality rates for active and deferred vested participants and for disabled retirees are based on the Pub-2010 General Employee and-Pub 2010 Non-Safety Disabled benefit weighted tables, respectively, and mortality rates for healthy retirees and survivors are based on 112% of the Pub-2010 General Retiree and Pub-2010 Contingent Annuitant benefit-weighted tables, respectively, all projected with Scale MP-2021 on a fully generational basis. For the September 1, 2022 actuarial valuation, rolled forward to August 31, 2023, 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 (92% of male rates and 100% of female rates) 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. The actuarial assumptions and methods used in the September 1, 2023 interim valuation were based on the experience study for the period September 1, 2018 to August 31, 2022. The actuarial assumptions and methods used in the September 1, 2022 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.

Changes of Assumptions since August 31, 2023 - Changes to the salary scale, marriage assumptions, mortality rates, termination rates, disability rates, and retirement rates were made based on the experience study for the period September 1, 2018 to August 31, 2022. The new assumptions are reflected in the September 1, 2023 interim valuation.

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 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 expected 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 asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the CERT's target asset allocations as of August 31, 2024 and August 31, 2023 are summarized in the following table:

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21. PENSION AND RETIREMENT PLAN (Continued)

Asset Class	2024 Target Allocation	2023 Target Allocation	2024 Long- term Expected Real Rate of Return	2023 Long- term Expected Real Rate of Return
Domestic Equity	31%	31%	5.34%	6.34%
International Equity	21%	21%	7.02%	6.77%
Fixed Income	24%	24%	2.19%	1.74%
Real Estate	10%	10%	3.87%	5.11%
Private Equity	13%	13%	8.59%	11.86%
Cash	1%	1%	-	-
	100%	100%		

Discount Rate: The discount rate used to measure the total pension liability was 7.25 percent for plan years ended August 31, 2024 and August 31, 2023. 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 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, 2025 and February 29, 2024 were as follows:

	2025 - Contributions Required and Made		2024 - Contributions Required and Made	
	Water and Wastewater Utility	Municipal Drainage Utility	Water and Wastewater Utility	Municipal Drainage Utility
Employer contributions	\$ 8,834,305	\$ 389,434	\$ 7,614,139	\$ 338,838
Employee contributions	5,627,566	248,074	4,850,322	216,293
Total contributions	\$ 14,461,871	\$ 637,508	\$ 12,464,461	\$ 555,131

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21. PENSION AND RETIREMENT PLAN (Continued)

Sensitivity to Changes in the Discount Rate: The following presents 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, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

8/31/2024 - 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	\$ 74,479,152	\$ 48,289,452	\$ 26,299,411

8/31/2024 - 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	\$ 3,282,053	\$ 2,127,958	\$ 1,158,929

8/31/2023 - 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	\$ 78,611,335	\$ 53,560,388	\$ 34,125,027

8/31/2023 - 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	\$ 3,501,302	\$ 2,385,548	\$ 1,519,908

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At February 28, 2025, EPWater reported a net pension liability for its proportionate share of the CERT's net pension liability of \$48,289,452 for the Water and Wastewater Utility and \$2,127,958 for the Municipal Drainage Utility. At February 29, 2024, EPWater reported a net pension liability for its proportionate share of the CERT's net pension liability of \$53,560,388 for the Water and Wastewater Utility and \$2,385,548 for the Municipal Drainage Utility. EPWater's net pension liability reported at February 28, 2025 was measured at August 31, 2024. EPWater's net pension liability reported at February 29, 2024 was measured at August 31, 2023.

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, 2023 through August 31, 2024 and September 1, 2022 to August 31, 2023. At August 31, 2024 and August 31, 2023, EPWater's proportion of the collective net pension liability was 19.90 percent.

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21. PENSION AND RETIREMENT PLAN (Continued)

For the years ended February 28, 2025 and February 29, 2024, EPWater recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$6,655,479 and \$8,840,741, respectively, for the Water and Wastewater Utility, and \$199,045 and \$294,691, respectively, for the Municipal Drainage Utility.

At February 28, 2025 and February 29, 2024, EPWater reported its proportionate share of the deferred outflows of resources and deferred inflows of resources related to the CERT from the following sources:

	2025- Water and Wastewater Utility		2025 - 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	\$ 7,036,332	\$ -	\$313,843	\$ -
Changes of assumptions	4,205,819	-	185,342	-
Net difference between projected and actual earnings on pension assets	3,378,225	-	156,757	-
Changes in proportionate share	1,875,753	221,902	76,610	156,495
Employer contributions subsequent to the measurement date	4,899,649	-	215,662	-
Total	\$ 21,395,778	\$ 221,902	\$ 948,214	\$ 156,495

	2024- Water and Wastewater Utility		2024 - 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	\$ 9,219,296	\$ -	\$413,898	\$ -
Changes of assumptions	2,036	-	98	-
Net difference between projected and actual earnings on pension assets	10,422,650	-	446,258	-
Changes in proportionate share	678,927	317,254	21,960	214,570
Employer contributions subsequent to the measurement date	4,260,330	-	191,276	-
Total	\$ 24,583,239	\$ 317,254	\$ 1,073,490	\$ 214,570

For the year ended February 28, 2025, EPWater reported \$4,899,649 for the Water and Wastewater Utility and \$215,662 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, 2026.

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21. PENSION AND RETIREMENT PLAN (Continued)

For the year ended February 29, 2024, EPWater reported \$4,260,330 for the Water and Wastewater Utility and \$191,276 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, 2025.

For the year ended February 28, 2025, the amount recognized as pension expense for the deferred outflows and inflows related to pensions was \$2,288,805 for the Water and Wastewater Utility and \$6,620 for the Municipal Drainage Utility. For the year ended February 29, 2024, the amount recognized as pension expense for the deferred outflows and inflows related to pensions was \$5,007,675 for the Water and Wastewater Utility and \$123,969 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
2026	\$ 3,467,547	\$ 85,382
2027	8,743,398	355,335
2028	2,652,158	87,914
2029	722,939	19,251
2030	688,185	28,175
Thereafter	-	-
Total	\$ 16,274,227	\$ 576,057

Payable to the Pension Plan: At February 28, 2025 and February 29, 2024, EPWater reported a payable, including accruals where applicable, of \$528,299 for the Water and Wastewater Utility and \$23,611 for the Municipal Drainage Utility and \$441,806 for the Water and Wastewater Utility and \$19,577 for the Municipal Drainage Utility, respectively, for the outstanding amount of contributions to the pension plan required for each fiscal year.

22. 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.

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22. 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 \$144 per month to \$2,900 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 47% of the total current year cost.

Employees Covered by Benefit Terms - At February 28, 2025 and February 29, 2024, the following employees were covered by the benefit terms:

	2025		2024	
	Water and Wastewater Utility	Municipal Drainage Utility	Water and Wastewater Utility	Municipal Drainage Utility
Inactive employees or beneficiaries currently receiving benefits	127	2	134	1
Active employees	1016	57	918	50
Total	1143	59	1052	51

Total OPEB Liability - EPWater's total OPEB liability of \$13,803,258 and \$13,883,605 reported at February 28, 2025 and February 29, 2024, respectively, is based on the actuarial valuation performed as of January 1, 2025 and January 1, 2023, respectively. Update procedures were used to roll forward the total OPEB liability to the measurement dates of February 28, 2025 and February 29, 2024.

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, 2018 through August 31, 2022 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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22. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The EPWater's total OPEB liability is based on the actuarial valuation as of January 1, 2025 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	4.15% as of February 28, 2025 3.92% as of February 29, 2024
Inflation	2.50%
Salary Increases	3.25% to 5.00%
Demographic Assumptions	The demographic assumptions are the same as those used in the City of El Paso Employees Retirement Trust actuarial valuation as of September 1, 2024.
Mortality	For healthy retirees, the gender-distinct Pub-2010 General Retirees mortality tables are used, with male and female rates multiplied by 112%. The rates are projected on a fully generational basis using the mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health Care Trend Rates	Pre-65 - Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 years. Post-65 - Initial rate of 5.90% declining to an ultimate rate of 4.25% after 9 years.
Participation Rates	35% for eligible employees retiring between the ages of 50 and 65. 40% for eligible employees retiring at the age of 65 or older. 0% for eligible employees retiring before the age of 50. 45% of retirees were assumed to elect 2-person coverage.

The discount rate at February 28, 2025 is based on the Bond Buyer "20-Bond GO Index". The discount rate at February 29, 2024 is based on the Fidelity 20-Year Municipal GO AA Index.

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

Changes in the Total OPEB Liability:

	2025	
	Water and Wastewater Utility	Municipal Drainage Utility
Balance at March 1, 2024	\$ 13,166,477	\$ 717,128
Changes for the year:		
Service cost	928,099	52,068
Interest	523,179	29,352
Differences between expected and actual experience	(2,082,237)	(116,818)
Changes of assumptions	1,082,294	60,719
Change in proportionate share	(20,398)	20,398
Benefit payments	(527,414)	(29,589)
Net changes	(96,477)	16,130
Balance at February 28, 2025	<u>\$ 13,070,000</u>	<u>\$ 733,258</u>

Changes of assumptions reflect a change in the discount rate from 3.92% as of February 29, 2024 to 4.15% as of February 28, 2025. Additionally, the demographic and salary increase assumptions were updated to reflect the 2024 City of El Paso pension valuation, and updates were made to the health care trend assumption. Of the total OPEB liability at February 28, 2025, \$543,409 and \$30,487 for the Water and Wastewater Utility and the Municipal Drainage Utility, respectively, reflect the expected benefits to be paid within one year and are reported within the current liabilities category. The remaining amounts of \$12,526,591 and \$702,771 for the Water and Wastewater Utility and the Municipal Drainage Utility, respectively, are reported within noncurrent liabilities.

	2024	
	Water and Wastewater Utility	Municipal Drainage Utility
Balance at March 1, 2023	\$ 12,201,866	\$ 715,926
Changes for the year:		
Service cost	704,984	38,398
Interest	501,982	27,341
Differences between expected and actual experience	(33,363)	(1,817)
Changes of assumptions	220,224	11,995
Change in proportionate share	48,686	(48,686)
Benefit payments	(477,902)	(26,029)
Net changes	964,611	1,202
Balance at February 29, 2024	<u>\$ 13,166,477</u>	<u>\$ 717,128</u>

Changes of assumptions reflect the change in the discount rate from 4.06% as of February 28, 2023 to 3.92% as of February 29, 2024. Of the total OPEB liability at February 29, 2024, \$568,654 and \$30,972 for the Water and Wastewater Utility and the Municipal Drainage Utility, respectively, reflect the expected benefits to be paid within one year and are reported within the current liabilities category. The remaining amounts of \$12,597,823 and \$686,156 for the Water and Wastewater Utility and the Municipal Drainage Utility, respectively, are reported within noncurrent liabilities.

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22. 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 4.15% as of February 28, 2025, and 3.92% as of February 29, 2024, 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 (3.15%)	Discount Rate (4.15%)	1% Increase (5.15%)
02/28/2025			
Water and Wastewater Utility			
Total OPEB Liability	\$ 14,544,266	\$ 13,070,000	\$ 11,811,849

	1% Decrease (3.15%)	Discount Rate (4.15%)	1% Increase (5.15%)
02/28/2025			
Municipal Drainage Utility			
Total OPEB Liability	\$ 815,958	\$ 733,258	\$ 662,673

	1% Decrease (2.92%)	Discount Rate (3.92%)	1% Increase (4.92%)
02/29/2024			
Water and Wastewater Utility			
Total OPEB Liability	\$ 14,928,832	\$ 13,166,477	\$ 11,714,028

	1% Decrease (2.92%)	Discount Rate (3.92%)	1% Increase (4.92%)
02/29/2024			
Municipal Drainage Utility			
Total OPEB Liability	\$ 813,117	\$ 717,128	\$ 638,019

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
02/28/2025			
Water and Wastewater Utility			
Total OPEB Liability	\$ 11,457,168	\$ 13,070,000	\$ 15,040,984

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

		Current Healthcare Cost Trend Rate Assumption	
02/28/2025	1% Decrease		1% Increase
Municipal Drainage Utility			
Total OPEB Liability	\$ 642,774	\$ 733,258	\$ 843,835

		Current Healthcare Cost Trend Rate Assumption	
02/29/2024	1% Decrease		1% Increase
Water and Wastewater Utility			
Total OPEB Liability	\$ 11,328,798	\$ 13,166,477	\$ 15,479,933

		Current Healthcare Cost Trend Rate Assumption	
02/29/2024	1% Decrease		1% Increase
Municipal Drainage Utility			
Total OPEB Liability	\$ 617,037	\$ 717,128	\$ 843,134

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB -
For fiscal years ended February 28, 2025 and February 29, 2024, EPWater recognized OPEB (recovery)/
expense of \$119,665 and \$(15,602), respectively, for the Water and Wastewater Utility, and \$(40,109) and
\$(51,975), respectively, for the Municipal Drainage Utility.

At February 28, 2025 and February 29, 2024, EPWater reported deferred outflows of resources and deferred
inflows of resources related to OPEB from the following sources:

	2025 - Water and Wastewater Utility		2025 - 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	\$ -	\$7,446,925	\$ -	\$440,183
Changes of assumptions	3,263,162	3,146,141	198,212	188,368
Change in proportionate share	190,112	42,346	42,346	190,112
Total	\$ 3,453,274	\$ 10,635,412	\$ 240,558	\$ 818,663

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

	2024 - Water and Wastewater Utility		2024 - 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	\$ -	\$6,853,731	\$ -	\$412,377
Changes of assumptions	2,954,733	3,803,637	185,556	227,887
Change in proportionate share	237,565	28,340	28,340	237,565
Total	\$ 3,192,298	\$ 10,685,708	\$ 213,896	\$ 877,829

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
2025	\$ (1,331,613)	\$ (121,529)
2026	(1,331,613)	(121,529)
2027	(1,335,261)	(121,817)
2028	(1,625,069)	(121,027)
2029	(769,686)	(47,473)
Thereafter	(788,896)	(44,730)
Total	\$ (7,182,138)	\$ (578,105)

23. 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 benefits are not available to employees until termination, retirement, or an 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 to participants for their selection.

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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24. WHOLESALE WATER SUPPLY AND WASTEWATER TREATMENT CONTRACTS

EPWater has entered into various wholesale water supply and wastewater treatment contracts to supply water and provide wastewater treatment to several Municipal Utility Districts and other entities who provide retail service to their customers. The contracts vary in length from 5 years to 40 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	\$2.16 per ccf	\$3.32 per ccf
Haciendas Del Norte WID	\$3.24 per ccf	N/A
Gaslight Square MHE	\$4.49 per ccf	\$3.58 per ccf
Paseo del Este MUD	\$4.62 per ccf	\$3.82 per ccf
(includes fixed base differential rate of \$0.26 for water and \$0.33 for wastewater)		
Fort Bliss	\$1.78 per ccf	\$2.79 per ccf
Village of Vinton	\$5.18 per ccf	\$4.34 per ccf
County East Montana Water and Wastewater Systems	\$4.29 per ccf	\$4.75 per ccf

Transactions with these entities are summarized below:

	<u>2025</u>	<u>2024</u>
Water Sales	<u>\$ 17,559,890</u>	<u>\$ 15,243,835</u>
Wastewater Services	<u>\$ 12,396,482</u>	<u>\$ 10,438,155</u>

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25. SURFACE WATER CONTRACTS

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

In calendar year 2024, EPWater was allocated approximately 27,737.29 acre feet (AF) of District water under two contracts titled the "1941 Contract" and the "1962 Contract". The 1941 Contract authorizes EPWater to purchase up to 2,000 acres of water rights land and to receive the water appurtenant to such land. The 1962 Contract authorizes EPWater to lease the water rights from residential land tracts inside the city limits and to receive the annual water allotment up to a maximum of 3.50 AF per acre. Under these two contracts, EPWater currently receives water based on its full land purchase authorization of 2,000 acres and 5,924.94 acres of leased water rights, whose terms are for 75 years. During calendar year 2024, the cost of the water purchased from the District for the water associated with the land owned was composed of two parts; a tax assessment fee of \$25 per acre, plus a water allotment assessment fee of \$10 per AF. These two charges plus a one-time administrative fee of \$100 and an annual account service charge of \$20 which also applies to the water acquired through leases. EPWater also receives water rights associated with land owned and leases on 4,772.51 acres obtained within the LVWD.

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 2,907.48 acres of water rights land. Under the terms of the ITPC (as amended March 2010), EPWater pays \$15 per AF in the initial year of the contract for water allotted to EPWater owned acreage in excess of 2,000 acres, up to a 2,250 acre maximum. This price is adjusted annually by the "Consumer Price Index-All Urban Consumers, All Items" for calendar years 2024 and 2023 the price per AF was \$26.44 and \$25.59. For all other water made available by the District under this contract, EPWater pays \$193.50 per AF for the calendar year commencing January 1, 2001, escalating to \$260 per AF for the calendar year commencing January 1, 2010. In March of 2010, the PSB and the District executed a First Amendment to the TPC 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 2024 and 2023 the price per AF was \$347.36 and \$336.09. This amendment also increased the quantity of water allotted pursuant to PSB owned acreage in excess of 3,000 acres to 3,250 acres.

Also, under the terms of the TPC, 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 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 2024, EPWater received an allotment of 4.0 AF of surface water or approximately 53,040 AF of water delivered to the two surface water treatment plants for treatment and 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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26. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Through the ordinary course of its operations, EPWater becomes subject to various claims and litigation. As of the date of these financial statements, EPWater was named in various legal actions. To the extent the outcome of such litigation is determined to result in probable loss to the EPWater, such loss is accrued in the financial statements. However, as of February 28, 2025 and February 29, 2024, no amounts have been accrued because legal counsel has not determined that the litigation will result in a probable loss to EPWater since the outcomes 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.

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 have currently been 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. A notice of enforcement was received on June 9, 2022, for alleged violations of regulations under the New Mexico Water Quality Act or the New Mexico Water Quality Control Commission Regulations and fined EPWater \$1.2 million. EPWater filed litigation against the New Mexico Environment Department (NMED) in federal court challenging the Orders. On July 12, 2024 NMED agreed to fully and finally withdraw both of these Compliance Orders which includes the release of all claims that EPWater violated New Mexico law and also includes dismissal of the \$1.2 million fine and any associated costs. The Environmental Protection Agency has not issued any financial penalties or fines as part of their investigation of this incident. As to the Texas Commission on Environmental Quality (TCEQ), an Agreed Order was approved in September 2023 which allowed El Paso Water to avoid paying the \$2,016,000 penalty in exchange for EPWater's performance of a Supplemental Environmental Project which included cleanup and remediation. The remediation of the Rio Grande River and other impacted areas was completed by December 2022, and in May 2023, EPWater submitted the final remediation report to TCEQ. On April 17, 2024 TCEQ accepted the final remediation report and provided a Note of Compliance with a Commission Order stating that no further action was necessary with respect to the enforcement matter.

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, would be immaterial.

EPWater has ongoing construction projects under non-cancelable contracts. At February 28, 2025 and February 29, 2024, the Water and Wastewater Utility had appropriations and estimated commitments for services yet to be performed that totaled \$986,047,203 and \$992,976,431, respectively. At February 28, 2025 and February 29, 2024, the Municipal Drainage Utility had appropriations and estimated commitments for services yet to be performed totaling \$83,603,299 and \$68,550,378, respectively.

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27. RELATED PARTY TRANSACTIONS WITH CITY OF EL PASO

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

EPWater 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 garbage collection services and other fees for the City. The following is a summary of those transactions:

	<u>2025</u>	<u>2024</u>
Revenues from City:		
Water and Wastewater Sales	\$ 9,901,528	\$ 9,516,761
Billing and Collecting Agent fees	2,133,480	1,274,057
Drainage fees	893,833	786,063
Interest earnings	255,767	264,359
Expenses to City:		
10% of Water Sales	20,950,444	20,090,922
5% on gain on sale of land	41,788	135,706
Interest paid on garbage collection fees	357,194	383,880
Franchise fee	6,550,000	6,550,000
Receivable:		
Accounts Receivable from City	24,876,578	25,674,912
Payable:		
Garbage collections fees payable to City	8,996,107	10,769,428
10% of water sales payable to City	1,228,524	1,293,596
Franchise fee payable to City	545,833	545,833
Property and health insurance payable to City	46,016	86,285
City projects and other expenses payable to City	1,935,628	4,126,102

28. FRANCHISE FEE DUE TO THE CITY OF EL PASO

Effective September 1, 2014, through February 28, 2025, the City Council of the City of El Paso 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 was increased to Six Million Five Hundred Fifty Thousand and No/100 Dollars (\$6,550,000). For fiscal year ending February 28, 2025, \$6,550,000 has been billed of which \$6,004,167 has been paid to the City of El Paso. For fiscal year ending February 29, 2024, \$6,550,000 was billed of which \$6,004,167 was paid to the City of El Paso.

29. RESTRICTED NET POSITION

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

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30. GASB 100 and 101 IMPLEMENTATION - RESTATEMENTS

GASB Statement No. 100, *Accounting Changes and Error Corrections*., and GASB Statement No. 101, *Compensated Absences*, were both effective for fiscal year ending February 28, 2025. These statements require that the effects of a change in accounting principle be applied retroactively by restating the financial statements for all years presented. Accordingly, the Water and Wastewater Utility and the Municipal Drainage Utility have been restated to reflect the implementation of GASB Statement 101 for the fiscal year ending February 29, 2024.

Restatements of net position related to the implementation of GASB 101 are as follows for each of the Utilities:

	Water and Wastewater Utility	Municipal Drainage Utility
February 29, 2024, as previously reported	\$ 1,461,035,193	\$ 170,336,962
Change in accounting principle (GASB 101)	(4,881,626)	(154,782)
February 29, 2024, as restated	<u>\$ 1,456,153,567</u>	<u>\$ 170,182,180</u>

In addition to the implementation of GASB 101, amounts were also reclassified within the various categories of net position to be consistent with the current year presentation. The net investment in capital assets net position category was updated to include accounts payable and retainage payable restricted for construction instead of having those items included in the restricted for construction net position category. For the Municipal Drainage Utility, the investment in capital assets net position category was updated to remove the loan payable due to the Water and Wastewater Utility related to a land purchase of the Municipal Drainage Utility and was reclassified to the unrestricted net position category. These reclassifications had no effect on the total net position reported for February 29, 2024.

Water and Wastewater Utility					
	Restricted for Debt Service	Restricted for Construction and Improvements	Net Investment in Capital Assets	Unrestricted	Total Net Position
February 29, 2024, as previously reported	\$ 109,334,067	\$ 27,940,997	\$ 1,241,603,728	\$ 82,156,401	\$ 1,461,035,193
Reclassifications	-	61,401,646	(61,401,646)	-	-
February 29, 2024, as adjusted or restated	<u>\$ 109,334,067</u>	<u>\$ 89,342,643</u>	<u>\$ 1,180,202,082</u>	<u>\$ 82,156,401</u>	<u>\$ 1,461,035,193</u>

Municipal Drainage Utility					
	Restricted for Debt Service	Restricted for Construction and Improvements	Net Investment in Capital Assets	Unrestricted	Total Net Position
February 29, 2024, as previously reported	\$ 11,727,284	\$ 192,093	\$ 145,590,887	\$ 12,826,698	\$ 170,336,962
Reclassifications	-	8,984,013	(939,213)	(8,044,800)	-
February 29, 2024, as adjusted or restated	<u>\$ 11,727,284</u>	<u>\$ 9,176,106</u>	<u>\$ 144,651,674</u>	<u>\$ 4,781,898</u>	<u>\$ 170,336,962</u>

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30. GASB 100 and 101 IMPLEMENTATION - RESTATEMENTS (Continued)

The tables below provide additional information of the effects of implementation of GASB 101.

	February 29, 2024 As Previously Reported	February 29, 2024 As Restated	Effects of Implementation of GASB 101
Water and Wastewater Utility			
Statement of Net Position			
Current liabilities:			
Accrued compensated absences	\$ 2,132,482	\$ 2,852,257	\$ 719,775
Noncurrent liabilities:			
Accrued compensated absences	2,471,570	6,633,421	4,161,851
Net Position			
Unrestricted	82,156,401	77,274,775	(4,881,626)
Statement of Revenues, Expenses and Changes in Net Position			
Operating Expenses			
Operations and maintenance - water & reclaimed water	72,342,104	72,476,885	134,781
Operations and maintenance - wastewater	37,711,244	37,780,910	69,666
General, administrative and engineering expenses	43,253,431	43,323,042	69,611
Change in net position	118,345,070	118,071,012	(274,058)
Net position - Beginning	1,342,690,123	1,338,082,555	(4,607,568)
	February 29, 2024 As Previously Reported	February 29, 2024 As Restated	Effects of Implementation of GASB 101
Municipal Drainage Utility			
Statement of Net Position			
Current liabilities:			
Accrued compensated absences	\$ 102,029	\$ 134,880	\$ 32,851
Noncurrent liabilities:			
Accrued compensated absences	114,525	236,456	121,931
Statement of Revenues, Expenses and Changes in Net Position			
Operating Expenses			
Operations and maintenance	7,043,588	7,086,381	42,793
Change in net position	15,803,737	15,760,944	(42,793)
Net position - Beginning	154,533,225	154,421,236	(111,989)

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

NOTES TO FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

31. 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:

- GASB Statement No. 102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024. GASBS No. 102 provides uses of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025. GASBS No. 103 improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for fiscal years beginning after June 15, 2025. GASBS No. 104 provides users of governmental financial statements with essential information about certain types of capital assets.

32. SUBSEQUENT EVENTS

On April 1, 2025, EPWater closed on \$296,805,000 of Water and Sewer System Revenue Refunding Bonds, Series 2025 with an average interest rate of 4.92% to refund \$11,060,000 of Water and Sewer System Revenue and Improvement Bonds, Series 2015A, and \$28,275,000 of Water and Sewer System Revenue and Refunding Bonds, Series 2015C with a combined average interest rate of 4.54%, and to refund \$280 million of Water and Wastewater Extendable Commercial Paper Notes outstanding with an average interest rate of 3.05%.

On April 15, 2025, EPWater closed on \$31,790,000 in Municipal Drainage Utility System Revenue Bonds, Series 2025 with an average interest rate of 4.85% to refund \$13,490,000 of Municipal Drainage Utility System Revenue Bonds, Series 2015 with an average interest rate of 5.00%, and to refund \$20 million of Municipal Drainage Extendable Commercial Paper Notes outstanding with an average interest rate of 4.00%.

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, 2023 through August 31, 2024	September 1, 2022 through August 31, 2023	September 1, 2021 through August 31, 2022	September 1, 2020 through August 31, 2021
WATER AND WASTEWATER UTILITY				
Water and Wastewater Utility Proportion of the net pension liability	19.06%	19.05%	19.01%	18.98%
Water and Wastewater Utility Proportionate Share of the net pension liability	\$ 48,289,452	\$ 53,560,388	\$ 39,970,941	\$ 13,167,917
Water and Wastewater Utility covered payroll	\$ 58,591,102	\$ 47,929,685	\$ 38,489,432	\$ 36,337,906
Water and Wastewater Utility proportionate share of the net pension liability as a percentage of its covered payroll	82.42%	111.75%	103.85%	36.24%
Plan fiduciary net position as a percentage of the total pension liability	79.64%	76.48%	81.20%	93.74%

	September 1, 2023 through August 31, 2024	September 1, 2022 through August 31, 2023	September 1, 2021 through August 31, 2022	September 1, 2020 through August 31, 2021
MUNICIPAL DRAINAGE UTILITY				
Municipal Drainage Utility Proportion of the net pension liability	0.84%	0.85%	0.89%	0.92%
Municipal Drainage Utility Proportionate Share of the net pension liability	\$ 2,127,958	\$ 2,385,548	\$ 1,863,216	\$ 641,590
Municipal Drainage Utility covered payroll	\$ 2,610,327	\$ 2,165,495	\$ 1,822,551	\$ 1,849,290
Municipal Drainage Utility proportionate share of the net pension liability as a percentage of its covered payroll	81.52%	110.16%	102.23%	34.69%
Plan fiduciary net position as a percentage of the total pension liability	79.64%	76.48%	81.20%	93.74%

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.

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, 2019 through August 31, 2020	September 1, 2018 through August 31, 2019	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
18.90%	18.89%	18.80%	18.80%	18.42%	18.70%
\$ 40,516,207	\$ 47,544,990	\$ 38,351,408	\$ 37,581,946	\$ 41,023,517	\$ 36,549,779
\$ 36,665,103	\$ 36,061,909	\$ 35,663,788	\$ 31,819,525	\$ 30,668,420	\$ 30,351,808
110.50%	131.84%	107.54%	118.11%	133.76%	120.42%
80.22%	76.13%	80.09%	79.52%	76.46%	78.22%

September 1, 2019 through August 31, 2020	September 1, 2018 through August 31, 2019	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
1.00%	1.01%	1.10%	1.10%	1.30%	1.20%
\$ 2,138,235	\$ 2,529,593	\$ 2,237,204	\$ 2,189,770	\$ 2,897,485	\$ 2,385,949
\$ 1,989,369	\$ 2,003,066	\$ 1,991,054	\$ 2,111,541	\$ 2,139,251	\$ 1,984,729
107.48%	126.29%	112.36%	103.70%	135.44%	120.22%
80.22%	76.13%	80.09%	79.52%	76.46%	78.22%

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 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Statutorily required Water and Wastewater Utility contribution	\$ 8,834,305	\$ 7,614,139	\$ 5,969,988	\$ 5,115,316
Contributions in relation to the statutorily required contribution	\$ 8,834,305	\$ 7,614,139	\$ 5,969,988	\$ 5,115,316
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Water and Wastewater Utility covered payroll	\$ 62,501,646	\$ 53,574,859	\$ 42,094,994	\$ 36,295,269
Contributions as a percentage of covered payroll	14.13%	14.21%	14.18%	14.09%

MUNICIPAL DRAINAGE UTILITY	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Statutorily required Municipal Drainage Utility contribution	\$ 389,434	\$ 338,838	\$ 278,167	\$ 249,017
Contributions in relation to the statutorily required contribution	\$ 389,434	\$ 338,838	\$ 278,167	\$ 249,017
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Municipal Drainage Utility covered payroll	\$ 2,754,239	\$ 2,388,143	\$ 1,963,092	\$ 1,768,833
Contributions as a percentage of covered payroll	14.14%	14.19%	14.17%	14.08%

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.

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 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
\$ 5,150,746	\$ 5,168,935	\$ 4,993,530	\$ 4,656,649	\$ 4,349,696	\$ 4,298,584
\$ 5,150,746	\$ 5,168,935	\$ 4,993,530	\$ 4,656,649	\$ 4,349,696	\$ 4,298,584
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 36,578,293	\$ 37,972,121	\$ 35,239,408	\$ 33,036,310	\$ 30,853,310	\$ 30,595,084
14.08%	13.61%	14.17%	14.10%	14.10%	14.05%

Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
\$ 271,386	\$ 273,425	\$ 293,007	\$ 267,945	\$ 320,122	\$ 292,582
\$ 271,386	\$ 273,425	\$ 293,007	\$ 267,945	\$ 320,122	\$ 292,582
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,930,412	\$ 2,020,269	\$ 2,055,806	\$ 1,924,892	\$ 2,179,051	\$ 2,082,429
14.06%	13.53%	14.25%	13.92%	14.69%	14.05%

**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

Changes to the salary scale, marriage assumptions, mortality rates, termination rates, disability rates, and retirement rates were made based on the experience study for the period September 1, 2018 to August 31, 2022. The new assumptions are reflected in the September 1, 2023 interim valuation.

Methods and Assumptions Used to Determine Contribution Rates:

	2024	2023	2022	2021
Actuarial Cost Method	Entry-age normal	Entry-age normal	Entry-age normal	Entry-age normal
Amortization Method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Remaining Amortization Period*	25 years	25 years	25 years	25 years
Asset Valuation Method	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value	Plan invested assets are reported at fair value
Inflation	2.50%	2.50%	2.50%	2.50%
Salary Increases	2.50%, including inflation	2.50%, including inflation	2.50%, including inflation	2.50%, including inflation
Investment Rate of Return	7.25%	7.25%	7.25%	7.25%
Retirement Age	Experience-based table of rates that are specific to the CERT plan of benefits. Last updated for the 2023 interim valuation.	Experience-based table of rates that are specific to the CERT plan of benefits. Last updated for the 2022 valuation.	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 2020 valuation.
Mortality	Active and deferred vested participants and disabled retirees: Based on respective Pub-2010 weighted table with Scale MP-2021 on a fully generational basis. Healthy retirees and survivors: Based on 112% of the respective Pub-2010 weighted table projected with Scale MP-2021 on a fully generational basis.	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 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 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.

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)

2020	2019	2018	2017	2016	2015
Entry-age normal	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	Level Percentage of Payroll, Open
17 years	17 years	14 years	14 years	17 years	17 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	Plan invested assets are reported at fair value
3.00%	3.00%	3.00%	3.00%	3.00%	3.50%
3.00%, including inflation	3.00%, including inflation	3.00%, including inflation	3.00%, including inflation	3.00%, including inflation	4.00% to 5.7%, including inflation
7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
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.	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.
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.	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.

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, 2025	February 29, 2024	February 28, 2023	February 28, 2022
Total OPEB Liability				
Service cost	\$ 928,099	\$ 704,984	\$ 1,008,192	\$ 1,101,938
Interest	523,179	501,982	406,285	427,047
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(2,082,237)	(33,363)	(3,005,779)	(1,128,149)
Changes of assumptions	1,082,294	220,224	(2,581,663)	293,481
Change in proportionate share	(20,398)	48,686	(36,764)	77,624
Benefit payments	(527,414)	(477,902)	(527,753)	(571,720)
Net change in total OPEB liability	(96,477)	964,611	(4,737,482)	200,221
Total OPEB liability - beginning	13,166,477	12,201,866	16,939,348	16,739,127
Total OPEB liability - ending	<u>\$ 13,070,000</u>	<u>\$ 13,166,477</u>	<u>\$ 12,201,866</u>	<u>\$ 16,939,348</u>
Covered employee payroll	\$ 64,102,148	\$ 55,042,927	\$ 42,935,150	\$ 37,998,079
Total OPEB liability as a percentage of covered employee payroll	20.39%	23.92%	28.42%	44.58%

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:

2025	4.15%
2024	3.92%
2023	4.06%
2022	2.37%
2021	2.50%
2020	1.81%
2019	3.70%

In fiscal year 2025, the demographic assumptions were updated to reflect the 2024 City of El Paso pension valuation. Additionally, the health care trend rates were updated to reflect the plan's anticipated experience.

In fiscal year 2023, the health care trend rates were reset to better reflect the plan's anticipated experience.

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 seven 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**

WATER AND WASTEWATER UTILITY FUND

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

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

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, 2025	February 29, 2024	February 28, 2023	February 28, 2022
Total OPEB Liability				
Service cost	\$ 52,068	\$ 38,398	\$ 59,154	\$ 62,123
Interest	29,352	27,341	23,838	24,075
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(116,818)	(1,817)	(176,360)	(63,600)
Changes of assumptions	60,719	11,995	(151,475)	16,545
Change in proportionate share	20,398	(48,686)	36,764	(77,624)
Benefit payments	(29,589)	(26,029)	(30,965)	(32,231)
Net change in total OPEB liability	16,130	1,202	(239,044)	(70,712)
Total OPEB liability - beginning	717,128	715,926	954,970	1,025,682
Total OPEB liability - ending	<u>\$ 733,258</u>	<u>\$ 717,128</u>	<u>\$ 715,926</u>	<u>\$ 954,970</u>
Covered employee payroll	\$ 2,847,447	\$ 2,480,131	\$ 2,043,218	\$ 1,864,554
Total OPEB liability as a percentage of covered employee payroll	25.75%	28.91%	35.04%	51.22%

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:

2025	4.15%
2024	3.92%
2023	4.06%
2022	2.37%
2021	2.50%
2020	1.81%
2019	3.70%

In fiscal year 2025, the demographic assumptions were updated to reflect the 2024 City of El Paso pension valuation. Additionally, the health care trend rates were updated to reflect the plan's anticipated experience.

In fiscal year 2022, the health care trend rates were reset to better reflect the plan's anticipated experience.

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

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, 2025 and February 29, 2024

	2025	RESTATED 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 68,187,596	\$ 62,215,564
Investments	15,046,311	9,997,884
Accounts receivable - customers	44,123,787	46,649,478
Leases receivable	1,854,344	2,237,838
Accounts receivable - other	4,819,162	6,088,809
Property investment costs	373,137	373,137
Due from Municipal Drainage Utility	92,020	-
Due from Municipal Drainage Utility land transfer	2,000,000	2,000,000
Accrued interest receivable	3,552,507	4,224,242
Inventory - materials and supplies	10,284,788	10,256,767
Other current assets	666,417	562,704
Prepaid expenses	2,664,901	3,116,057
Accounts receivable - City of El Paso land transfer	831,643	822,979
Restricted current assets:		
Restricted for bond requirements:		
Cash and cash equivalents	93,028,770	94,317,459
Investments	52,630,090	44,769,721
Restricted for construction and improvements:		
Cash and cash equivalents	271,334,683	267,220,052
Investments	132,131,306	218,310,458
Accounts receivable - government grants	9,649,025	6,020,525
Notes receivable	75,011	109,841
Total current assets	<u>713,345,498</u>	<u>779,293,515</u>
Noncurrent assets:		
Leases receivable	61,018,501	51,274,356
Accounts receivable - City of El Paso land transfer	23,889,943	24,721,583
Property investment costs	1,119,607	1,492,546
Due from Municipal Drainage Utility land transfer	5,044,800	6,044,800
Capital assets net of accumulated depreciation/amortization:		
Water and Wastewater Utility capital assets	1,614,149,787	1,488,948,044
Right to use lease assets	5,599,390	4,857,448
Right to use SBITA assets	1,551,811	1,906,152
Land and right of way	320,398,202	313,867,115
Construction work in progress	851,458,306	628,452,171
Total capital assets	<u>2,793,157,496</u>	<u>2,438,030,930</u>
Total noncurrent assets	<u>2,884,230,347</u>	<u>2,521,564,215</u>
Total assets	<u>3,597,575,845</u>	<u>3,300,857,730</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on bond refunding	1,177,690	1,563,797
Deferred outflows - pension	21,395,778	24,583,239
Deferred outflows - OPEB	3,453,274	3,192,298
Total deferred outflows of resources	<u>26,026,742</u>	<u>29,339,334</u>
Total assets and deferred outflows of resources	<u>\$ 3,623,602,587</u>	<u>\$ 3,330,197,064</u>

	2025	RESTATED 2024
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 8,175,058	\$ 9,128,128
Environmental Services collections and other payments due to City of El Paso	10,770,464	12,608,858
Customer deposits	13,320,139	12,890,913
Accrued compensated absences	3,212,546	2,852,257
Accrued payroll and benefits	3,059,239	2,546,926
Due to Municipal Drainage Utility	-	39,501
Unearned rent revenue	2,134,908	1,681,427
Lease liabilities	229,778	111,772
SBITA liabilities	654,432	907,665
Other current liabilities	1,579,262	1,770,091
Self-insurance workers' compensation and health claims	416,484	365,396
Other government payable	211,316	202,034
Customer advances for construction	500,377	574,598
OPEB Liability	543,409	568,654
Current liabilities payable from restricted assets:		
Revenue bonds payable and unamortized premiums net of discounts	61,800,569	61,165,850
Accrued interest on long term debt	27,963,078	29,753,113
Unearned non-federal grant revenue - TWDB	21,343,923	20,419,933
Accounts payable	68,974,288	49,615,872
Retainage payable on construction contracts	16,370,369	11,784,384
Total current liabilities	241,259,639	218,987,372
Noncurrent liabilities:		
Accrued compensated absences	6,268,898	6,633,421
Lease liabilities	5,770,639	5,036,445
SBITA liabilities	88,740	542,012
Self-insurance workers' compensation claims	626,549	442,958
Other government payable	756,163	967,479
Revenue bonds payable and unamortized premiums net of discounts	1,380,510,670	1,442,311,239
Extendable commercial paper notes	280,000,000	-
Commercial paper notes	-	60,000,000
OPEB Liability	12,526,591	12,597,823
Net Pension Liability	48,289,452	53,560,388
Noncurrent liabilities payable from restricted assets:		
Arbitrage liability	10,595,935	4,681,854
Total noncurrent liabilities	1,745,433,637	1,586,773,619
Total liabilities	1,986,693,276	1,805,760,991
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - gain on bond refunding	3,218,936	3,964,339
Deferred inflows - leases	62,689,484	53,315,205
Deferred inflows - pension	221,902	317,254
Deferred inflows - OPEB	10,635,412	10,685,708
Total deferred inflows of resources	76,765,734	68,282,506
NET POSITION		
Restricted:		
Restricted for debt service	117,695,782	109,334,067
Restricted for construction and improvements	93,795,098	89,342,643
Total restricted	211,490,880	198,676,710
Net investment in capital assets	1,263,204,355	1,180,202,082
Unrestricted	85,448,342	77,274,775
Total net position	1,560,143,577	1,456,153,567
Total liabilities, deferred inflows of resources, and net position	\$ 3,623,602,587	\$ 3,330,197,064

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, 2025 and February 29, 2024

	2025	RESTATED 2024
Operating revenues:		
Water	\$ 178,025,535	\$ 170,216,061
Water supply replacement charge	40,877,194	38,880,293
Reclaimed water	6,426,578	5,631,875
Wastewater	158,998,404	152,914,105
Customer connection fees	5,929,408	6,507,724
City of El Paso Franchise fee	6,550,000	6,550,000
Other operating revenue	7,930,627	5,576,766
Total operating revenues	<u>404,737,746</u>	<u>386,276,824</u>
Operating expenses:		
Operations and maintenance - water and reclaimed water	81,728,679	72,476,885
Operations and maintenance - wastewater	42,314,130	37,780,910
General, administrative and engineering expenses	51,129,372	43,323,042
Other operating expenses	6,462,950	4,694,714
Other Post-Employment Benefits	119,665	-
Pension expense	6,655,479	8,840,741
Depreciation and amortization	86,453,106	78,117,941
Payment to City of El Paso Franchise fee	6,550,000	6,550,000
Payment to City of El Paso per bond covenants	20,992,232	20,226,629
Total operating expenses	<u>302,405,613</u>	<u>272,010,862</u>
Operating income	<u>102,332,133</u>	<u>114,265,962</u>
Nonoperating revenues (expenses):		
Interest earnings and net change in fair value of investments	24,711,902	30,034,874
Gain on sale of land	835,758	2,714,126
Gain on sale of miscellaneous assets	278,771	465,835
Federal grant revenue - non capital	287,100	1,016,932
Other nonoperating lease revenues	2,891,300	2,742,909
Other nonoperating expenses	(914,591)	(1,663,410)
Interest on long term debt	(51,372,528)	(47,182,950)
Total nonoperating expenses	<u>(23,282,288)</u>	<u>(11,871,684)</u>
Increase in net position, before contributions	<u>79,049,845</u>	<u>102,394,278</u>
Federal grant revenue - capital	10,653,124	2,686,245
Non-Federal grant revenue - capital	552,940	3,138,165
Capital contributions	13,734,101	9,852,324
Total contributions	<u>24,940,165</u>	<u>15,676,734</u>
Change in net position	<u>103,990,010</u>	<u>118,071,012</u>
Net position, 2/28/23, as previously reported	<u>1,456,153,567</u>	<u>1,342,690,123</u>
Restatements - change in accounting principle	-	(4,607,568)
Net position, 2/28/23, as restated	<u>1,456,153,567</u>	<u>1,338,082,555</u>
Total net position, 2/29/2024	<u>\$ 1,560,143,577</u>	<u>\$ 1,456,153,567</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, 2025 and February 29, 2024

	2025	RESTATED 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 403,558,534	\$ 375,025,302
Cash received from Municipal Drainage Utility	1,944,630	2,185,111
Environmental Services fees collected for the City of El Paso	88,582,899	85,522,149
Franchise fees collected	6,550,000	6,550,000
Cash payments to suppliers for goods and services	(120,436,323)	(102,006,552)
Cash payments to employees for services	(72,482,240)	(63,478,771)
Environmental Services fees paid to the City of El Paso	(90,363,119)	(86,842,174)
Payments to City of El Paso per bond covenants	(21,057,304)	(19,933,264)
Payments to City of El Paso Franchise fees	(6,550,000)	(6,550,000)
Cash payments to Municipal Drainage Utility	(199,721)	(171,482)
Net cash provided by operating activities	<u>189,547,356</u>	<u>190,300,319</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from:		
Revenue bonds	-	180,605,000
Premiums and gains on revenue bonds	-	19,510,624
Extendable Commercial paper	280,000,000	-
Commercial paper	10,000,000	90,000,000
Principal payments on leases receivable	2,938,673	2,278,756
Interest payments on leases receivable	679,503	802,261
Cash receipts from grants	7,844,946	2,569,643
Acquisition and construction from capital grants	(11,206,064)	(5,629,672)
Acquisition and construction of capital assets net of disposals	(390,659,868)	(371,390,649)
Principal payments on lease liabilities	(178,177)	(212,122)
Interest payments on lease liabilities	(386,161)	(381,618)
Principal payments on SBITA liabilities	(1,594,225)	(1,502,886)
Interest payments on SBITA liabilities	(10,938)	(14,539)
Refunding commercial paper	(70,000,000)	(40,000,000)
Principal payments on revenue bonds	(54,305,000)	(48,625,000)
Interest and fees on revenue bonds and commercial paper	(54,937,749)	(44,319,070)
Interest payments on notes and other long term debt	(48,495)	(57,368)
Proceeds from sale of assets net of related expenses	2,897,942	7,293,938
Proceeds from unearned non-federal grant	923,990	20,419,933
Net cash used by capital and related financing activities	<u>(278,041,623)</u>	<u>(188,652,769)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale and maturities of investment securities	322,085,156	830,084,040
Purchase of investment securities	(248,806,972)	(642,599,420)
Interest received on investment securities	24,014,057	27,878,214
Net cash provided by investing activities	<u>97,292,241</u>	<u>215,362,834</u>
 Net increase in cash and cash equivalents	8,797,974	217,010,384
Cash and cash equivalents:		
Beginning of year	423,753,075	206,742,691
End of year	<u>\$ 432,551,049</u>	<u>\$ 423,753,075</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, 2025 and February 29, 2024

	2025	RESTATED 2024
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 102,332,133	\$ 114,265,962
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	86,453,106	78,117,941
(Increase) decrease in assets and deferred outflows:		
Accounts receivable	4,526,232	(5,362,223)
Inventory	(28,021)	(1,287,868)
Prepaid expenses	451,156	(779,560)
Other current assets	(103,713)	(124,266)
Due from Municipal Drainage Utility	(92,020)	-
Deferred outflows - pension	3,187,461	(12,267,493)
Deferred outflows - OPEB	(260,976)	436,744
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable	(953,070)	3,555,633
Other current liabilities	(1,155,128)	(87,705)
Due to Municipal Drainage Utility	(39,501)	(232,067)
Accrued compensated absences	(4,234)	914,462
Accrued payroll and benefits	512,313	791,410
Total OPEB Liability	(96,477)	964,611
Net Pension Liability	(5,270,936)	13,589,447
Deferred inflows - pension	(95,352)	(95,352)
Deferred inflows - OPEB	(50,296)	(1,894,859)
Self-insurance claims	234,679	(204,498)
Net cash provided by operating activities	<u>\$ 189,547,356</u>	<u>\$ 190,300,319</u>
Noncash investing, capital, and financing activities:		
Capital contributions from developers	\$ 13,734,101	\$ 9,852,324
Assets acquired through leases	1,030,377	-
Assets acquired through SBITA's	861,620	160,859
Change in fair value of investments	(7,829)	(241,623)
	<u>\$ 15,618,269</u>	<u>\$ 9,771,560</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, 2025 and February 29, 2024

	2025	2024
Water and reclaimed water revenue		
Metered sales to general customers	\$ 143,218,530	\$ 138,150,899
Metered sales to City of El Paso	8,704,916	8,359,023
Metered sales to Lower Valley Water District	6,880,576	6,279,759
Metered sales to Haciendas Del Norte	290,346	264,170
Metered sales to Gaslight Square	71,749	72,762
Metered sales to Paseo Del Este	6,834,356	5,182,518
Metered sales to Fort Bliss	1,160,733	1,376,181
Metered sales to County East Montana Water and Wastewater Systems	2,033,671	1,855,531
Metered sales to Vinton	288,459	212,914
Reclaimed water sales	6,426,578	5,631,875
Private fire protection	1,839,427	1,718,926
El Paso Electric Company - Newman Plant special rate	377,002	447,975
Outside city charges	6,325,770	6,295,403
Total water and reclaimed water revenue	184,452,113	175,847,936
Water supply replacement charge	40,877,194	38,880,293
Total water revenue	225,329,307	214,728,229
Wastewater revenue		
General customers	142,116,813	138,144,890
City of El Paso	1,196,612	1,157,738
Outside City Sales	3,007,690	2,691,288
Lower Valley Water District	4,937,159	4,649,474
Gaslight Square	42,930	41,650
Paseo Del Este	3,575,832	2,693,370
Fort Bliss	3,683,218	2,949,662
Vinton	48,228	8,868
East Montana	109,115	95,131
Industrial sewer surcharge	280,807	482,034
Total wastewater revenue	158,998,404	152,914,105
Other operating revenue		
Customer connection fees	5,929,408	6,507,724
City of El Paso Franchise fee	6,550,000	6,550,000
Billing fees - City Environmental Services	1,493,436	891,840
OPEB Recovery Credit	-	15,602
Other operating revenue	6,437,191	4,669,324
Total other operating revenue	20,410,035	18,634,490
Total operating revenue	\$ 404,737,746	\$ 386,276,824

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, 2025 and February 29, 2024

	2025	RESTATED 2024
Water and Reclaimed Water Divisions		
Supply	\$ 14,546,617	\$ 14,495,377
Treatment	41,856,248	36,238,443
Distribution	24,804,290	21,018,296
Reclaimed Water System	521,524	724,769
Total water and reclaimed water divisions	<u>81,728,679</u>	<u>72,476,885</u>
Wastewater Division		
Treatment	28,132,606	28,335,682
Lift stations	3,557,027	3,400,979
Collection lines	10,624,497	6,044,249
Total wastewater division	<u>42,314,130</u>	<u>37,780,910</u>
General and administrative	<u>51,129,372</u>	<u>43,323,042</u>
Other operating expenses		
Depreciation and amortization	86,453,106	78,117,941
Other operating expenses	6,462,950	4,694,714
Other Post-Employment Benefits	119,665	-
Pension expense	6,655,479	8,840,741
Payment to City of El Paso Franchise fee	6,550,000	6,550,000
Payment to City of El Paso per bond covenants	20,992,232	20,226,629
Total other operating expenses	<u>127,233,432</u>	<u>118,430,025</u>
Total operating expenses	<u><u>\$ 302,405,613</u></u>	<u><u>\$ 272,010,862</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, 2025 and February 29, 2024

	2025	RESTATED 2024
Operating revenue - water and reclaimed water	\$ 184,452,113	\$ 175,847,936
Operating revenue deductions		
Operating expenses	81,728,679	72,476,885
General and administrative	33,745,386	28,593,208
Total operating expense deductions	115,474,065	101,070,093
Net operating revenue - water and reclaimed water	\$ 68,978,048	\$ 74,777,843

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, 2025 and February 29, 2024

	<u>2025</u>	<u>RESTATED 2024</u>
Operating revenue - wastewater	\$ 158,998,404	\$ 152,914,105
Operating revenue deductions		
Operating expenses	42,314,130	37,780,910
General and administrative	<u>17,383,986</u>	<u>14,729,834</u>
Total operating expense deductions	<u>59,698,116</u>	<u>52,510,744</u>
Net operating revenue - wastewater	<u>\$ 99,300,288</u>	<u>\$ 100,403,361</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, 2025 and February 29, 2024

ACCOUNTS RECEIVABLE - GOVERNMENT GRANTS

<u>Government Grant Projects</u>	<u>2025</u>	<u>2024</u>
<u>Federal Grants</u>		
Northwest Development Water and Sewer - EDA #08-01-05242	\$ -	\$ 212,855
Aquifer Storage and Recovery Design - USBR #R21AP10323	74,347	72,550
Aquifer Storage and Recovery Construction - USBR #R22AP00675	855,520	426,164
Advanced Water Purification Facility - USBR #R23AP00273	2,353,452	1,066,137
Upper Valley Water Treatment Plant Reuse Study - USBR #R24AP00669	213,781	-
Installation of Smart Meters in El Paso, TX - USBR #R23AP00496	2,357,640	-
Fort Bliss Infrastructure Resilience Implementation - DOD #HQ00052410013	451,548	-
ARPA County of El Paso Water and Wastewater - DOT #SLFRP1174	3,341,491	261,527
ARPA Village of Vinton Water and Wastewater - DOT #SLFRP4644	-	98,595
<u>Non-Federal Grants</u>		
Montana Vista Collector Phase I - TWDB Project #10438 G1000915	-	753,015
Aquifer Storage and Recovery - DEAAG #2020-02-09	-	3,129,682
McGregor Range Booster Station - DEAAG #2024-01-10	1,246	-
 TOTALS	 <u><u>\$ 9,649,025</u></u>	 <u><u>\$ 6,020,525</u></u>

OTHER ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Charges to contractors and job damages	\$ 1,496,261	\$ 2,482,985
Local and State Governments	708,996	1,186,481
Rent revenue receivables	1,555,035	2,048,506
Lease interest receivables	966,416	270,352
SERVLIN leak protection program receivables	92,454	100,485
 TOTALS	 <u><u>\$ 4,819,162</u></u>	 <u><u>\$ 6,088,809</u></u>

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

WATER AND WASTEWATER UTILITY FUND

CHANGES IN REVENUE BONDS PAYABLE

For the Year Ended February 28, 2025

<u>Bond Series</u>	Bonds payable February 29, 2024	Additions	Retirements	Bonds payable February 28, 2025
*2003A Revenue Series	\$ 50,000	\$ -	\$ 50,000	\$ -
2014 Refunding Series	7,815,000	-	3,805,000	4,010,000
2015 Refunding Series	25,780,000	-	9,215,000	16,565,000
2015A Revenue & Improvement Series	12,775,000	-	835,000	11,940,000
*2015B Revenue Series	31,790,000	-	2,370,000	29,420,000
2015C Refunding Series	33,250,000	-	2,430,000	30,820,000
2016 Refunding & Improvement	49,345,000	-	4,055,000	45,290,000
*2016A Revenue Series	83,000,000	-	6,000,000	77,000,000
2017 Refunding & Improvement	70,160,000	-	2,920,000	67,240,000
*2017A Revenue Series	44,000,000	-	2,500,000	41,500,000
2018 Refunding Series	26,670,000	-	-	26,670,000
*2019 Revenue Series	1,175,000	-	60,000	1,115,000
2019A Refunding Series	33,400,000	-	-	33,400,000
2019B Refunding Series	17,365,000	-	2,660,000	14,705,000
2020 Refunding Series	33,880,000	-	-	33,880,000
2020A Refunding Series	50,285,000	-	11,395,000	38,890,000
2021 Refunding Series	35,490,000	-	-	35,490,000
2021A Refunding Series	73,800,000	-	1,275,000	72,525,000
2022 Refunding & Improvement	305,400,000	-	500,000	304,900,000
2022A Refunding & Improvement	267,585,000	-	1,450,000	266,135,000
2023 Refunding & Improvement	171,925,000	-	2,785,000	169,140,000
*2023A Revenue Series	8,680,000	-	-	8,680,000
TOTALS	\$ 1,383,620,000	\$ -	\$ 54,305,000	\$ 1,329,315,000

*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, 2025

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
2025	\$ 25,402,198	\$ 24,480,311	\$ 49,882,509	\$ 44,075,000	\$ 1,541,302	\$ 1,470,552	\$ 3,011,854	\$ 11,290,000	\$ 108,259,363
2026	24,480,311	23,786,524	48,266,835	45,805,000	1,470,552	1,393,144	2,863,696	11,545,000	108,480,531
2027	23,786,525	22,983,492	46,770,017	47,295,000	1,393,143	1,307,242	2,700,385	11,600,000	108,365,402
2028	22,983,492	22,098,983	45,082,475	49,010,000	1,307,241	1,214,022	2,521,263	11,660,000	108,273,738
2029	22,098,984	21,075,164	43,174,148	50,910,000	1,214,022	1,107,829	2,321,851	11,720,000	108,125,999
2030	21,075,164	19,959,085	41,034,249	52,395,000	1,107,829	986,761	2,094,590	12,495,000	108,018,839
2031	19,959,086	18,749,576	38,708,662	54,790,000	986,760	858,524	1,845,284	12,570,000	107,913,946
2032	18,749,576	17,670,922	36,420,498	48,200,000	858,523	719,181	1,577,704	13,350,000	99,548,202
2033	17,670,923	16,581,399	34,252,322	50,300,000	719,181	575,232	1,294,413	13,425,000	99,271,735
2034	16,581,396	15,522,110	32,103,506	47,810,000	575,232	419,615	994,847	14,005,000	94,913,353
2035	15,522,112	14,430,878	29,952,990	47,790,000	419,614	261,818	681,432	14,100,000	92,524,422
2036	14,430,878	13,412,953	27,843,831	44,110,000	261,818	133,299	395,117	11,525,000	83,873,948
2037	13,412,954	12,358,403	25,771,357	46,145,000	133,299	77,703	211,002	4,540,000	76,667,359
2038	12,358,403	11,326,828	23,685,231	44,890,000	77,702	67,160	144,862	560,000	69,280,093
2039	11,326,829	10,459,128	21,785,957	41,230,000	67,160	55,863	123,023	580,000	63,718,980
2040	10,459,128	9,656,153	20,115,281	38,935,000	55,862	45,788	101,650	505,000	59,656,931
2041	9,656,150	8,822,681	18,478,831	38,055,000	45,788	35,108	80,896	530,000	57,144,727
2042	8,822,681	8,028,606	16,851,287	36,580,000	35,108	23,943	59,051	550,000	54,040,338
2043	8,028,607	7,208,106	15,236,713	37,830,000	23,943	12,287	36,230	570,000	53,672,943
2044	7,208,106	6,344,481	13,552,587	39,755,000	12,287	-	12,287	595,000	53,914,874
2045	6,344,482	5,381,275	11,725,757	41,485,000	-	-	-	-	53,210,757
2046	5,381,275	4,372,494	9,753,769	43,420,000	-	-	-	-	53,173,769
2047	4,372,495	3,315,106	7,687,601	45,480,000	-	-	-	-	53,167,601
2048	3,315,106	2,207,856	5,522,962	47,595,000	-	-	-	-	53,117,962
2049	2,207,856	1,451,750	3,659,606	29,640,000	-	-	-	-	33,299,606
2050	1,451,750	991,500	2,443,250	18,410,000	-	-	-	-	20,853,250
2051	991,500	508,000	1,499,500	19,340,000	-	-	-	-	20,839,500
2052	508,000	-	508,000	20,320,000	-	-	-	-	20,828,000
	<u>\$ 348,585,967</u>	<u>\$ 323,183,764</u>	<u>\$ 671,769,731</u>	<u>\$ 1,171,600,000</u>	<u>\$ 12,306,366</u>	<u>\$ 10,765,071</u>	<u>\$ 23,071,437</u>	<u>\$ 157,715,000</u>	<u>\$ 2,024,156,168</u>

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

WATER AND WASTEWATER UTILITY FUND

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

February 28, 2025

Calendar Year	Interest Rate	Interest				
		-----			Principal Due March 1	Total Requirements
		Payment Due		Total		
		March 1	September 1			
2025	5.00%	\$ 100,250	\$ -	\$ 100,250	\$ 4,010,000	\$ 4,110,250
		\$ 100,250	\$ -	\$ 100,250	\$ 4,010,000	\$ 4,110,250

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, 2025

Interest						

Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
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>\$ 1,147,720</u>	<u>\$ 790,863</u>	<u>\$ 1,938,583</u>	<u>\$ 16,565,000</u>	<u>\$ 18,503,583</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, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2025	5.00%	\$ 256,078	\$ 234,078	\$ 490,156	\$ 880,000	\$ 1,370,156
2026	3.00	234,078	220,203	454,281	925,000	1,379,281
2027	4.00	220,203	201,203	421,406	950,000	1,371,406
2028	4.00	201,203	181,403	382,606	990,000	1,372,606
2029	4.00	181,403	160,803	342,206	1,030,000	1,372,206
2030	4.25	160,803	138,066	298,869	1,070,000	1,368,869
2031	4.38	138,066	113,675	251,741	1,115,000	1,366,741
2032	4.50	113,675	87,463	201,138	1,165,000	1,366,138
2033	4.50	87,463	60,125	147,588	1,215,000	1,362,588
2034	4.63	60,125	30,756	90,881	1,270,000	1,360,881
2035	4.63	30,756	-	30,756	1,330,000	1,360,756
		<u>\$ 1,683,853</u>	<u>\$ 1,427,775</u>	<u>\$ 3,111,628</u>	<u>\$ 11,940,000</u>	<u>\$ 15,051,628</u>

Bonds dated: July 01, 2015

Original issue: \$18,600,000

Source of funding requirements: Net revenues only

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

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

WATER AND WASTEWATER UTILITY FUND

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

February 28, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal	Total
		March 1	September 1	Total	Due March 1	Requirements
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
		\$ 2,062,249	\$ 1,752,402	\$ 3,814,651	\$ 29,420,000	\$ 33,234,651

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, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal	Total
		March 1	September 1	Total	Due March 1	Requirements
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
		\$ 4,253,130	\$ 3,544,042	\$ 7,797,172	\$ 30,820,000	\$ 38,617,172

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 IMPROVEMENT AND REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
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>\$ 6,656,650</u>	<u>\$ 5,610,950</u>	<u>\$ 12,267,600</u>	<u>\$ 45,290,000</u>	<u>\$ 57,557,600</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 REVENUE (SWIFT) BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY
(DIRECT PLACEMENT - TEXAS WATER DEVELOPMENT BOARD)

February 28, 2025

Interest						

Calendar Year	Interest Rate	Payment Due		Total	Principal Due March 1	Total Requirements
		March 1	September 1			
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
		<u>\$ 4,892,220</u>	<u>\$ 4,225,260</u>	<u>\$ 9,117,480</u>	<u>\$ 77,000,000</u>	<u>\$ 86,117,480</u>

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 IMPROVEMENT AND REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal	Total
		March 1	September 1	Total	Due March 1	Requirements
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
		\$ 11,075,400	\$ 9,568,725	\$ 20,644,125	\$ 67,240,000	\$ 87,884,125

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 REVENUE (SWIFT) BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY
(DIRECT PLACEMENT - TEXAS WATER DEVELOPMENT BOARD)

February 28, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal	Total
		March 1	September 1	Total	Due March 1	Requirements
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
		\$ 3,337,925	\$ 2,940,200	\$ 6,278,125	\$ 41,500,000	\$ 47,778,125

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 BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal	Total
		March 1	September 1	Total	Due March 1	Requirements
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
		\$ 4,630,125	\$ 3,963,375	\$ 8,593,500	\$ 26,670,000	\$ 35,263,500

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 BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY
(DIRECT PLACEMENT - TEXAS WATER DEVELOPMENT BOARD)

February 28, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
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
		\$ 152,661	\$ 136,271	\$ 288,932	\$ 1,115,000	\$ 1,403,932

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, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal	Total
		March 1	September 1	Total	Due March 1	Requirements
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
		\$ 6,001,500	\$ 5,254,900	\$ 11,256,400	\$ 33,400,000	\$ 44,656,400

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, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
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
		\$ 1,056,125	\$ 688,500	\$ 1,744,625	\$ 14,705,000	\$ 16,449,625

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, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal	Total
		March 1	September 1	Total	Due March 1	Requirements
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
		\$ 5,593,975	\$ 4,964,625	\$ 10,558,600	\$ 33,880,000	\$ 44,438,600

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, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
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
		\$ 1,089,726	\$ 847,625	\$ 1,937,351	\$ 38,890,000	\$ 40,827,351

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, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
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
		\$ 6,090,520	\$ 5,471,652	\$ 11,562,172	\$ 35,490,000	\$ 47,052,172

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, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal	Total
		March 1	September 1	Total	Due March 1	Requirements
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
		\$ 2,951,025	\$ 2,367,531	\$ 5,318,556	\$ 72,525,000	\$ 77,843,556

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

WATER AND WASTEWATER UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2022 REVENUE IMPROVEMENT AND REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2025

Calendar Year	Interest Rate	Interest				
		Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2025	5.00%	\$ 7,577,300	\$ 7,564,800	\$ 15,142,100	\$ 500,000	\$ 15,642,100
2026	5.00	7,564,800	7,524,800	15,089,600	1,600,000	16,689,600
2027	5.00	7,524,800	7,487,300	15,012,100	1,500,000	16,512,100
2028	5.00	7,487,300	7,328,300	14,815,600	6,360,000	21,175,600
2029	5.00	7,328,300	7,161,300	14,489,600	6,680,000	21,169,600
2030	5.00	7,161,300	6,985,925	14,147,225	7,015,000	21,162,225
2031	5.00	6,985,925	6,801,800	13,787,725	7,365,000	21,152,725
2032	5.00	6,801,800	6,608,550	13,410,350	7,730,000	21,140,350
2033	5.00	6,608,550	6,405,550	13,014,100	8,120,000	21,134,100
2034	5.00	6,405,550	6,192,425	12,597,975	8,525,000	21,122,975
2035	5.00	6,192,425	5,968,675	12,161,100	8,950,000	21,111,100
2036	5.00	5,968,675	5,733,800	11,702,475	9,395,000	21,097,475
2037	5.00	5,733,800	5,487,175	11,220,975	9,865,000	21,085,975
2038	5.00	5,487,175	5,228,175	10,715,350	10,360,000	21,075,350
2039	4.72	5,228,175	4,971,175	10,199,350	10,880,000	21,079,350
2040	4.47	4,971,175	4,716,500	9,687,675	11,395,000	21,082,675
2041	5.00	4,716,500	4,419,000	9,135,500	11,900,000	21,035,500
2042	5.00	4,419,000	4,106,625	8,525,625	12,495,000	21,020,625
2043	5.00	4,106,625	3,787,125	7,893,750	12,780,000	20,673,750
2044	5.00	3,787,125	3,444,500	7,231,625	13,705,000	20,936,625
2045	5.00	3,444,500	3,084,625	6,529,125	14,395,000	20,924,125
2046	5.00	3,084,625	2,706,625	5,791,250	15,120,000	20,911,250
2047	5.00	2,706,625	2,308,625	5,015,250	15,920,000	20,935,250
2048	5.00	2,308,625	1,890,625	4,199,250	16,720,000	20,919,250
2049	5.00	1,890,625	1,451,750	3,342,375	17,555,000	20,897,375
2050	5.00	1,451,750	991,500	2,443,250	18,410,000	20,853,250
2051	5.00	991,500	508,000	1,499,500	19,340,000	20,839,500
2052	5.00	508,000	-	508,000	20,320,000	20,828,000
		\$ 138,442,550	\$ 130,865,250	\$ 269,307,800	\$ 304,900,000	\$ 574,207,800

Bonds dated: April 01, 2022

Original issue: \$305,900,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on March 1, 2032 to March 1, 2042, March 1, 2046 and March 1, 2052 may be redeemed on March 1, 2031 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 - 2022A REVENUE IMPROVEMENT AND REFUNDING BONDS

PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2025	5.00%	\$ 5,835,275	\$ 5,780,275	\$ 11,615,550	\$ 2,200,000	\$ 13,815,550
2026	5.00	5,780,275	5,746,525	11,526,800	1,350,000	12,876,800
2027	5.00	5,746,525	5,705,275	11,451,800	1,650,000	13,101,800
2028	5.00	5,705,275	5,705,275	11,410,550	-	11,410,550
2029	5.00	5,705,275	5,683,275	11,388,550	880,000	12,268,550
2030	5.00	5,683,275	5,516,275	11,199,550	6,680,000	17,879,550
2031	5.00	5,516,275	5,243,775	10,760,050	10,900,000	21,660,050
2032	5.00	5,243,775	5,001,650	10,245,425	9,685,000	19,930,425
2033	5.00	5,001,650	4,747,400	9,749,050	10,170,000	19,919,050
2034	5.00	4,747,400	4,480,400	9,227,800	10,680,000	19,907,800
2035	5.00	4,480,400	4,200,150	8,680,550	11,210,000	19,890,550
2036	5.00	4,200,150	3,905,900	8,106,050	11,770,000	19,876,050
2037	5.00	3,905,900	3,596,900	7,502,800	12,360,000	19,862,800
2038	5.00	3,596,900	3,272,400	6,869,300	12,980,000	19,849,300
2039	4.00	3,272,400	2,999,800	6,272,200	13,630,000	19,902,200
2040	4.00	2,999,800	2,716,300	5,716,100	14,175,000	19,891,100
2041	4.00	2,716,300	2,421,500	5,137,800	14,740,000	19,877,800
2042	4.00	2,421,500	2,114,900	4,536,400	15,330,000	19,866,400
2043	4.00	2,114,900	1,796,100	3,911,000	15,940,000	19,851,000
2044	4.00	1,796,100	1,464,500	3,260,600	16,580,000	19,840,600
2045	4.00	1,464,500	1,119,600	2,584,100	17,245,000	19,829,100
2046	4.00	1,119,600	760,900	1,880,500	17,935,000	19,815,500
2047	4.00	760,900	387,900	1,148,800	18,650,000	19,798,800
2048	4.00	387,900	-	387,900	19,395,000	19,782,900
		<u>\$ 90,202,250</u>	<u>\$ 84,366,975</u>	<u>\$ 174,569,225</u>	<u>\$ 266,135,000</u>	<u>\$ 440,704,225</u>

Bonds dated: September 15, 2022

Original issue: \$267,585,000

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 - 2023 REVENUE IMPROVEMENT AND REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2025

		Interest					
Calendar Year	Interest Rate	Payment Due			Total	Principal Due March 1	Total Requirements
		March 1	September 1				
2025	5.00%	\$ 4,160,181	\$ 4,102,931	\$ 8,263,112	\$ 2,290,000	\$ 10,553,112	
2026	5.00	4,102,931	4,044,931	8,147,862	2,320,000	10,467,862	
2027	5.00	4,044,932	3,985,681	8,030,613	2,370,000	10,400,613	
2028	5.00	3,985,681	3,985,681	7,971,362	-	7,971,362	
2029	5.00	3,985,682	3,887,306	7,872,988	3,935,000	11,807,988	
2030	5.00	3,887,306	3,782,806	7,670,112	4,180,000	11,850,112	
2031	5.00	3,782,807	3,672,181	7,454,988	4,425,000	11,879,988	
2032	5.00	3,672,181	3,537,806	7,209,987	5,375,000	12,584,987	
2033	5.00	3,537,807	3,396,681	6,934,488	5,645,000	12,579,488	
2034	5.00	3,396,681	3,248,556	6,645,237	5,925,000	12,570,237	
2035	5.00	3,248,557	3,093,056	6,341,613	6,220,000	12,561,613	
2036	5.00	3,093,056	2,929,681	6,022,737	6,535,000	12,557,737	
2037	5.00	2,929,682	2,758,181	5,687,863	6,860,000	12,547,863	
2038	5.00	2,758,181	2,578,181	5,336,362	7,200,000	12,536,362	
2039	5.00	2,578,182	2,389,181	4,967,363	7,560,000	12,527,363	
2040	5.00	2,389,181	2,190,681	4,579,862	7,940,000	12,519,862	
2041	5.00	2,190,682	1,982,181	4,172,863	8,340,000	12,512,863	
2042	4.00	1,982,181	1,807,081	3,789,262	8,755,000	12,544,262	
2043	4.00	1,807,082	1,624,881	3,431,963	9,110,000	12,541,963	
2044	4.00	1,624,881	1,435,481	3,060,362	9,470,000	12,530,362	
2045	5.25	1,435,482	1,177,050	2,612,532	9,845,000	12,457,532	
2046	5.25	1,177,050	904,969	2,082,019	10,365,000	12,447,019	
2047	5.25	904,970	618,581	1,523,551	10,910,000	12,433,551	
2048	5.25	618,581	317,231	935,812	11,480,000	12,415,812	
2049	5.25	317,231	-	317,231	12,085,000	12,402,231	
		\$ 67,611,168	\$ 63,450,976	\$ 131,062,144	\$ 169,140,000	\$ 300,202,144	

Bonds dated: June 01, 2023

Original issue: \$171,925,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2034 may be redeemed on March 1, 2033 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 - 2023A REVENUE REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY
(DIRECT PLACEMENT - TEXAS WATER DEVELOPMENT BOARD)

February 28, 2025

Calendar Year	Interest Rate	Interest					Total Requirements
		Payment Due			Principal Due March 1		
		March 1	September 1	Total			
2025	3.07%	\$ 150,380	\$ 145,468	\$ 295,848	\$ 320,000	\$ 615,848	
2026	2.95	145,468	140,601	286,069	330,000	616,069	
2027	2.87	140,600	135,722	276,322	340,000	616,322	
2028	2.83	135,721	130,769	266,490	350,000	616,490	
2029	2.83	130,769	125,675	256,444	360,000	616,444	
2030	2.83	125,675	120,440	246,115	370,000	616,115	
2031	2.83	120,439	115,063	235,502	380,000	615,502	
2032	2.83	115,062	109,544	224,606	390,000	614,606	
2033	2.87	109,544	103,804	213,348	400,000	613,348	
2034	3.07	103,804	97,511	201,315	410,000	611,315	
2035	3.30	97,510	90,498	188,008	425,000	613,008	
2036	3.49	90,498	82,820	173,318	440,000	613,318	
2037	3.66	82,820	74,494	157,314	455,000	612,314	
2038	3.81	74,493	65,540	140,033	470,000	610,033	
2039	3.95	65,540	55,863	121,403	490,000	611,403	
2040	3.99	55,862	45,788	101,650	505,000	606,650	
2041	4.03	45,788	35,108	80,896	530,000	610,896	
2042	4.06	35,108	23,943	59,051	550,000	609,051	
2043	4.09	23,943	12,287	36,230	570,000	606,230	
2044	4.13	12,287	-	12,287	595,000	607,287	
		\$ 1,861,311	\$ 1,710,938	\$ 3,572,249	\$ 8,680,000	\$ 12,252,249	

Bonds dated: November 01, 2023

Original issue: \$8,680,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2035 may be redeemed on March 1, 2034 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, 2025 and February 29, 2024

	2025	RESTATED 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,762,355	\$ 10,720,729
Investments	3,000,000	3,007,778
Accounts receivable - customers	2,045,740	2,040,149
Leases receivable	31,359	41,581
Accounts receivable - other	348,845	350,954
Due from Water and Wastewater Utility	-	39,501
Accrued interest receivable	67,198	139,162
Restricted current assets:		
Restricted for bond requirements:		
Cash and cash equivalents	13,048,605	9,833,261
Investments	6,156,346	5,303,075
Restricted for construction and improvements:		
Cash and cash equivalents	56,261,778	49,799,754
Investments	-	2,000,000
Total current assets	<u>84,722,226</u>	<u>83,275,944</u>
Noncurrent assets:		
Leases receivable	730,311	761,670
Capital assets net of accumulated depreciation/amortization:		
Municipal Drainage Utility capital assets	198,650,257	180,609,400
Right to use SBITA assets	8,846	25,519
Land and right of way	99,322,180	81,886,447
Construction work in progress	60,146,942	72,255,689
Total capital assets	<u>358,128,225</u>	<u>334,777,055</u>
Total noncurrent assets	<u>358,858,536</u>	<u>335,538,725</u>
Total assets	<u>443,580,762</u>	<u>418,814,669</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension	948,214	1,073,490
Deferred outflows - OPEB	240,558	213,896
Total deferred outflows of resources	<u>1,188,772</u>	<u>1,287,386</u>
Total assets and deferred outflows of resources	<u>\$ 444,769,534</u>	<u>\$ 420,102,055</u>

	2025	RESTATED 2024
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 298,587	\$ 218,331
Accrued compensated absences	154,568	134,880
Accrued payroll and benefits	170,045	129,295
Unearned rent revenue	20,603	15,861
Due to Water and Wastewater Utility	92,020	-
Due to Water and Wastewater Utility land transfer	2,000,000	2,000,000
SBITA liabilities	-	20,586
OPEB Liability	30,487	30,972
Other current liabilities	-	53
Current liabilities payable from restricted assets:		
Revenue bonds payable and unamortized premiums net of discounts	9,794,447	8,420,142
Accrued interest on long term debt	4,158,365	3,409,052
Unearned non-federal grant revenue - TWDB	5,698,001	5,437,040
Accounts payable	4,133,371	8,359,121
Retainage payable on construction contracts	160,757	624,892
Total current liabilities	<u>26,711,251</u>	<u>28,800,225</u>
Noncurrent liabilities:		
Accrued compensated absences	226,643	236,456
Due to Water and Wastewater Utility land transfer	5,044,800	6,044,800
Revenue bonds payable and unamortized premiums net of discounts	199,534,446	149,003,101
Extendable commercial paper notes	20,000,000	60,000,000
OPEB Liability	702,771	686,156
Net Pension Liability	2,127,958	2,385,548
Noncurrent liabilities payable from restricted assets:		
Arbitrage liability	1,523,445	768,888
Total noncurrent liabilities	<u>229,160,063</u>	<u>219,124,949</u>
Total liabilities	<u>255,871,314</u>	<u>247,925,174</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - gain on bond refunding	100,852	115,259
Deferred inflows - leases	729,929	787,043
Deferred inflows - pension	156,495	214,570
Deferred inflows - OPEB	818,663	877,829
Total deferred inflows of resources	<u>1,805,939</u>	<u>1,994,701</u>
NET POSITION		
Restricted:		
Restricted for debt service	15,046,586	11,727,284
Restricted for construction and improvements	17,717,148	9,175,483
Total restricted	<u>32,763,734</u>	<u>20,902,767</u>
Net investment in capital assets	155,727,536	144,652,297
Unrestricted	(1,398,989)	4,627,116
Total net position	<u>187,092,281</u>	<u>170,182,180</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 444,769,534</u>	<u>\$ 420,102,055</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, 2025 and February 29, 2024

	2025	RESTATED 2024
Drainage operating revenues:		
Residential	\$ 15,599,117	\$ 13,704,282
Non-residential	22,545,440	19,812,909
Other operating revenue	992,953	484,637
Total operating revenues	39,137,510	34,001,828
Drainage operating expenses:		
Operations and maintenance	9,787,732	7,086,381
Indirect cost allocation	2,038,000	2,385,000
Pension expense	199,045	294,691
Depreciation and amortization	4,811,010	4,384,823
Total operating expenses	16,835,787	14,150,895
Operating income	22,301,723	19,850,933
Nonoperating revenues (expenses):		
Interest earnings and net change in fair value of investments	2,292,177	1,766,963
Gain on sale of land	-	92,237
Other nonoperating lease revenues	57,114	60,628
Other nonoperating expenses	(615,177)	(465,659)
Interest on long term debt	(7,125,736)	(5,544,158)
Total nonoperating expenses	(5,391,622)	(4,089,989)
Change in net position	16,910,101	15,760,944
Net position, 2/28/23, as previously reported	170,182,180	154,533,225
Restatements - change in accounting principle	-	(111,989)
Net position, 2/28/23, as restated	170,182,180	154,421,236
Total net position, 2/29/2024	\$187,092,281	\$170,182,180



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, 2025 and February 29, 2024

	2025	RESTATED 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 38,899,581	\$ 33,951,251
Cash received from Water and Wastewater Utility	199,721	171,482
Cash payments to Water and Wastewater Utility	(1,944,630)	(2,185,111)
Cash payments to suppliers for goods and services	(7,581,504)	(5,402,938)
Cash payments to employees for services	(2,456,218)	(1,816,923)
Net cash provided by operating activities	<u>27,116,950</u>	<u>24,717,761</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from:		
Revenue bonds	54,145,000	22,870,000
Premiums received on revenue bonds	6,451,879	2,399,999
Extendable commercial paper	20,000,000	60,000,000
Revolving note	-	10,000,000
Principal payments on leases receivable	41,581	45,014
Interest payments on leases receivable	17,005	16,420
Acquisition and construction of capital assets net of disposals	(33,852,065)	(59,152,142)
Principal payments on SBITA liabilities	(20,586)	(19,533)
Interest payments on SBITA liabilities	(114)	(222)
Proceeds from sale of assets net of related expenses	-	92,237
Proceeds from unearned non-federal grant	260,961	248,297
Interest and fees on revenue bonds	(7,529,680)	(5,546,393)
Refunding of revolving notes	(60,000,000)	(25,000,000)
Principal payments on revenue bonds	(7,413,000)	(6,633,000)
Net cash used by capital and related financing activities	<u>(27,899,019)</u>	<u>(679,323)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale and maturities of investment securities	-	23,069,173
Purchase of investment securities	1,155,547	(26,637,208)
Interest received on investment securities	2,345,516	1,613,562
Net cash provided (used) by investing activities	<u>3,501,063</u>	<u>(1,954,473)</u>
Net increase in cash and cash equivalents	2,718,994	22,083,965
Cash and cash equivalents:		
Beginning of year	70,353,744	48,269,779
End of year	<u>\$ 73,072,738</u>	<u>\$ 70,353,744</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, 2025 and February 29, 2024

	2025	RESTATED 2024
Reconciliation of operating income to net cash provided		
by operating activities:		
Operating income	\$ 22,301,723	\$ 19,850,933
Adjustments to reconcile operating income to net		
cash provided by operating activities:		
Depreciation and amortization	4,811,011	4,384,823
(Increase) decrease in assets and deferred outflows:		
Accounts receivable	(2,841)	177,416
Due from Water and Wastewater Utility	39,501	232,067
Deferred outflows - pension	125,276	(539,481)
Deferred outflows - OPEB	(26,662)	33,791
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable	80,256	69,948
Other Current Liabilities	4,742	(4,536)
Due to Water and Wastewater Utility	92,020	-
Accrued compensated balances	9,875	96,780
Accrued payroll and benefits	40,750	32,481
Total OPEB Liability	16,130	1,202
Net Pension Liability	(257,590)	522,332
Deferred inflows - pension	(58,075)	(26,998)
Deferred inflows - OPEB	(59,166)	(112,997)
Net cash provided by operating activities	<u>\$ 27,116,950</u>	<u>\$ 24,717,761</u>
Noncash investing, capital, and financing activities:		
Change in fair value of investments	<u>\$ (1,040)</u>	<u>\$ (17,578)</u>
	<u>\$ (1,040)</u>	<u>\$ (17,578)</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, 2025 and February 29, 2024

	2025	RESTATED 2024
Drainage operating revenues:		
Residential	\$ 15,599,117	\$ 13,704,282
Non-residential	22,545,440	19,812,909
Billing fees - City Environmental Services	640,044	382,217
OPEB Recovery Credit	40,109	51,975
Other operating revenue	312,800	50,445
Total operating revenue	<u>39,137,510</u>	<u>34,001,828</u>
Drainage operations		
Emergency Response	158,405	54,313
Maintenance	5,978,215	3,773,406
Total drainage division	<u>6,136,620</u>	<u>3,827,719</u>
General and administrative	<u>3,651,112</u>	<u>3,258,662</u>
Indirect cost allocation	<u>2,038,000</u>	<u>2,385,000</u>
Other operating expenses		
Depreciation	4,811,010	4,384,823
Pension Expense	199,045	294,691
Total other operating expenses	<u>5,010,055</u>	<u>4,679,514</u>
Total operating expenses	<u>\$ 16,835,787</u>	<u>\$ 14,150,895</u>

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

NET OPERATING REVENUE

For the Years Ended February 28, 2025 and February 29, 2024

	<u>2025</u>	<u>RESTATED 2024</u>
Operating revenue	<u>\$ 39,137,510</u>	<u>\$ 34,001,828</u>
Operating revenue deductions		
Operating expenses	6,136,620	3,827,719
General and administrative	3,651,112	3,258,662
Indirect cost allocation	<u>2,038,000</u>	<u>2,385,000</u>
Total operating expense deductions	<u>11,825,732</u>	<u>9,471,381</u>
Net operating revenue	<u><u>\$ 27,311,778</u></u>	<u><u>\$ 24,530,447</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 Year Ended February 28, 2025

<u>Bond Series</u>	Bonds payable February 29, 2024	Additions	Retirements	Bonds payable February 28, 2025
*2009A Revenue Series	\$ 857,000	\$ -	\$ 108,000	\$ 749,000
2015 Revenue Series	15,485,000	-	975,000	14,510,000
2016 Revenue Series	15,360,000	-	860,000	14,500,000
2017 Refunding & Improvement	34,650,000	-	3,480,000	31,170,000
*2021 Refunding Series	8,055,000	-	710,000	7,345,000
2021A Refunding Series	12,425,000	-	460,000	11,965,000
*2022 Revenue Series	9,170,000	-	320,000	8,850,000
2022A Refunding Series	23,750,000	-	250,000	23,500,000
2023 Refunding Series	22,870,000	-	250,000	22,620,000
2024 Refunding Series	-	54,145,000	-	54,145,000
TOTALS	<u>\$ 142,622,000</u>	<u>\$ 54,145,000</u>	<u>\$ 7,413,000</u>	<u>\$ 189,354,000</u>

**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, 2025

Calendar Year	Revenue Bonds				Direct Placement Bonds				Total Net Requirements
	Interest		Total	Principal	Interest		Total	Principal	
	March 1	September 1	Interest	Due March 1	March 1	September 1	Interest	Due March 1	
2025	\$ 4,094,772	\$ 3,910,522	\$ 8,005,294	\$ 7,370,000	\$ 58,760	\$ 53,440	\$ 112,200	\$ 1,092,000	\$ 16,579,494
2026	3,910,522	3,710,772	7,621,294	7,990,000	53,440	46,160	99,600	1,337,000	17,047,894
2027	3,710,772	3,501,022	7,211,794	8,390,000	46,160	38,760	84,920	1,352,000	17,038,714
2028	3,501,022	3,280,897	6,781,919	8,805,000	38,760	31,280	70,040	1,362,000	17,018,959
2029	3,280,897	3,071,472	6,352,369	9,245,000	31,280	23,640	54,920	1,382,000	17,034,289
2030	3,071,472	2,862,447	5,933,919	8,525,000	23,640	15,880	39,520	1,397,000	15,895,439
2031	2,862,447	2,643,071	5,505,518	8,945,000	15,880	8,000	23,880	1,407,000	15,881,398
2032	2,643,072	2,412,996	5,056,068	9,380,000	8,000	-	8,000	1,315,000	15,759,068
2033	2,412,997	2,174,921	4,587,918	9,850,000	-	-	-	315,000	14,752,918
2034	2,174,922	1,920,521	4,095,443	10,325,000	-	-	-	315,000	14,735,443
2035	1,920,522	1,657,096	3,577,618	10,845,000	-	-	-	315,000	14,737,618
2036	1,657,097	1,430,071	3,087,168	9,610,000	-	-	-	315,000	13,012,168
2037	1,430,072	1,227,521	2,657,593	8,430,000	-	-	-	315,000	11,402,593
2038	1,227,522	1,025,371	2,252,893	8,830,000	-	-	-	315,000	11,397,893
2039	1,025,372	818,021	1,843,393	9,240,000	-	-	-	315,000	11,398,393
2040	818,022	626,096	1,444,118	8,400,000	-	-	-	315,000	10,159,118
2041	626,097	435,694	1,061,791	8,790,000	-	-	-	315,000	10,166,791
2042	435,694	246,575	682,269	8,245,000	-	-	-	315,000	9,242,269
2043	246,575	95,200	341,775	6,435,000	-	-	-	315,000	7,091,775
2044	95,200	-	95,200	4,760,000	-	-	-	315,000	5,170,200
2045	-	-	-	-	-	-	-	315,000	315,000
2046	-	-	-	-	-	-	-	315,000	315,000
2047	-	-	-	-	-	-	-	315,000	315,000
2048	-	-	-	-	-	-	-	315,000	315,000
2049	-	-	-	-	-	-	-	315,000	315,000
2050	-	-	-	-	-	-	-	315,000	315,000
2051	-	-	-	-	-	-	-	315,000	315,000
2052	-	-	-	-	-	-	-	315,000	315,000
	<u>\$ 41,145,068</u>	<u>\$ 37,050,286</u>	<u>\$ 78,195,354</u>	<u>\$ 172,410,000</u>	<u>\$ 275,920</u>	<u>\$ 217,160</u>	<u>\$ 493,080</u>	<u>\$ 16,944,000</u>	<u>\$ 268,042,434</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, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
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>\$ 749,000</u>	<u>\$ 749,000</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 - 2015 REVENUE BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2025

Calendar Year	Interest Rate	Interest ----- Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
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>\$ 2,353,000</u>	<u>\$ 1,990,250</u>	<u>\$ 4,343,250</u>	<u>\$ 14,510,000</u>	<u>\$ 18,853,250</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, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal	Total
		March 1	September 1	Total	Due March 1	Requirements
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
		\$ 2,571,250	\$ 2,208,750	\$ 4,780,000	\$ 14,500,000	\$ 19,280,000

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, 2025

Calendar Year	Interest Rate	Interest ----- Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
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>\$ 3,885,300</u>	<u>\$ 3,162,150</u>	<u>\$ 7,047,450</u>	<u>\$ 31,170,000</u>	<u>\$ 38,217,450</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, 2025

Interest						

Calendar	Interest	Payment Due			Principal	Total
Year	Rate	March 1	September 1	Total	Due March 1	Requirements
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>\$ 275,920</u>	<u>\$ 217,160</u>	<u>\$ 493,080</u>	<u>\$ 7,345,000</u>	<u>\$ 7,838,080</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, 2025

Interest						

Calendar	Interest	Payment Due			Principal	Total
Year	Rate	March 1	September 1	Total	Due March 1	Requirements
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>\$ 1,869,397</u>	<u>\$ 1,649,190</u>	<u>\$ 3,518,587</u>	<u>\$ 11,965,000</u>	<u>\$ 15,483,587</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

MUNICIPAL DRAINAGE UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2022 REVENUE BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY
(DIRECT PLACEMENT - TEXAS WATER DEVELOPMENT BOARD)

February 28, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal	Total
		March 1	September 1	Total	Due March 1	Requirements
2025	0.00%	\$ -	\$ -	\$ -	\$ 320,000	\$ 320,000
2026	0.00	-	-	-	320,000	320,000
2027	0.00	-	-	-	320,000	320,000
2028	0.00	-	-	-	320,000	320,000
2029	0.00	-	-	-	320,000	320,000
2030	0.00	-	-	-	320,000	320,000
2031	0.00	-	-	-	315,000	315,000
2032	0.00	-	-	-	315,000	315,000
2033	0.00	-	-	-	315,000	315,000
2034	0.00	-	-	-	315,000	315,000
2035	0.00	-	-	-	315,000	315,000
2036	0.00	-	-	-	315,000	315,000
2037	0.00	-	-	-	315,000	315,000
2038	0.00	-	-	-	315,000	315,000
2039	0.00	-	-	-	315,000	315,000
2040	0.00	-	-	-	315,000	315,000
2041	0.00	-	-	-	315,000	315,000
2042	0.00	-	-	-	315,000	315,000
2043	0.00	-	-	-	315,000	315,000
2044	0.00	-	-	-	315,000	315,000
2045	0.00	-	-	-	315,000	315,000
2046	0.00	-	-	-	315,000	315,000
2047	0.00	-	-	-	315,000	315,000
2048	0.00	-	-	-	315,000	315,000
2049	0.00	-	-	-	315,000	315,000
2050	0.00	-	-	-	315,000	315,000
2051	0.00	-	-	-	315,000	315,000
2052	0.00	-	-	-	315,000	315,000
		\$ -	\$ -	\$ -	\$ 8,850,000	\$ 8,850,000

Bonds dated: April 01, 2022

Original issue: \$9,490,000

Source of funding requirements: Net revenues only

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

MUNICIPAL DRAINAGE UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2022A REVENUE REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2025

Interest						
Calendar Year	Interest Rate	Payment Due			Principal Due March 1	Total Requirements
		March 1	September 1	Total		
2025	5.00%	\$ 558,306	\$ 545,807	\$ 1,104,113	\$ 500,000	\$ 1,604,113
2026	5.00	545,806	533,307	1,079,113	500,000	1,579,113
2027	5.00	533,306	520,807	1,054,113	500,000	1,554,113
2028	5.00	520,806	508,307	1,029,113	500,000	1,529,113
2029	5.00	508,306	495,807	1,004,113	500,000	1,504,113
2030	5.00	495,806	466,057	961,863	1,190,000	2,151,863
2031	5.00	466,056	434,806	900,862	1,250,000	2,150,862
2032	5.00	434,806	401,931	836,737	1,315,000	2,151,737
2033	5.00	401,931	367,431	769,362	1,380,000	2,149,362
2034	5.00	367,431	331,181	698,612	1,450,000	2,148,612
2035	5.00	331,181	293,181	624,362	1,520,000	2,144,362
2036	5.00	293,181	253,306	546,487	1,595,000	2,141,487
2037	5.00	253,306	211,431	464,737	1,675,000	2,139,737
2038	4.50	211,431	171,831	383,262	1,760,000	2,143,262
2039	4.50	171,831	130,431	302,262	1,840,000	2,142,262
2040	4.50	130,431	87,231	217,662	1,920,000	2,137,662
2041	4.25	87,231	44,519	131,750	2,010,000	2,141,750
2042	4.25	44,519	-	44,519	2,095,000	2,139,519
		\$ 6,355,671	\$ 5,797,371	\$ 12,153,042	\$ 23,500,000	\$ 35,653,042

Bonds dated: May 15, 2022

Original issue: \$23,750,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2032 may be redeemed on March 1, 2031 or any interest payment date thereafter.

Mandatory Redemption: Term bonds stated to mature on March 1, 2042 shall be subject to mandatory redemption prior to maturity at the price of par plus accrued interest to the mandatory redemption date on the respective dates.

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

MUNICIPAL DRAINAGE UTILITY FUND

DEBT SERVICE REQUIREMENTS - 2023 REVENUE REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2025

Interest						

Calendar	Interest	Payment Due			Principal	Total
Year	Rate	March 1	September 1	Total	Due March 1	Requirements
2025	5.00%	\$ 538,050	\$ 525,550	\$ 1,063,600	\$ 500,000	\$ 1,563,600
2026	5.00	525,550	513,050	1,038,600	500,000	1,538,600
2027	5.00	513,050	500,550	1,013,600	500,000	1,513,600
2028	5.00	500,550	488,050	988,600	500,000	1,488,600
2029	5.00	488,050	475,550	963,600	500,000	1,463,600
2030	5.00	475,550	449,800	925,350	1,030,000	1,955,350
2031	5.00	449,800	422,800	872,600	1,080,000	1,952,600
2032	5.00	422,800	394,425	817,225	1,135,000	1,952,225
2033	5.00	394,425	364,675	759,100	1,190,000	1,949,100
2034	5.00	364,675	333,425	698,100	1,250,000	1,948,100
2035	5.00	333,425	300,550	633,975	1,315,000	1,948,975
2036	5.00	300,550	266,050	566,600	1,380,000	1,946,600
2037	5.00	266,050	229,800	495,850	1,450,000	1,945,850
2038	5.00	229,800	191,800	421,600	1,520,000	1,941,600
2039	5.00	191,800	151,800	343,600	1,600,000	1,943,600
2040	5.00	151,800	109,800	261,600	1,680,000	1,941,600
2041	4.00	109,800	74,600	184,400	1,760,000	1,944,400
2042	4.00	74,600	38,000	112,600	1,830,000	1,942,600
2043	4.00	38,000	-	38,000	1,900,000	1,938,000
		<u>\$ 6,368,325</u>	<u>\$ 5,830,275</u>	<u>\$ 12,198,600</u>	<u>\$ 22,620,000</u>	<u>\$ 34,818,600</u>

Bonds dated: June 01, 2023

Original issue: \$22,870,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2034 may be redeemed on March 1, 2033 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 - 2024 REVENUE REFUNDING BONDS
PUBLIC SERVICE BOARD DEBT ONLY UNTIL MATURITY

February 28, 2025

Interest						

Calendar	Interest	Payment Due			Principal	Total
Year	Rate	March 1	September 1	Total	Due March 1	Requirements
2025	5.00%	\$ 1,329,825	\$ 1,323,575	\$ 2,653,400	\$ 250,000	\$ 2,903,400
2026	5.00	1,323,575	1,311,075	2,634,650	500,000	3,134,650
2027	5.00	1,311,075	1,298,575	2,609,650	500,000	3,109,650
2028	5.00	1,298,575	1,286,075	2,584,650	500,000	3,084,650
2029	5.00	1,286,075	1,273,575	2,559,650	500,000	3,059,650
2030	5.00	1,273,575	1,213,450	2,487,025	2,405,000	4,892,025
2031	5.00	1,213,450	1,150,325	2,363,775	2,525,000	4,888,775
2032	5.00	1,150,325	1,084,075	2,234,400	2,650,000	4,884,400
2033	5.00	1,084,075	1,014,450	2,098,525	2,785,000	4,883,525
2034	5.00	1,014,450	941,325	1,955,775	2,925,000	4,880,775
2035	5.00	941,325	864,575	1,805,900	3,070,000	4,875,900
2036	5.00	864,575	784,075	1,648,650	3,220,000	4,868,650
2037	5.00	784,075	699,450	1,483,525	3,385,000	4,868,525
2038	5.00	699,450	610,575	1,310,025	3,555,000	4,865,025
2039	5.00	610,575	517,325	1,127,900	3,730,000	4,857,900
2040	5.00	517,325	419,450	936,775	3,915,000	4,851,775
2041	5.00	419,450	316,575	736,025	4,115,000	4,851,025
2042	5.00	316,575	208,575	525,150	4,320,000	4,845,150
2043	5.00	208,575	95,200	303,775	4,535,000	4,838,775
2044	4.00	95,200	-	95,200	4,760,000	4,855,200
		<u>\$ 17,742,125</u>	<u>\$ 16,412,300</u>	<u>\$ 34,154,425</u>	<u>\$ 54,145,000</u>	<u>\$ 88,299,425</u>

Bonds dated: April 01, 2024

Original issue: \$54,145,000

Source of funding requirements: Net revenues only

Call Option: Bonds scheduled to mature on or after March 1, 2035 may be redeemed on March 1, 2034 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, 2025

<u>Insurance Providers</u>	<u>Policy Number</u>	<u>Policy Period</u>
Alliant Property Insurance Agent: USI Southwest Inc.	APIP2024	07/01/24 to 07/01/25
Texas Municipal League	Entity ID# 889	10/01/24 to 10/01/25
Travelers Casualty & Surety Co. of America Agent: USI Southwest Inc.	105715307	12/07/24 to 12/07/25
Texas Municipal League	Entity ID# 0944	05/01/24 to 05/01/25
Evanston Insurance Company Agent: USI Southwest Inc.	3AA842356	11/11/24 to 11/11/25
Scottsdale Insurance Company Agent: USI Southwest Inc.	CPS8055423	09/16/24 to 09/16/25
Cowbell Cyber/ Palomar Excess & Surplus Insurance Agent: USI Southwest Inc.	PLM-CB-S6TERRECJ003	03/01/24 to 03/01/25

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

INSURANCE COVERAGE

February 28, 2025

Type of Insurance	Property Insured	Insurance
Blanket coverages for Building, Boiler & Machinery, Equipment & Personal Property	Blanket Building & Contents	\$1,031,685,021 \$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
Auto Liability	Four Vehicles	\$500,000 \$10,000 Deductible
Money & Securities on Premises	Money & Securities	\$100,000 \$5,000 Deductible
Money & Securities Messenger	Money & Securities	\$100,000 \$5,000 Deductible
Computer Fraud	Non-authorized access of computer information	\$3,000,000 \$50,000 Deductible
Employee Dishonesty	Covers against financial loss loss of money, securities, and other property	\$3,000,000 \$50,000 Deductible
Misc. Professional Liability	Errors & Omissions For Public Officials & Employees	\$5,000,000 \$10,000,000 \$50,000 Deductible
Special Event General Liability	TECH2O and Desalination Plant	\$2,000,000 Aggregate No Deductible
General Liability	Palisades & Trailheads	\$2,000,000 Aggregate No Deductible
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, 2025

<u>Insurance Providers</u>	<u>Policy Number</u>	<u>Policy Period</u>
City of El Paso - El Paso Water Utilities Aetna	Self-insurance Plan	12/15/24 to 12/14/27
Aetna	Stop Loss	12/15/24 to 12/14/27
Aetna	Fully Insured	12/15/24 to 12/14/27
Aetna	Fully Insured	12/15/24 to 12/14/27
Blue Cross Blue Shield Underwriter ReliaStar Life Ins. Co.	F022145-0001	12/15/24 to 12/14/27
CAS, Inc. (Administrator)	Self-insurance Plan	03/30/21 to 03/29/26
Homeserve Leak Virginia Surety Company, Inc	#17675	03/01/23 to 03/01/25

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A COMPONENT UNIT OF THE CITY OF EL PASO

INSURANCE COVERAGE

February 28, 2025

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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 \$400,000
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	
Water Leak Protection	Insured for Loss	\$0 Deductible \$1,000 protection limit for customers



STATISTICAL SECTION

A - FINANCIAL TRENDS INFORMATION

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



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

A-1 - NET POSITION

2016 thru 2025*
(accrual basis of accounting)
(amounts expressed in thousands)

	2025	Restated 2024 ³	Restated 2023 ^{2,3}	Restated 2022 ¹	2021	2020	2019	2018	2017	2016
NET POSITION										
Restricted:										
Restricted for debt service	\$ 132,742	\$ 121,061	\$ 106,906	\$ 102,533	\$ 97,569	\$ 95,910	\$ 90,651	\$ 78,899	\$ 73,715	\$ 69,473
Restricted for construction and improvements	111,512	98,518	100,005	55,624	67,790	63,851	38,713	43,596	33,841	28,756
Total restricted	244,255	219,579	206,911	158,156	165,359	159,761	129,364	122,495	107,556	98,228
Net investment in capital assets	1,393,974	1,299,896	1,198,392	1,168,309	1,069,231	993,793	948,468	894,333	846,265	808,631
Unrestricted	84,049	81,902	62,243	74,352	27,377	10,663	764	(242)	6,849	(3,989)
Total Net Position	\$ 1,722,278	\$ 1,601,378	\$ 1,467,546	\$ 1,400,817	\$ 1,261,967	\$ 1,164,217	\$ 1,078,597	\$ 1,016,586	\$ 960,670	\$ 902,870

Note:

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

*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 87, *Leases*

²Fiscal year has been restated as a result of the adoption of GASB 96, *SBITAs*

³ Fiscal year has been restated as a result of the adoption of GASB 101, *Compensated Absences*

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

A-2 - NET POSITION

2016 thru 2025*
(accrual basis of accounting)
(amounts expressed in thousands)

	2025	Restated 2024 ³	Restated 2023 ^{2,3}	Restated 2022 ¹	2021	2020	2019	2018	2017	2016
NET POSITION										
Restricted:										
Restricted for debt service	\$ 117,696	\$ 109,334	\$ 95,567	\$ 89,838	\$ 85,803	\$ 84,992	\$ 80,593	\$ 71,959	\$ 65,549	\$ 61,979
Restricted for construction and improvements	93,795	89,343	86,059	46,184	54,785	49,067	26,199	32,763	23,324	28,273
Total restricted	211,491	198,677	181,627	136,021	140,588	134,059	106,792	104,723	88,873	90,252
Net investment in capital assets	1,263,204	1,180,202	1,092,503	1,065,104	978,391	914,008	865,579	827,188	781,349	742,320
Unrestricted	85,448	77,275	63,952	68,586	25,443	9,017	(602)	(11,287)	5,886	(5,082)
Total Net Position	\$ 1,560,144	\$ 1,456,154	\$ 1,338,083	\$ 1,269,711	\$ 1,144,422	\$ 1,057,084	\$ 971,770	\$ 920,624	\$ 876,109	\$ 827,490

Note:

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

*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 87, *Leases*

²Fiscal year has been restated as a result of the adoption of GASB 96, *SBITAs*

³Fiscal year has been restated as a result of the adoption of GASB 101, *Compensated Absences*

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

A-3 - STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

2016 thru 2025*
(accrual basis of accounting)
(amounts expressed in thousands)

	2025	Restated 2024 ³	Restated 2023 ^{2,3}	Restated 2022 ¹	2021	2020	2019	2018	2017	2016
Revenue										
Water and reclaimed water	\$ 225,315	\$ 214,720	\$ 187,459	\$ 173,591	\$ 178,873	\$ 159,977	\$ 157,351	\$ 145,915	\$ 137,996	\$ 123,015
Wastewater	158,998	152,914	110,264	100,790	94,808	90,022	83,943	76,002	69,632	62,068
Drainage fees	37,945	33,346	28,661	25,736	23,908	23,557	23,143	22,266	18,819	16,674
Other operating revenue	21,379	19,095	16,840	17,541	21,142	20,222	15,277	20,835	14,521	13,518
Total operating revenue	443,637	420,075	343,224	317,659	318,731	293,778	279,714	265,019	240,968	215,275
Expenses										
Operations and maintenance - water and reclaimed water	81,656	72,415	61,458	49,566	51,948	47,360	49,228	45,496	42,245	39,673
Operations and maintenance - wastewater	42,226	37,705	40,622	33,887	25,429	24,434	25,364	23,772	21,325	21,485
General, administrative and engineering expenses	53,129	45,674	34,874	30,638	28,634	25,522	27,132	24,477	21,995	21,516
Operations and maintenance - drainage	9,750	7,054	6,645	5,031	5,213	5,747	4,664	4,820	5,004	4,437
Farm expenses	-	-	-	-	-	-	-	5,712	1,218	-
Other operating expenses	6,463	4,695	4,941	2,712	2,622	2,779	1,680	1,764	1,836	2,867
Other Post-Employment Benefits	120	-	165	930	1,727	2,299	1,793	893	893	1,054
Pension expense	6,855	9,135	3,108	-	6,354	9,696	5,337	5,283	6,471	4,464
Depreciation and amortization	91,264	82,503	76,034	72,190	73,728	71,892	68,573	65,897	62,721	57,894
Payment to City of El Paso Franchise Fee	6,550	6,550	6,550	6,550	6,550	3,470	3,589	3,584	3,578	3,367
Payment to City of El Paso per bond covenants	20,992	20,227	17,593	16,034	16,850	15,442	14,631	13,552	12,753	11,418
Total operating expenses	319,004	285,958	251,990	217,539	219,055	208,640	201,990	195,249	180,038	168,175
Operating income	124,634	134,117	91,234	100,119	99,676	85,138	77,723	69,770	60,930	47,100
Nonoperating revenues (expenses)										
Interest earnings and net change in fair value of investments	27,004	31,802	14,451	1,493	2,116	5,254	5,921	2,945	1,348	676
IRS Tax Credit for Build America Bonds	-	-	-	-	-	-	-	637	927	972
Gain on sale of land	836	2,806	1,948	20,106	1,146	8,010	1,091	5	5,561	1,697
Gain on sale of miscellaneous assets	279	466	3,955	519	112	404	357	401	176	332
Federal grant revenue-non capital	287	1,017	-	1,117	-	-	-	-	-	-
Other nonoperating revenues	2,948	2,804	2,761	2,703	-	-	-	-	-	-
Other nonoperating expenses	(1,530)	(2,129)	(5,076)	(1,716)	(1,153)	(1,008)	(834)	(1,595)	(1,434)	-
Interest on long term debt	(58,498)	(52,727)	(38,281)	(20,804)	(24,196)	(26,540)	(26,144)	(25,511)	(23,373)	(21,310)
Total nonoperating revenues (expenses)	(28,674)	(15,962)	(20,243)	3,419	(21,975)	(13,880)	(19,609)	(23,118)	(16,796)	(17,632)
Increase in net position, before contributions	95,960	118,155	70,991	103,539	77,701	71,258	58,115	46,652	44,135	29,468
Total Contributions	24,940	15,677	10,567	20,467	20,049	14,362	11,585	9,263	13,665	25,991
Change in net position	120,900	133,832	81,558	124,006	97,750	85,620	69,699	55,915	57,800	55,459
Total net position - beginning	1,601,378	1,472,265	1,385,972	1,261,967	1,164,217	1,078,597	1,016,586	960,670	902,870	847,411
Restatements and adjustments	-	(4,720)	16	-	-	-	(7,688)	-	-	-
Net Position-Beginning, as restated	1,601,378	1,467,546	1,385,972	1,261,967	1,164,217	1,078,597	1,016,586	960,670	902,870	847,411
Total net position - ending	\$ 1,722,278	\$ 1,601,378	\$ 1,467,546	\$ 1,385,972	\$ 1,261,967	\$ 1,164,217	\$ 1,078,597	\$ 1,016,586	\$ 960,670	\$ 902,870

* 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 96, *SBITAs*

³Fiscal year has been restated as a result of the adoption of GASB 101, *Compensated Absences*

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

A-4 - STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

2016 thru 2025*
(accrual basis of accounting)
(amounts expressed in thousands)

	2025	Restated 2024 ³	Restated 2023 ^{2,3}	Restated 2022 ¹	2021	2020	2019	2018	2017	2016
Revenue										
Water and reclaimed water	\$ 225,329	\$ 214,728	\$ 187,471	\$ 173,625	\$ 178,905	\$ 160,007	\$ 157,351	\$ 145,915	\$ 137,996	\$ 123,015
Wastewater	158,998	152,914	110,264	100,790	94,808	90,022	83,943	76,002	69,632	62,068
Other operating revenue	20,410	18,634	16,341	16,966	20,678	19,533	14,643	20,194	13,884	12,812
Total operating revenue	404,738	386,277	314,076	291,380	294,391	269,562	255,937	242,111	221,511	197,895
Expenses										
Operations and maintenance - water and reclaimed water	81,729	72,477	61,515	49,630	52,008	47,419	49,305	45,569	42,321	39,747
Operations and maintenance - wastewater	42,314	37,781	40,690	33,964	25,501	24,506	25,437	23,843	21,385	21,541
General, administrative and engineering expenses	51,129	43,323	33,147	28,987	27,162	24,013	25,718	23,598	21,100	20,230
Farm expenses	-	-	-	-	-	-	-	5,712	1,218	-
Other operating expenses	6,463	4,695	4,941	2,712	2,622	2,779	1,680	1,764	1,836	2,588
Other Post-Employment Benefits expense	120	-	165	924	1,658	2,187	1,663	821	822	978
Pension expense	6,655	8,841	3,100	-	6,091	9,216	5,050	4,998	6,000	4,171
Depreciation and amortization	86,453	78,118	72,015	68,486	70,212	68,428	65,322	62,998	60,385	56,199
Payment to City of El Paso Franchise Fee	6,550	6,550	6,550	6,550	6,550	3,470	3,589	3,584	3,578	3,367
Payment to City of El Paso per bond covenants	20,992	20,227	17,593	16,034	16,850	15,442	14,631	13,552	12,753	11,418
Total operating expenses	302,406	272,011	239,717	207,287	208,654	197,460	192,393	186,438	171,398	160,239
Operating income	102,332	114,266	74,359	84,093	85,737	72,102	63,543	55,673	50,114	37,656
Nonoperating revenues (expenses)										
Interest earnings and net change in fair value of investments	24,712	30,035	13,508	1,480	1,956	4,413	4,979	2,451	1,085	544
IRS Tax Credit for Build America Bonds	-	-	-	-	-	-	-	121	196	206
Gain on sale of land	836	2,714	1,948	33,701	1,146	17,618	1,091	5	5,561	1,682
Gain on sale of miscellaneous assets	279	466	3,955	519	112	396	357	343	176	315
Federal grant revenue - non capital	287	1,017	-	1,117	-	-	-	-	-	-
Other nonoperating revenues	2,891	2,743	2,673	2,624	-	-	-	-	-	-
Other nonoperating expenses	(915)	(1,663)	(4,606)	(1,367)	(1,095)	(898)	(584)	(1,108)	(1,169)	-
Interest on long term debt	(51,373)	(47,183)	(34,048)	(17,344)	(20,567)	(22,678)	(22,987)	(22,035)	(21,009)	(18,608)
Total nonoperating revenue/expenses	(23,282)	(11,872)	(16,570)	20,729	(18,448)	(1,149)	(17,145)	(20,223)	(15,160)	(15,862)
Increase in net position, before capital contributions	79,050	102,394	57,789	104,822	67,289	70,953	46,399	35,450	34,954	21,794
Total contributions	24,940	15,677	10,567	20,467	20,049	14,362	11,585	9,065	13,665	25,991
Change in net position	103,990	118,071	68,356	125,289	87,338	85,315	57,983	44,515	48,619	47,785
Total net position - beginning of year	1,456,154	1,342,690	1,269,711	1,144,422	1,057,084	971,770	920,624	876,109	827,490	779,705
Restatements and adjustments	-	(4,608)	16	-	-	-	(6,838)	-	-	-
Net Position-Beginning, as restated	1,456,154	1,338,083	1,269,711	1,144,422	1,057,084	971,770	920,624	876,109	827,490	779,705
Total net position - ending	\$ 1,560,144	\$ 1,456,154	\$ 1,338,083	\$ 1,269,711	\$ 1,144,422	\$ 1,057,084	\$ 971,770	\$ 920,624	\$ 876,109	\$ 827,490

* 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**

A-5 - NET POSITION

**2016 thru 2025*
(accrual basis of accounting)**

	2025	Restated 2024 ³	Restated 2023 ^{2,3}	Restated 2022 ¹	2021	2020	2019	2018	2017	2016
NET POSITION										
Restricted:										
Restricted for debt service	\$ 15,046,586	\$ 11,727,284	\$ 11,338,768	\$ 12,694,968	\$ 11,766,462	\$ 10,918,392	\$ 10,058,099	\$ 6,939,297	\$ 8,165,763	\$ 7,493,521
Restricted for construction and improvements	17,717,148	9,175,483	13,945,390	9,439,868	13,004,771	14,783,970	12,514,167	10,969,920	10,517,396	482,711
Total Restricted	32,763,734	20,902,767	25,284,158	22,134,836	24,771,233	25,702,362	22,572,266	17,909,217	18,683,159	7,976,232
Net investment in capital assets	155,727,536	144,652,297	130,846,632	113,030,797	101,514,366	90,459,004	82,888,753	76,369,996	64,915,497	66,311,237
Unrestricted	(1,398,989)	4,627,116	(1,709,554)	5,766,636	1,934,149	1,645,952	1,366,121	1,682,409	962,474	1,092,904
Total Net Position	\$ 187,092,281	\$ 170,182,180	\$ 154,421,236	\$ 140,932,269	\$ 128,219,748	\$ 117,807,318	\$ 106,827,140	\$ 95,961,622	\$ 84,561,130	\$ 75,380,373

Note:

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

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

A-6 - STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

2016 thru 2025*
(accrual basis of accounting)

	2025	Restated 2024 ³	Restated 2023 ^{2,3}	Restated 2022 ¹	2021	2020	2019	2018	2017	2016
Drainage operating revenues:										
Residential	\$ 15,599,117	\$ 13,704,282	\$ 11,763,625	\$ 10,652,484	\$ 9,913,888	\$ 9,760,506	\$ 9,661,849	\$ 9,305,692	\$ 7,865,371	\$ 6,976,350
Non residential	22,545,440	19,812,909	17,052,098	15,251,128	14,151,183	13,952,988	13,638,666	13,113,510	11,083,902	9,812,150
Billing fees - City Solid Waste Management	640,044	382,217	382,616	324,132	281,193	277,952	274,877	271,905	268,793	266,405
OPEB Recovery Credit	40,109	51,975	30,310	-	-	-	-	-	-	-
Other operating revenue	312,800	50,445	110,014	275,276	207,393	434,387	383,284	393,198	392,592	463,584
Total operating revenue	39,137,510	34,001,828	29,338,663	26,503,020	24,553,657	24,425,833	23,958,676	23,084,305	19,610,658	17,518,489
Drainage operating expenses:										
Operations and maintenance	9,787,731	7,086,381	6,680,386	5,088,785	5,268,842	5,800,152	4,670,438	4,828,146	5,000,988	4,432,140
Indirect cost allocation	2,038,000	2,385,000	1,756,000	1,678,000	1,498,000	1,534,000	1,440,000	903,000	915,000	1,300,000
Other operating expenses	-	-	-	-	-	-	-	-	-	278,451
Other Post-Employment benefits expense	-	-	-	6,243	68,139	111,622	129,720	71,663	70,779	75,884
Pension expense	199,045	294,691	8,524	-	263,068	479,932	286,850	285,217	471,141	293,552
Depreciation	4,811,011	4,384,823	4,018,831	3,703,686	3,516,614	3,464,030	3,251,555	2,899,125	2,336,309	1,694,639
Total operating expenses	16,835,787	14,150,895	12,463,741	10,476,714	10,614,663	11,389,736	9,778,563	8,987,151	8,794,217	8,074,666
Operating income	22,301,723	19,850,933	16,874,922	16,026,306	13,938,994	13,036,097	14,180,113	14,097,154	10,816,441	9,443,823
Nonoperating revenues (expenses)										
Interest earnings and net change in fair value of investment	2,292,177	1,766,963	942,080	13,410	160,075	841,476	942,499	493,700	262,976	132,253
IRS tax credit for Build America Bonds	-	-	-	-	-	-	-	516,337	730,547	766,696
Gain on sale of land	-	92,237	287,000	402,026	-	1,066,633	-	-	-	15,359
Gain on sale of miscellaneous assets	-	-	-	-	-	7,785	-	58,712	-	17,136
Other nonoperating revenue	57,114	60,628	88,051	78,891	-	-	-	-	-	-
Other nonoperating expense	(615,177)	(465,659)	(469,967)	(348,193)	(57,722)	(110,183)	(249,613)	(487,336)	(264,852)	-
Interest on long term debt	(7,125,736)	(5,544,158)	(4,233,119)	(3,459,919)	(3,628,917)	(3,861,630)	(3,157,059)	(3,476,075)	(2,364,355)	(2,701,665)
Total nonoperating expenses	(5,391,622)	(4,089,989)	(3,385,955)	(3,313,785)	(3,526,564)	(2,055,919)	(2,464,173)	(2,894,662)	(1,635,684)	(1,770,221)
Increase in net position, before capital contributions	16,910,101	15,760,944	13,488,967	12,712,521	10,412,430	10,980,178	11,715,940	11,202,492	9,180,757	7,673,602
Total Contributions	-	-	-	-	-	-	-	198,000	-	-
Change in net position	16,910,101	15,760,944	13,488,967	12,712,521	10,412,430	10,980,178	11,715,940	11,400,492	9,180,757	7,673,602
Total net position - beginning as previously reported	170,182,180	154,533,225	140,932,269	128,219,748	117,807,318	106,827,140	95,961,622	84,561,130	75,380,373	67,706,771
Restatements and adjustments	-	(111,989)	-	-	-	-	(850,422)	-	-	-
Net Position-Beginning, as restated	170,182,180	154,421,236	140,932,269	128,219,748	117,807,318	106,827,140	95,961,622	84,561,130	75,380,373	67,706,771
Total net position - ending	\$ 187,092,281	\$ 170,182,180	\$ 154,421,236	\$ 140,932,269	\$ 128,219,748	\$ 117,807,318	\$ 106,827,140	\$ 95,961,622	\$ 84,561,130	\$ 75,380,373

* 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**

A-7 - SELECTED FINANCIAL RATIOS

2016 thru 2025*

	2025	Restated 2024 ³	Restated 2023 ^{2,3}	Restated 2022 ¹	2021	2020	2019	2018	2017	2016
FINANCIAL RATIOS*										
Current Ratio (Current Assets/Current Liabilities)	2.96	3.56	4.09	2.11	2.41	1.78	2.34	3.44	3.21	2.95
Acid Test Ratio (Cash & Cash Equivalents/ Current Liabilities)	1.79	1.94	1.15	1.32	1.04	0.96	1.68	2.60	2.41	1.76
Operating Ratio ((O&M-Depreciation)/Total Operating Revenue)	0.53	0.50	0.53	0.48	0.47	0.48	0.50	0.51	0.51	0.53
Net Take-Down Ratio ((Total Operating Income+Depreciation)/Gross Revenue)	0.44	0.46	0.44	0.47	0.52	0.48	0.49	0.48	0.48	0.47
Total Liabilities/Total Assets	0.55	0.55	0.53	0.42	0.46	0.48	0.50	0.51	0.50	0.47
Debt to Equity Ratio ((Bonds Payable+Commercial Paper Notes+Extendable Commercial Paper Notes)/Equity)	1.03	0.99	0.94	0.63	0.67	0.70	0.78	0.83	0.79	0.69
Debt Ratio ((Bonds Payable+Commercial Paper Notes+Extendable Commercial Paper Notes)/Total Assets)	0.45	0.44	0.43	0.34	0.36	0.37	0.39	0.41	0.40	0.37
Debt Service Safety Margin ((Net Operating Income-Debt Service)/(Total Operating Revenue+Interest Earnings))	0.20	0.25	0.24	0.31	0.30	0.26	0.26	0.23	0.26	0.25
Current Restricted Assets/Current Restricted Liabilities	2.84	3.65	4.44	1.72	2.18	1.68	2.34	4.00	3.60	3.18

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

A-8 - SELECTED FINANCIAL RATIOS

2016 thru 2025*

	2025	Restated 2024 ³	Restated 2023 ^{2,3}	Restated 2022 ¹	2021	2020	2019	2018	2017	2016
FINANCIAL RATIOS										
Current Ratio (Current Assets/Current Liabilities)	3.17	2.89	2.62	2.39	3.87	3.93	3.46	5.55	6.13	3.46
Acid Test Ratio (Cash & Cash Equivalents/ Current Liabilities)	2.74	2.44	2.18	1.50	2.51	3.37	2.87	5.08	5.22	2.28
Operating Ratio ((O&M-Depreciation)/Total Operating Revenue)	0.31	0.29	0.29	0.26	0.29	0.32	0.27	0.26	0.34	0.36
Net Take-Down Ratio ((Total Operating Income+Depreciation)/Gross Revenue)	0.65	0.68	0.68	0.73	0.71	0.63	0.70	0.70	0.63	0.60
Total Liabilities/Total Assets	0.58	0.59	0.54	0.51	0.50	0.53	0.55	0.57	0.57	0.57
Debt to Equity Ratio ((Bonds Payable+Revolving Notes+Extendable Commercial Paper Notes)/Equity)	1.12	0.84	0.92	0.81	0.82	0.90	0.96	1.07	1.14	1.07
Debt Ratio ((Bonds Payable+Revolving Notes+Extendable Commercial Paper Notes)/Total Assets)	0.47	0.48	0.42	0.39	0.41	0.42	0.44	0.46	0.49	0.47
Debt Service Safety Margin ((Net Operating Income-Debt Service)/(Total Operating Revenue+Interest Earnings))	0.29	0.35	0.33	0.36	0.32	0.28	0.43	0.33	0.26	0.28
Current Restricted Assets/Current Restricted Liabilities	3.15	2.55	2.27	2.18	3.42	3.45	3.20	5.35	5.93	3.28

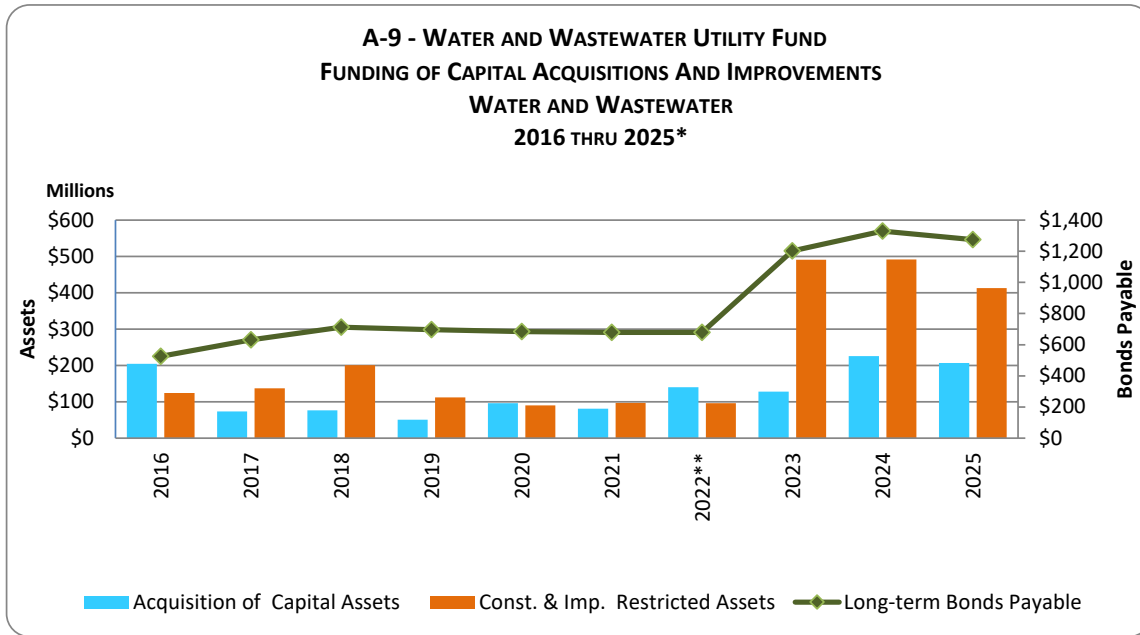
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PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



Funding of Capital Acquisitions and Improvements Data 2016 thru 2025* (amounts expressed in millions)			
Year	Acquisition of Capital Assets	Const. & Imp. Restricted Assets	Long-term Bonds Payable
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	81.0	96.7	679.6
2022 ¹	139.8	96.3	678.2
2023 ^{2,3}	127.9	491.3	1,203.0
2024 ³	225.8	491.7	1,329.3
2025	206.5	413.2	1,274.0

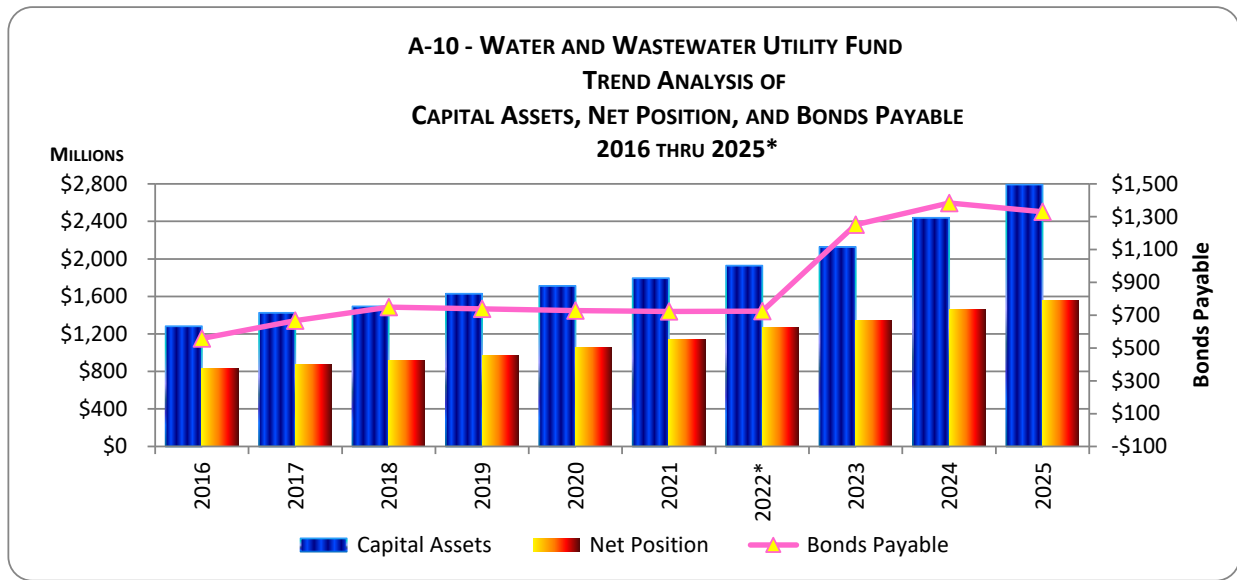
*Fiscal year March 1 thru last day of February of year shown

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PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



Trend Analysis of Capital Assets, Net Position and bonds Payable Data 2016 thru 2025* (amount expressed in millions)			
Year	Capital Assets	Net Position	Bonds Payable
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
2022 ¹	1,928.1	1,269.7	724.6
2023 ^{2,3}	2,127.4	1,338.1	1,251.6
2024 ³	2,438.0	1,456.2	1,383.6
2025	2,793.2	1,560.1	1,329.3

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

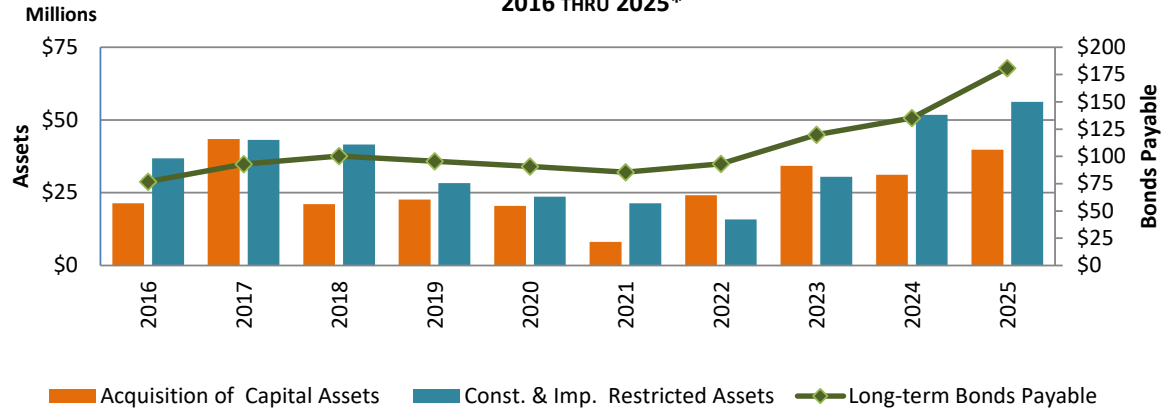
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PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

A-11 - MUNICIPAL DRAINAGE UTILITY FUND FUNDING OF CAPITAL ACQUISITIONS AND IMPROVEMENTS 2016 THRU 2025*

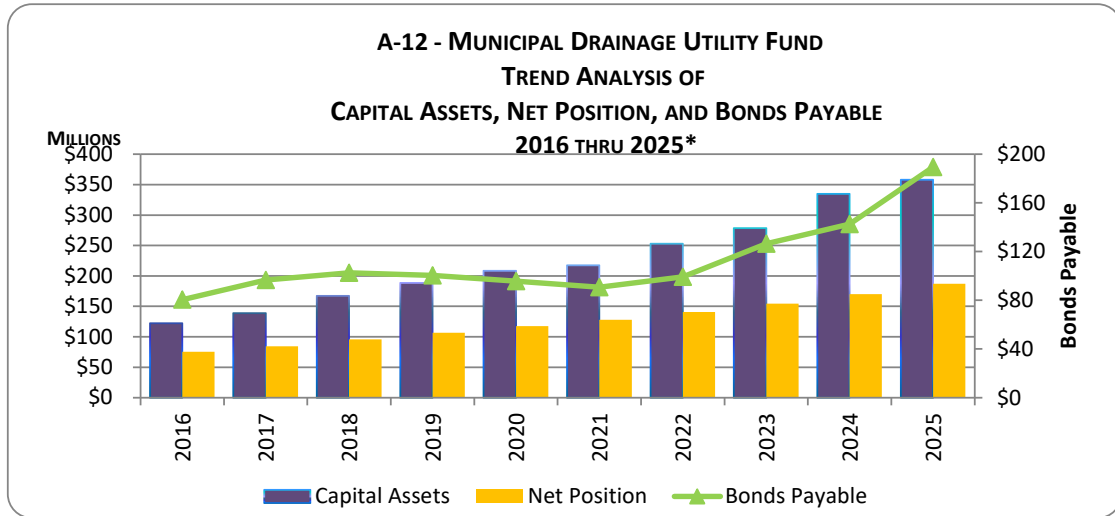


* Fiscal year March 1 thru last day of February of year shown

Funding of Capital Acquisitions and Improvements Data 2016 thru 2025* (amounts expressed in millions)			
Year	Acquisition of Capital Assets	Const. & Imp. Restricted Assets	Long-term Bonds Payable
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
2023 ¹	34.2	30.5	119.8
2024	31.2	51.8	135.2
2025	39.8	56.3	180.9

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



Trend Analysis of Capital Assets, Net Position and Bonds Payable Data 2016 thru 2025* (amounts expressed in millions)			
Year	Capital Assets	Net Position	Bonds Payable
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 ¹	252.8	140.9	99.2
2023 ^{2,3}	278.6	154.4	126.4
2024 ³	334.8	170.2	142.6
2025	358.1	187.1	189.4

* 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 87, *Leases*

²Fiscal year has been restated as a result of the adoption of GASB 96, *SBITAs*

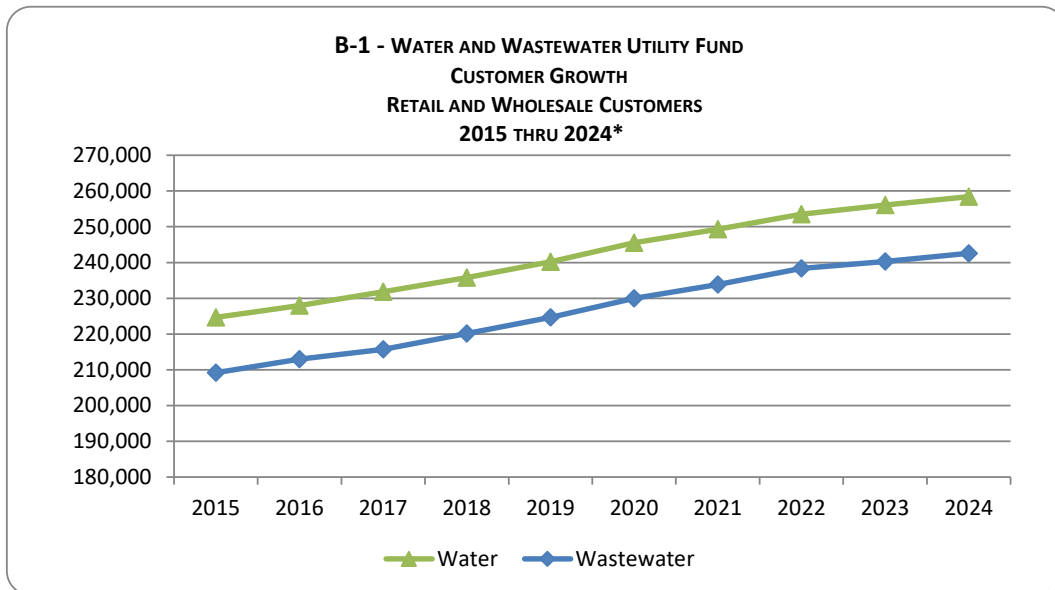
³Fiscal year has been restated as a result of the adoption of GASB 101, *Compensated Absences*

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



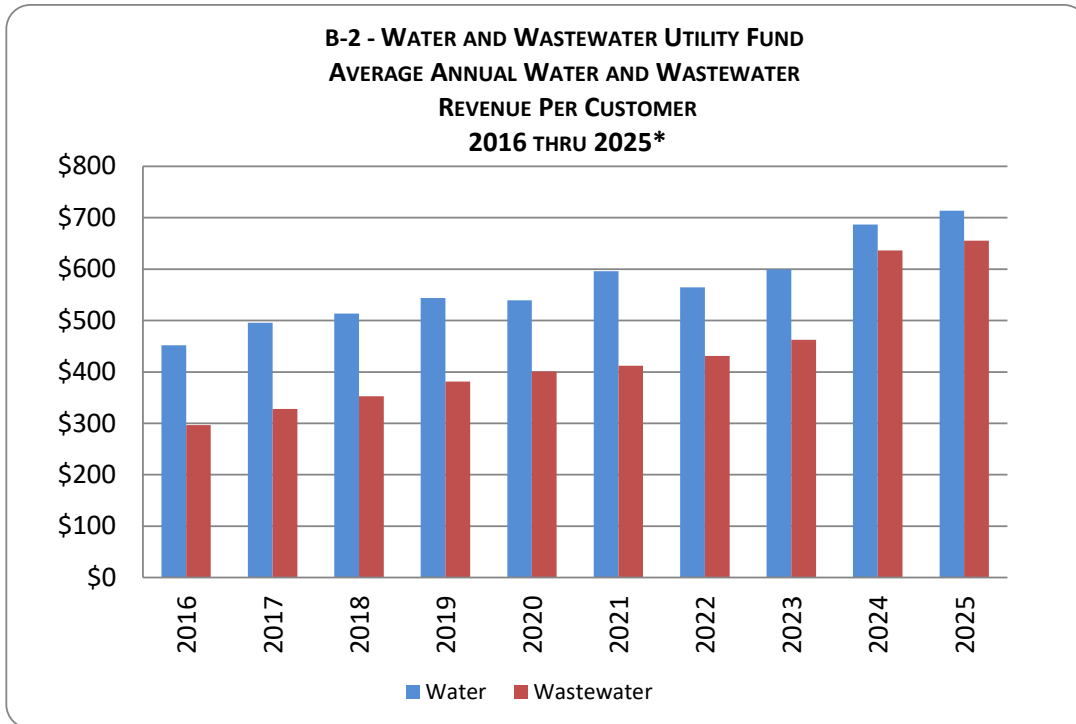
* Calendar Year

Source: Selected Operating Statistical Data page E-3

Water and Wastewater Customer Growth Data Retail and Wholesale Customers 2015 thru 2024*		
Year	Water	Wastewater
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
2022	253,535	238,364
2023	256,061	240,317
2024	258,417	242,579

*Calendar Year

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



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

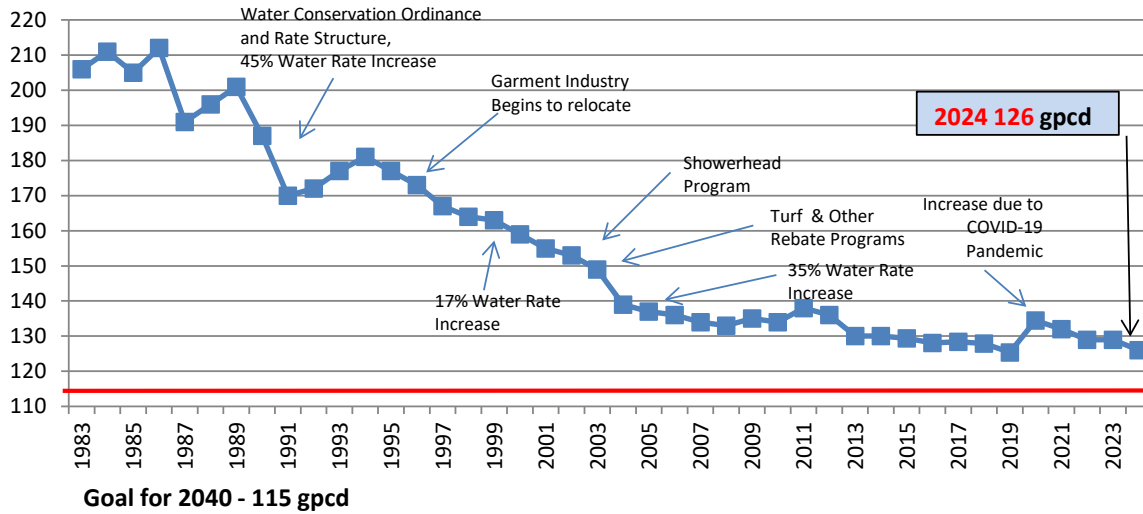
Note: retail & wholesale customers are included

Average Annual Water & Wastewater Revenue per Customer Data 2016 thru 2025*		
Year	Water	Wastewater
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
2023	599.39	462.59
2024	686.74	636.30
2025	713.78	655.45

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

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

B-3 - WATER AND WASTEWATER UTILITY FUND PER CAPITA WATER CONSUMPTION



Calendar Year

Per Capita Consumption Data					
Year	gpcd*	Year	gpcd	Year	gpcd
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	2022	129
1995	177	2009	135	2023	129
				2024	126

Calendar Year

* gpcd=gallons per capita daily

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

B-4 - WATER BILLED BY TYPE OF CUSTOMER

2016 thru 2025*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
WATER CUSTOMERS BY TYPE AT END OF FISCAL YEAR										
Residential	203,359	200,345	199,320	197,760	195,625	192,359	189,490	187,040	184,741	182,766
Schools	664	651	655	664	679	651	646	651	646	662
Churches	423	419	418	422	430	430	433	454	448	452
Industrial	105	93	83	83	80	82	131	146	147	148
Commercial	18,697	18,339	15,872	15,402	15,195	14,974	14,768	14,430	14,111	13,960
Government	1,885	1,901	1,881	1,895	1,887	1,871	1,809	1,805	1,798	1,741
Very Large Water Users	11	10	9	9	9	9	8	13	13	13
Wholesale Customers***	35,150	34,209	32,836	31,144	29,581	27,687	26,289	25,088	23,975	23,007
Other*****	180	228	2,472	2,907	2,769	2,770	2,668	2,517	2,408	2,311
Total Water Customers	260,474	256,195	253,546	250,286	246,255	240,833	236,242	232,144	228,287	225,060
WATER BILLED BY TYPE OF CUSTOMER (1000 ccfs)										
Residential	22,215	22,137	21,961	22,863	24,769	22,962	23,400	23,864	24,406	24,125
Schools	1,438	1,390	1,377	1,442	1,370	1,674	1,670	1,702	1,681	1,630
Churches	129	124	129	124	126	146	141	149	155	143
Industrial	783	380	602	1,726	1,453	1,678	1,585	1,362	1,131	1,199
Commercial	11,499	10,051	7,593	10,178	9,928	9,920	9,775	9,499	9,464	9,457
Government	3,230	2,950	2,923	3,609	3,879	3,818	3,661	3,177	3,188	2,907
Very Large Water Users	1,368	1,423	1,021	785	973	1,012	1,331	1,475	1,193	1,570
Wholesale Customers	5,658	5,425	5,140	3,900	5,471	4,731	4,642	4,478	4,343	4,228
Other*****	339	318	332	309	271	218	242	309	251	220
Total Water Billed in CCFs	46,659	44,199	41,077	44,935	48,240	46,159	46,447	46,014	45,812	45,479
WATER REVENUE **	\$225,329	\$214,728	\$187,471	\$173,625	\$178,905	\$160,007	\$157,351	\$145,915	\$137,996	\$123,015
WASTEWATER RETAIL CUSTOMERS	212,622	211,782	210,925	208,718	206,541	202,919	199,788	196,560	194,376	192,194
WASTEWATER WHOLESALE CUSTOMERS***	29,343	28,531	27,412	25,767	24,120	22,219	20,742	19,429	18,443	17,081
TREATED WASTEWATER BILLED (MG)****	20,041	20,242	20,963	20,159	20,737	20,800	20,731	21,457	21,285	21,235
WASTEWATER REVENUE **	\$158,998	\$152,914	\$110,264	\$100,790	\$94,808	\$90,022	\$83,943	\$76,002	\$69,632	\$62,068

* 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

*****Some customers were reclassified as part of a new billing system implemented March 1, 2023

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

Fiscal Year 2025*

B-5 - 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	El Paso Electric Co.	Utility	6,932,561	20.1%	\$24,854,860	11.0%
2	Lower Valley Water District Authority	Wholesale Customer	2,383,529	6.9%	6,880,576	3.1%
3	El Paso City	City Government	1,616,846	4.7%	10,287,432	4.6%
4	Paseo del Este MUD	Wholesale Customer	1,112,341	3.2%	6,447,720	2.9%
5	Federal Government	U.S. Government	558,985	1.6%	1,603,489	0.7%
6	El Paso County (Retail)	County Government	492,355	1.4%	2,970,167	1.3%
7	Western Refining	Industrial	423,596	1.2%	3,734,933	1.7%
8	HACEP	Housing Authority	403,626	1.2%	2,338,845	1.0%
9	El Paso Independent School District	Public Schools	345,498	1.0%	3,313,815	1.5%
10	Ysleta Independent School District	Public Schools	269,541	0.8%	2,725,254	1.2%
			<u>14,538,878</u>	<u>42.1%</u>	<u>\$65,157,090</u>	<u>28.9%</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 2025*				
B-6 - TEN LARGEST WASTEWATER CUSTOMERS				
Rank	Name of Customer	Type of Industry	Wastewater Revenue	% of Total Wastewater Revenue
1	Lower Valley Water District Authority	Wholesale Customer	\$4,937,159	3.1%
2	Western Refining	Industrial	4,620,531	2.9%
3	Federal Government	U.S. Government	4,073,692	2.6%
4	Paseo del Este MUD	Wholesale Customer	3,266,709	2.1%
5	HACEP	Housing Authority	2,237,457	1.4%
6	El Paso, County (Retail)	County Government	1,323,742	0.8%
7	El Paso Independent School District	Public Schools	1,161,755	0.7%
8	El Paso, City	City Government	1,088,593	0.7%
9	EPT	Property Management	1,040,884	0.7%
10	Ysleta Independent School District	Public Schools	<u>811,630</u>	<u>0.5%</u>
			<u>\$24,562,152</u>	<u>15.4%</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

B-7 - Water and Wastewater Utility Fund water rates
2016 thru 2025*

Monthly Minimum Charge by

Meter Size (inches)

3/4

1

1 1/2

2

3

4

6

8

10

WATER RATES

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
\$9.86	\$9.48	\$8.70	\$7.98	\$7.82	\$7.45	\$7.16	\$6.63	\$6.20	\$5.59
15.37	14.78	13.56	12.44	12.20	11.62	11.17	10.34	9.66	8.70
26.36	25.35	23.26	21.34	20.92	19.92	19.15	17.73	16.57	14.93
31.72	30.50	27.98	25.67	25.17	23.97	23.05	21.34	19.94	17.96
63.34	60.90	55.87	51.26	50.25	47.86	46.02	42.61	39.82	35.87
94.55	90.91	83.40	76.51	75.01	71.44	68.69	63.60	59.44	53.55
143.33	137.82	126.44	116.00	113.73	108.31	104.14	96.43	90.12	81.19
245.52	236.08	216.59	198.71	194.81	185.53	178.39	165.18	154.37	139.07
472.12	453.96	416.48	382.09	374.60	356.76	343.04	317.63	296.85	

Volume Charges

Residential Customers

Block 1 - Over 4ccfs - 150% of AWC

Block 1 - Over 5ccfs - 150% of AWC

Block 2 - 150% - 250% of AWC

Block 3 - over 250% of AWC

		\$2.62	\$2.40	\$2.35	\$2.24	\$2.15	\$1.99	\$1.86	\$1.68
\$3.19	\$3.07								
7.54	7.25	6.20	5.69	5.58	5.31	5.11	4.73	4.42	3.98
10.78	10.37	8.86	8.13	7.97	7.59	7.30	6.76	6.32	5.69
4.0%	9.0%	9.0%	2.0%	5.0%	4.0%	8.0%	7.0%	11.0%	8.0%

Non-Residential Customers

Block 1 - 150% of AWC

Block 2 - 150% - 250% of AWC

Block 3 - over 250% of AWC

\$3.19	\$3.07	\$2.62	\$2.40	\$2.35	\$2.24	\$2.15	\$1.99	\$1.86	\$1.68
7.54	7.25	6.20	5.69	5.58	5.31	5.11	4.73	4.42	3.98
10.78	10.37	8.86	8.13	7.97	7.59	7.30	6.76	6.32	5.69
4.0%	17.0%	9.0%	2.0%	5.0%	4.0%	8.0%	7.0%	11.0%	8.0%

Water Supply Replacement Charge

Meter Size (inches)

3/4 **

1

1 1/2

2

3

4

6

8

10

\$14.60	\$14.04	\$12.88	\$11.82	\$11.59	\$11.04	\$10.62	\$9.83	\$8.81	\$7.94
36.55	35.14	32.24	29.58	29.00	27.62	26.56	24.59	19.15	17.25
73.08	70.27	64.47	59.15	57.99	55.23	53.11	49.18	38.30	34.50
116.94	112.44	103.16	94.64	92.78	88.36	84.96	78.67	61.27	55.20
233.77	224.78	206.22	189.19	185.48	176.65	169.86	157.28	122.49	110.35
365.31	351.26	322.26	295.65	289.85	276.05	265.43	245.77	191.41	172.44
730.63	702.53	644.52	591.30	579.71	552.10	530.87	491.55	382.83	344.89
1,358.93	1,306.66	1,198.77	1,099.79	1,078.23	1,026.89	987.39	914.25	712.03	641.47
2,587.08	2,487.58	2,282.18	2,093.74	2,052.69	1,954.94	1,879.75	1,740.51	1,355.54	

Rate Increase

4.0%	9.0%	9.0%	2.0%	5.0%	4.0%	8.0%	7.0%	11.0%	8.0%
------	------	------	------	------	------	------	------	-------	------

* 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

B-8 - Water and Wastewater Utility Fund wastewater rates
2016 thru 2025*

Monthly Minimum Charge by

Meter Size (inches)

Less than 1

1

1½

2

3

4

6

8

10

WASTEWATER RATES

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
\$28.82	\$27.71	\$19.79	\$17.51	\$17.17	\$16.35	\$15.14	\$14.02	\$13.10	\$11.80
66.29	63.74	45.53	40.29	39.50	37.62	34.83	32.25	30.14	27.15
141.08	135.65	96.89	85.74	84.06	80.06	74.13	68.64	64.15	57.79
177.52	170.69	121.92	107.89	105.77	100.73	93.27	86.36	80.71	72.71
392.36	377.27	269.48	238.48	233.80	222.67	206.18	190.91	178.42	160.74
604.32	581.08	415.06	367.31	360.11	342.96	317.56	294.04	274.80	247.57
936.02	900.02	642.87	568.91	557.75	531.19	491.84	455.41	425.62	383.44
1,631.02	1,568.29	1,120.21	991.34	971.90	925.62	857.06	793.57	741.65	668.15
3,148.70	3,027.60	2,162.57	1,913.78	1,876.25	1,786.90	1,654.54	1,531.98	1,431.76	
4.0%	40.0%	13.0%	2.0%	5.0%	8.0%	8.0%	7.0%	11.0%	8.0%

Volume Charges

Residential Customers

Over 4 ccfs - 90% of AWC**

Over 5 ccfs - 90% of AWC**

		\$2.49	\$2.20	\$2.16	\$2.06	\$1.91	\$1.77	\$1.65	\$1.49
\$3.93	\$3.78								
\$3.93	\$3.78	\$2.49	\$2.20	\$2.16	\$2.06	\$1.91	\$1.77	\$1.65	\$1.49
4.0%	52.0%	13.0%	2.0%	5.0%	8.0%	8.0%	7.0%	11.0%	8.0%

Non-Residential Customers

90% of Average Winter Consumption

Rate Increase

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

**Average Winter Consumption

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

B-9 - MUNICIPAL DRAINAGE CUSTOMERS AND REVENUE BY TYPE

2016 thru 2025*

	2025	Restated 2024 ³	Restated 2023 ^{2,3}	Restated 2022 ¹	2021	2020	2019	2018	2017	2016
CUSTOMERS BY TYPE AT END OF FISCAL YEAR										
Residential	192,023	191,215	191,318	188,885	187,697	184,759	182,506	180,185	178,415	176,757
Apartment	2,208	2,202	2,211	2,205	2,205	2,197	2,156	2,061	2,056	2,035
Churches	417	414	414	421	428	429	431	431	436	440
Industrial	77	74	72	77	75	75	124	140	142	146
Commercial	10,662	10,626	10,703	10,809	10,669	10,575	10,498	10,677	10,604	10,586
Government	282	278	272	369	368	360	359	350	352	359
Other	475	410	334	424	418	408	384	384	386	395
Total Municipal Drainage Customers	206,144	205,219	205,324	203,190	201,860	198,803	196,458	194,228	192,391	190,718
REVENUE BY TYPE OF CUSTOMER										
Residential	\$15,599,117	\$13,704,282	\$11,763,625	\$10,652,484	\$9,913,888	\$9,760,506	\$9,661,849	\$9,305,692	\$7,865,371	\$6,976,350
Non residential	22,545,440	19,812,909	17,052,098	15,251,128	14,151,183	13,952,988	13,638,666	13,113,510	11,083,902	9,812,150
Billing Fees - City Solid Waste Management	640,044	382,217	382,616	324,132	281,193	277,952	274,877	271,905	268,793	266,405
Pension Recover Credit	-	-	-	168,988	-	-	-	-	-	-
OPEB Recovery Credit	40,109	51,975	30,310	-	-	-	-	-	-	-
Other Operating Revenue	<u>312,800</u>	<u>50,445</u>	<u>110,014</u>	<u>106,288</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>
Total Municipal Drainage Revenue	<u>\$39,137,510</u>	<u>\$34,001,828</u>	<u>\$29,338,663</u>	<u>\$26,503,020</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>

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

¹Fiscal year was restated as a result of the adoption of GASB 87, *Leases*

²Fiscal year was restated as a result of the adoption of GASB 96, *SBITAs*

³Fiscal year was restated as a result of the adoption of GASB 101, *Compensated Absences*

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

**B-10 - Ten Largest Municipal Drainage Customers
Fiscal Year 2025***

Rank	Name of Customer	Type of Industry	Revenue	% of Total Stormwater Revenue
1	El Paso, City	City Government	\$651,411	1.9%
2	Walmart Sam's	Retail Sales	337,190	1.0%
3	Southern Pacific	Railroad Line	257,320	0.8%
4	Marshalls	Retail/Distribution	177,254	0.5%
5	EPT	Property Management	168,452	0.5%
6	ICON	Manufacturing	151,932	0.4%
7	GCC Sun City Materials	Manufacturing	141,670	0.4%
8	Mimco	Property Management	139,832	0.4%
9	B9 Joe Rodriguez Driver Owner LP	Commercial/Industrial	139,542	0.4%
10	Western Refining	Industrial	<u>115,413</u>	0.3%
			<u>\$2,280,016</u>	<u>6.7%</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



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

C-1 - DEBT SERVICE COVERAGE

2016 thru 2025*

(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	
2025	\$ 384,328	\$ 181,947	\$ 202,380	\$ 28,435	\$ 230,815	\$ 54,305	\$ 56,505	2.08
2024 ³	367,642	162,422	205,221	32,462	237,683	48,625	46,728	2.49
2023 ²	297,735	138,618	159,117	15,371	174,488	46,490	27,550	2.42
2022 ¹	274,415	113,505	160,910	5,025	165,935	42,475	24,042	2.49
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

* 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 include pension and other post-employment benefit expenses. The bond ordinance requires debt service coverage of 1.5 times. See note 17 in the financial statements.

¹Fiscal year 2022 has been restated as a result of the adoption of GASB 87, *Leases*

²Fiscal year 2023 has been restated as a result of the adoption of GASB 96, *SBITAs*

³Fiscal year 2024 has been restated as a result of the adoption of GASB 101, *Compensated Absences*

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

C-2 - TOTAL NET DEBT OUTSTANDING BY TYPE

2016 thru 2025*

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

Fiscal Year	Revenue Bonds Payable & Unamortized Premiums	Extendable Commercial Paper Notes	Commercial Paper Notes	Total Outstanding Debt	Gross Revenue	Ratio of Total Debt to Gross Revenue	Water and Wastewater Customers**	Total Debt per Customer
2025	\$ 1,442,311	\$ 280,000	\$ -	\$ 1,722,311	\$ 429,450	4.01	260,474	\$ 6,612
2024 ³	1,503,477	-	60,000	1,563,477	416,312	3.76	256,195	6,103
2023 ²	1,358,658	-	10,000	1,368,658	327,584	4.18	253,546	5,398
2022 ¹	780,341	-	80,000	860,341	292,860	2.94	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	829,077	244,562	3.39	232,144	3,571
2017	727,319	-	22,500	749,819	222,596	3.37	228,287	3,285
2016	610,389	-	10,000	620,389	198,439	3.13	225,060	2,757

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

** Includes retail and wholesale customers

¹Fiscal year 2022 has been restated as a result of the adoption of GASB 87, *Leases*

²Fiscal year 2023 has been restated as a result of the adoption of GASB 96, *SBITAs*

³Fiscal year 2024 has been restated as a result of the adoption of GABS 101, *Compensated Absences*

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

C-3 - DEBT SERVICE COVERAGE
2016 thru 2025*

(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	
2025	\$ 38,145	\$ 12,025	\$ 26,120	\$ 2,727	\$ 28,847	\$ 7,413	\$ 6,940	2.01
2024 ³	33,517	9,766	23,751	1,847	25,598	6,633	5,026	2.20
2023 ²	28,816	8,445	20,371	1,083	21,454	6,073	4,449	2.05
2022 ¹	25,904	6,773	19,131	344	19,474	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

* 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 include pension and other post-employment benefits expense. The bond ordinance requires debt service coverage of 1.25 times.
See note 17 in the financial statements.

¹Fiscal year 2022 has been restated as a result of the adoption of GASB 87, *Leases*

²Fiscal year 2023 has been restated as a result of the adoption of GASB 96, *SBITAs*

³Fiscal year 2024 has been restated as a result of the adoption of GASB 101, *Compensated Absences*

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

C-4 - TOTAL NET DEBT OUTSTANDING BY TYPE
2016 thru 2025*

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

Fiscal Year	Revenue Bonds Payable & Unamortized Premiums	Extendable Commercial Paper Notes	Revolving Notes	Total Outstanding Debt	Gross Revenues	Ratio of Total Debt to Gross Revenue	Drainage Customers	Total Debt per Customer
2025	\$ 209,329	\$ 20,000	\$ -	\$ 229,329	\$ 41,430	5.54	206,144	\$ 1,112
2024 ³	157,423	60,000	-	217,423	35,769	6.08	205,219	1,059
2023 ²	139,763	-	15,000	154,763	30,281	5.11	205,324	754
2022 ¹	111,881	-	15,000	126,881	26,516	4.78	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

* 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 87, *Leases*

²Fiscal year has been restated as a result of the adoption of GASB 96, *SBITAs*

³Fiscal Year has been restated as a result of the adoption of GASB 101, *Compensated Absences*

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 occur.

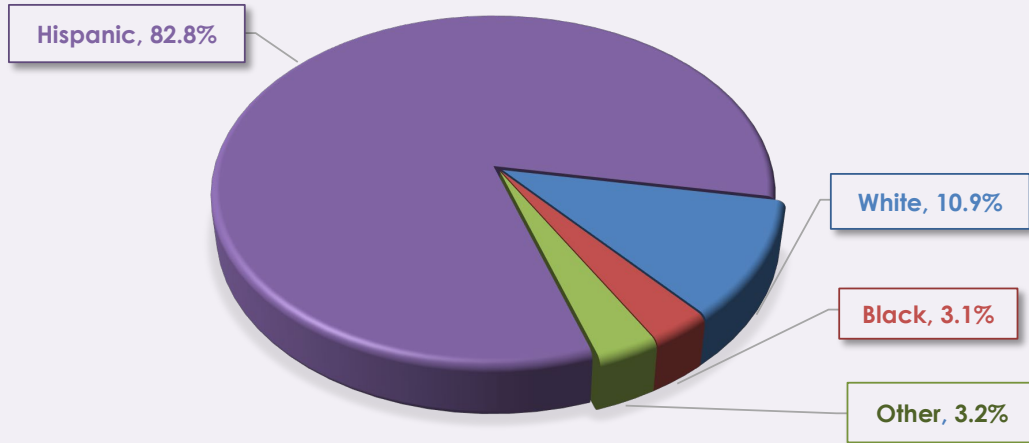


PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES
DEMOGRAPHIC AND ECONOMIC STATISTICS

D-1 - 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
2015	843,895	\$27,383	\$32,448	5.2
2016	849,067	\$27,893	\$32,851	4.8
2017	853,479	\$28,896	\$33,857	4.5
2018	855,382	\$30,237	\$35,350	4.2
2019	859,744	\$31,740	\$36,918	3.7
2020	866,547	\$34,823	\$40,186	8.1
2021	868,086	\$38,298	\$44,118	6.0
2022	868,763	\$38,398	\$44,198	4.2
2023	869,880	\$39,171	\$45,030	4.3
2024	875,784	\$40,982	\$46,795	4.2

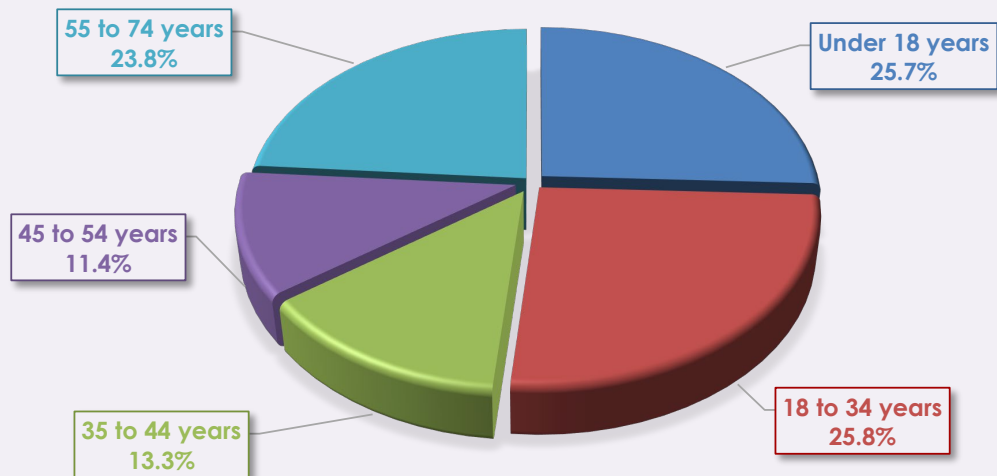
Note: Data provided by The University of Texas at El Paso, Department of Economics and Finance June 2025
All data subject to revision by federal statistical agencies.

D-2 - EL PASO COUNTY POPULATION BY RACE AND ETHNICITY



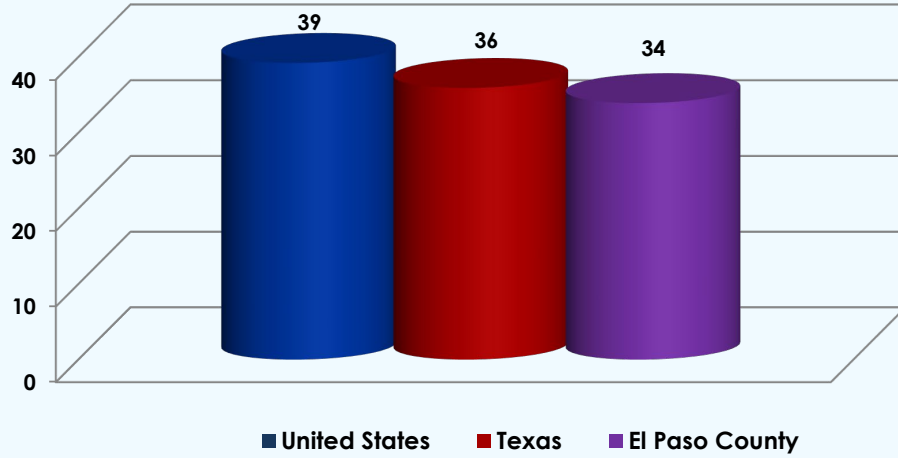
Source: U.S. Census Bureau, 2023 American Community Survey

D-2 - EL PASO COUNTY POPULATION BY AGE GROUP



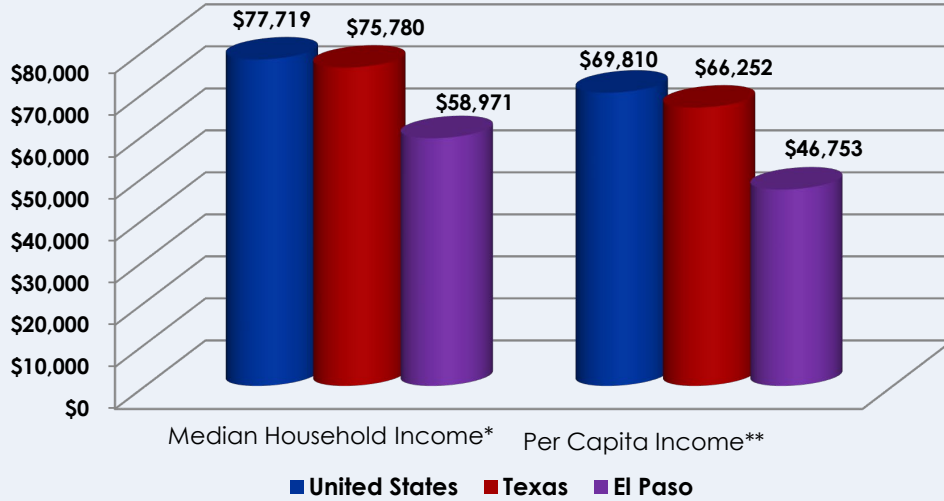
Source: U.S. Census Bureau, 2023 American Community Survey

D-3 - NATIONAL, STATE AND EL PASO MEDIAN AGE



Source: U.S. Census Bureau, 2023 American Community Survey

D-3 - NATIONAL, STATE AND EL PASO MEDIAN INCOME LEVELS

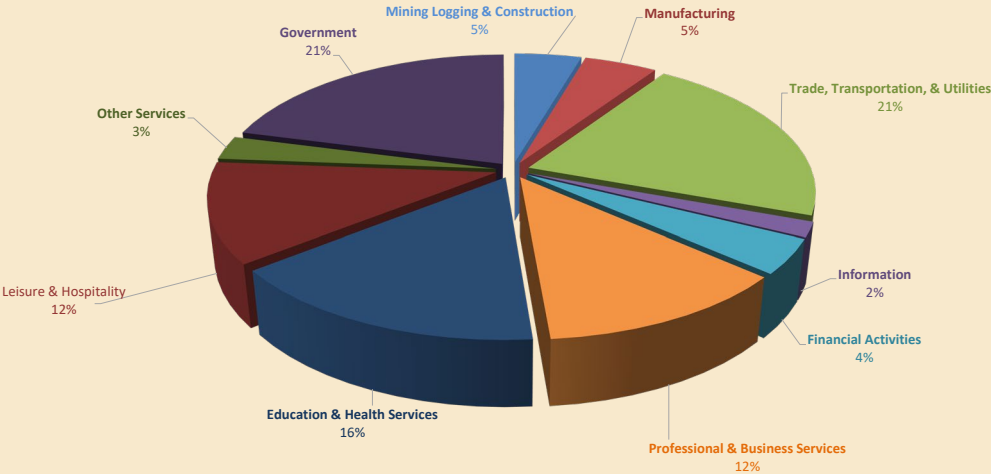


*Source: U.S. Census Bureau, 2023 American Community Survey

**Source: Bureau of Economic Analysis, Table: CAINC30, 2022

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

D-4 - El Paso Metropolitan Area Employment by Sector



Source: Texas Labor Market Information June 2025

D-4 - Top 10 Public/Private Employers in the City of El Paso

2024				
Rank	Employer	Type of Service	No. of Employees	% of Total Employment
1	Fort Bliss	Military	47,806	13.5%
2	El Paso Independent School District	Public School	10,774	3.0%
3	Socorro Independent School District	Public School	9,348	2.6%
4	T&T Staff Management	Employment Services	7,873	2.2%
5	City of El Paso	Government	6,095	1.7%
6	The Hospitals of Providence	Health Care	4,400	1.2%
7	InteLogix	Customer Service Center	4,324	1.2%
8	El Paso County	Government	3,243	0.9%
9	William Beaumont Army Medical Center	Health Care	3,000	0.8%
10	Walmart	Retail	3,000	0.8%

Source: List verified by Regional Economic Development, City of El Paso (June 2025)

* Excludes Retail

2014*				
Rank	Employer	Type of Service	No. of Employees	% of Total Employment
1	T&T Staff Management LP	Employment Service	4,000	1.3%
2	Dish Network	Technical Support Center	1,800	0.6%
3	Alorica	Inbound Customer Service Center	1,755	0.6%
4	GC Services	Inbound Customer Service Center	1,526	0.5%
5	RM Personnel	Employment Service	1,368	0.5%
6	Del Sol Medical	Health Care	1,300	0.4%
7	Automatic Data Processing, Inc.	Contact Center	1,100	0.4%
8	El Paso Electric Company	Electric Utilities	1,000	0.3%
9	OSP Group LLC	Inbound Customer Service Center	1,000	0.3%
10	Las Palmas Medical Center	Health Care	800	0.3%

Source: List generated by Reference USA.com, verified by Regional Economic Development, City of El Paso

*Excludes Retail

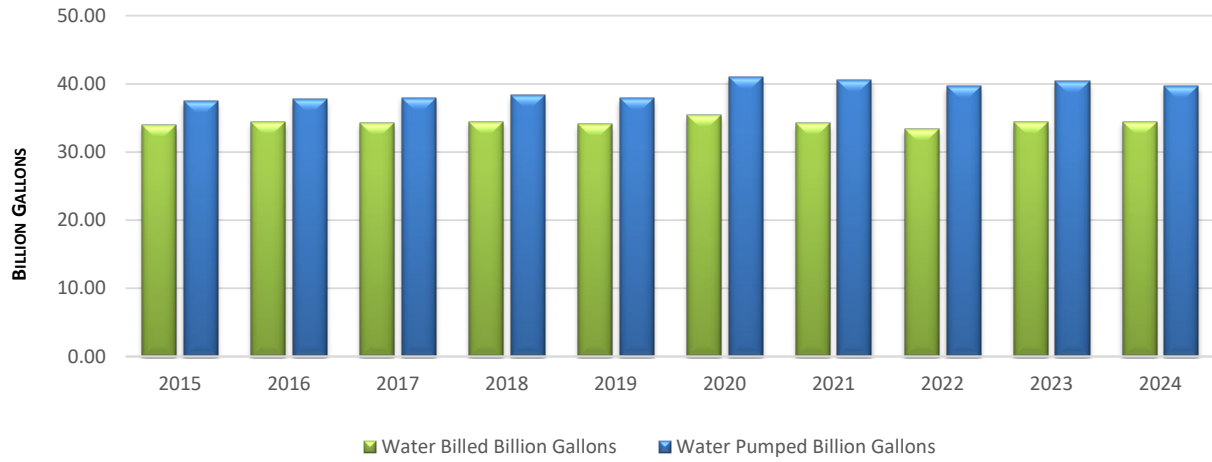
E - OPERATING INFORMATION

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 relates to the services they provide and the activities they perform.



PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

**E-1 - WATER AND WASTEWATER UTILITY FUND
WATER BILLED VS. WATER PUMPED
2015 THRU 2024***

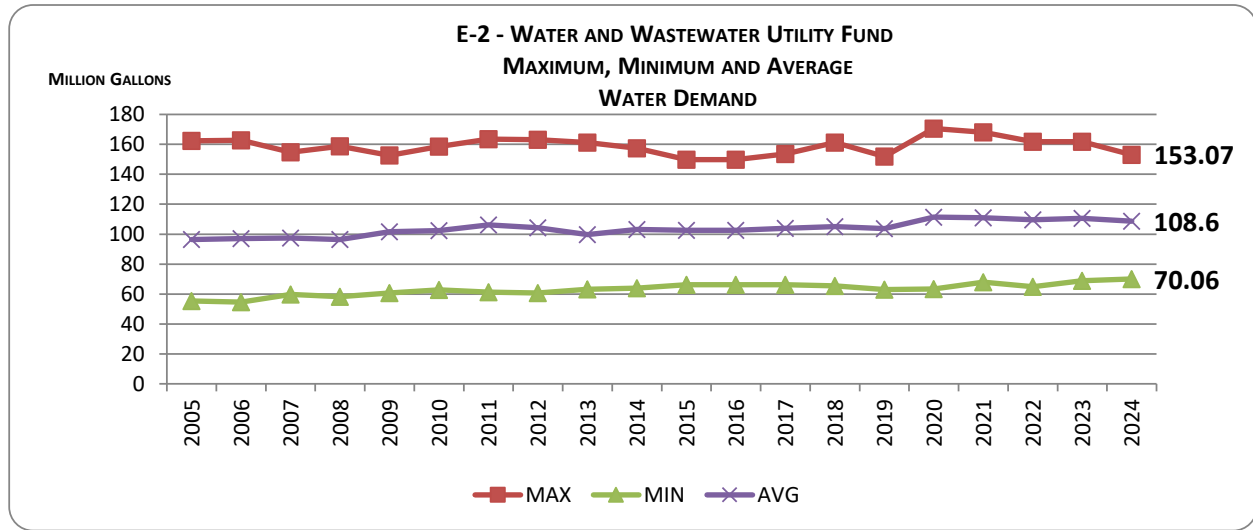


* Calendar Year

Water Billed vs. Water Pumped Data 2015 thru 2024*			
Calendar Year	Water Billed Billion Gallons	Water Pumped Billion Gallons	Unbilled Water
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	34.14	40.59	15.9%
2022	33.34	39.66	15.9%
2023	34.30	40.37	15.0%
2024	34.44	39.70	13.2%

* Calendar Year

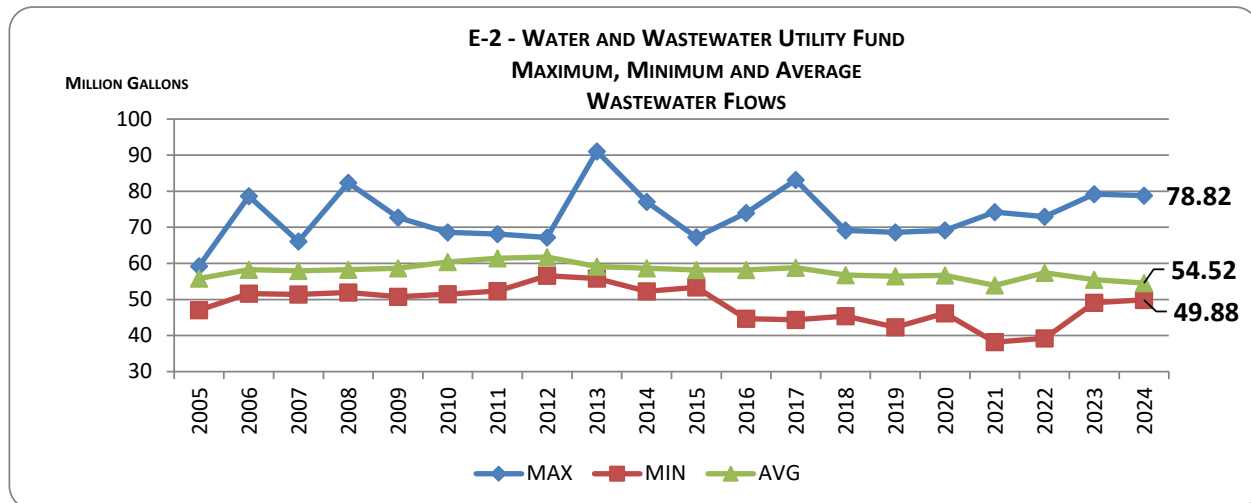
PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES



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

E-3 - SELECTED OPERATIONS AND STATISTICAL DATA
2015 thru 2024*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
WATER PRODUCTION AND USAGE DATA*										
Water Customers Retail at End of Year	223,068	221,659	220,397	218,160	216,238	212,724	209,624	206,609	204,140	201,807
Water Customers Retail & Wholesale at End of Year	258,417	256,061	253,535	249,281	245,530	240,168	235,768	231,846	227,933	224,656
Water Pumped - Million Gallons	39,701	40,375	39,665	40,590	40,944	37,914	38,390	37,958	37,693	37,487
Water Metered - Million Gallons - Retail	29,838	29,940	29,391	30,187	31,385	30,554	30,997	30,959	31,058	30,847
Water Metered - Million Gallons - (Retail/Wholesale)	34,435	34,303	33,340	34,143	35,395	34,092	34,459	34,292	34,317	33,981
Percent of Water Billed vs. Water Pumped (R/W)	87%	85%	84%	84%	86%	90%	90%	90%	91%	91%
Annual Billed Water per Customer Retail -1000 Gallons	134	135	133	138	145	144	148	150	152	153
Annual Billed Water per Customer (R/W) -1000 Gallons	133	134	132	137	144	142	146	148	151	151
Average Daily Water Demand-Million Gallons	108.6	110.6	109.6	111.0	111.5	103.7	105.1	103.9	102.9	102.6
Maximum Daily Water Demand-Million Gallons	153.1	161.9	161.8	168.0	170.7	151.8	161.3	153.6	160.9	149.8
Minimum Daily Water Demand-Million Gallons	70.1	68.8	64.8	68.0	59.8	62.9	65.5	66.3	64.5	66.2
Daily Average Consumption in Peak Week-Million Gallons	140.0	142.2	145.9	151.3	157.4	136.9	145.8	145.2	148.7	146.2
Peak day	June 13	June 28	June 15	June 23	July 17	July 4	August 7	June 23	July 13	June 24
Miles of Water Mains Installed	28.90	41.10	8.50	15.97	20.43	27.43	15.41	23.81	40.62	21.52
Miles of Water Mains Replaced or Abandoned	3.20	12.60	3.44	0.59	1.62	0.32	1.33	2.20	4.79	1.72
Miles of Water Mains in Place	2,403	2,801	2,773	2,767	2,752	2,733	2,706	2,692	2,670	2,635
Number of Fire Hydrants Installed	211	290	346	118	60	236	181	147	75	321
Number of Fire Hydrants in Place	12,414	12,203	11,913	11,567	11,449	11,389	11,153	10,972	10,825	10,750
WASTEWATER SYSTEM DATA*										
Wastewater Customers Retail & Wholesale at End of Year	242,579	240,317	238,364	233,847	229,973	224,633	220,129	215,673	212,990	209,178
Annual Wastewater Flow - Million Gallons	20,041	20,262	20,963	20,159	20,737	20,612	20,731	21,457	21,285	21,235
Average Daily Flow - Million Gallons	54.52	55.53	57.43	53.90	56.66	56.47	56.80	58.79	58.16	58.18
Maximum Daily Flow - Million Gallons	78.82	79.19	72.99	74.25	69.16	68.60	69.15	83.16	74.01	67.29
Minimum Daily Flow - Million Gallons	49.88	49.11	39.21	38.19	42.33	42.33	45.38	44.33	44.67	53.40
Average Daily Flow per Customer - Gallons	225	231	241	230	246	251	258	273	273	278
Miles of Wastewater Lines Installed	15.91	42.33	6.03	9.70	22.27	18.75	6.55	2.68	32.07	23.11
Miles of Wastewater Line in Place	2,462	2,444	2,374	2,368	2,358	2,336	2,317	2,311	2,308	2,276

* Calendar Year

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

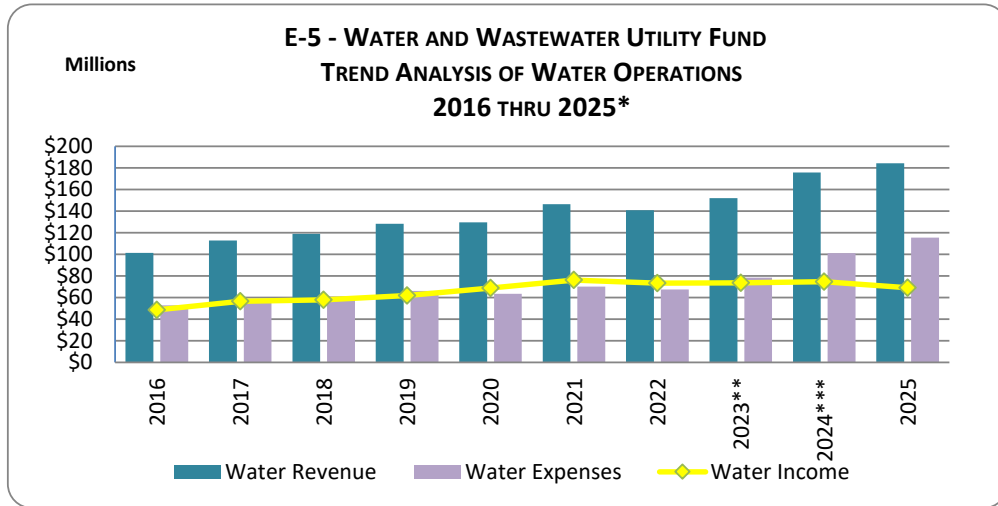
E-4 - SELECTED OPERATIONS AND STATISTICAL DATA
2016 thru 2025*

DRAINAGE OPERATIONS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Number of Ponds	489	481	469	461	454	450	434	403	394	388
Acres of Ponds Inventoried	2,106	2,098	1,820	1,856	1,866	1,855	1,805	1,019	958	904
Acres of Ponds Cleaned	689	242	398	402	443	447	104	258	243	377
Number of Dams/Basins	37	37	41	41	41	41	41	38	38	38
Acres of Dams/Basins Inventoried	1,822	1,822	1,875	1,875	2,430	2,430	2,430	2,430	2,430	2,430
Acres of Dams/Basins Cleaned	699	384	434	211	430	410	29	177	239	351
Miles of Channels Inventoried	75	75	71	71	71	71	74	74	74	74
Miles of Channels Cleaned	51	18	20	22	44	18	9	25	25	20
Miles of Agricultural Drains Inventoried	12	13	9	9	9	9	9	9	43	39
Miles of Agricultural Drains Cleaned	19	13	27	12	18	18	6	4	15	21
Miles of Drainage Conduits Inventoried	367	363	350	347	341	329	315	288	281	280
Miles of Drainage Conduits Cleaned	16	5	2	1	2	2	2	6	3	-
Drainage Inlets Inventoried	8,097	7,987	7,719	7,557	7,841	7,347	7,046	6,526	6,353	6,353
Drainage Inlets Cleaned	9,225	1,004	5,969	4,449**	206	225	77	494	616	465

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

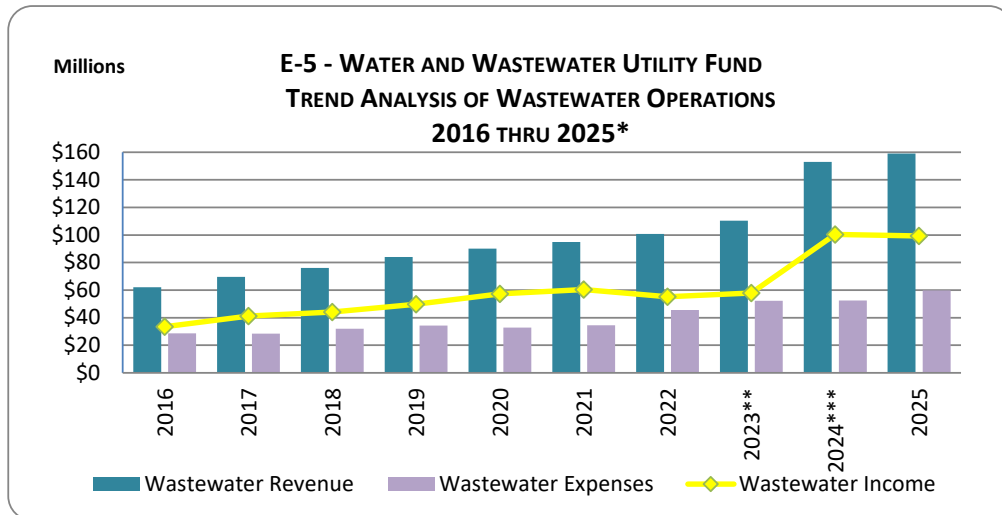
** 3,373 Cleaned by contractors

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 137](#)

**2023 Restated
***2024 Restated



* Fiscal year March 1 thru last day of February of year shown
Source: Net Operating Revenue - Wastewater, [page 138](#)

**2023 Restated
***2024 Restated

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

E-6 - STAFFING BY DIVISION AND SECTION
Fiscal Year 2025*

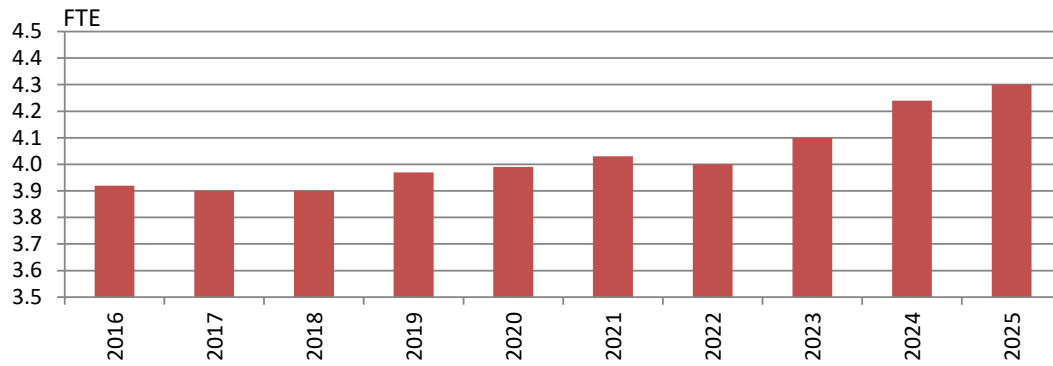
	Division/Section	2025**	2024	Budgeted FTE's		
				2023	2022	2021
Administration	Executive Services	11	10	9	8	9
	Legal Services	8	8	8	7	5
	Communications	15	10	10	10	10
	Human Resources	23	21	20	16	14
	Water Resources Management	4	5	5	5	5
	Land Management	13	11	11	11	10
	TechH ₂ O Learning Center	8	9	9	8	8
	Records Management	9	10	10	0	0
	Security, Emergency, and Safety	6	0	0	0	0
	Total Division	97	84	82	65	61
Technical Services	Technical Services	7	4	4	8	6
	Water/Wastewater Engineering	17	15	15	15	15
	Planning and Development	13	40	40	38	39
	Engineering Project Management- Wastewater	10	12	11	11	11
	Engineering Project Management- Water	10	0	0	0	0
	Construction Project Management	33	8	7	7	8
	Capital Improvements Program Management	3	5	5	0	0
	Total Division	93	84	82	79	79
Financial & Support Services	Finance	5	5	5	5	4
	Property and Treasury Management	13	13	12	12	14
	Customer Service	139	132	123	115	112
	Accounting	15	14	13	14	13
	Purchasing & Contract Administration	14	14	11	11	11
	Meter Repair Shop	18	19	14	14	14
	Total Division	204	197	178	171	168
Information Technology	Information Technology	56	45	53	49	47
	Instrumentation and Control	51	36	32	32	30
	Total Division	107	81	85	81	77
Operations (Water System)	Water Division Office	7	4	3	3	3
	Well Production	55	54	51	47	46
	Robertson/Umbenhauer Water Treatment Plant	24	21	21	21	21
	Water Distribution	118	120	115	109	109
	Jonathan W. Rogers Water Treatment Plant	22	18	18	18	18
	Upper Valley Water Treatment Plant	17	13	13	13	13
	Kay Bailey Hutchison Desalination Plant	20	14	13	13	13
	Reclaimed Water System	1	1	1	0	0
	Total Division	264	245	235	224	223
Operations (Wastewater System)	Wastewater Division Office	6	7	8	7	7
	Wastewater Lift Stations	20	20	18	18	18
	Wastewater Collection System Maintenance	37	35	33	33	33
	Northwest Wastewater Treatment Plant	26	25	23	20	20
	Haskell R. Street Wastewater Treatment Plant	30	29	29	29	29
	Roberto R. Bustamante Wastewater Treatment Plant	31	32	29	29	29
	Fred Hervey Water Reclamation Plant	27	28	26	26	27
	Wastewater System Repair & Construction	25	24	24	24	23
	Total Division	202	200	190	186	186
Operations (Operations Support)	Operations Management	8	12	9	8	8
	Environmental Compliance/Industrial Pretreatment	12	11	10	10	18
	Laboratory Services	34	34	33	32	32
	Code Compliance	10	8	8	8	0
	Reclaimed Water System	0	0	0	1	0.75
	Biosolids Management	0	0	0	0	0.25
	Plant Equipment Maintenance	13	15	12	8	8
	Total Division	77	80	72	67	67
Operations (Equipment & Facilities Maintenance)	Warehouse	8	8	8	8	9
	Fleet Maintenance	28.34	28.33	28	23	22
	Heavy Equipment Operations	56.33	54.33	53	49	48
	Facilities Maintenance	32.33	30.33	29	29	28
	Total Division	125	121	119	110	107
WATER AND WASTEWATER UTILITY'S TOTAL BUDGETED REQUIREMENTS		1169	1092	1043	983	968
Stormwater	Stormwater Operations	49	45	45	45	45
	Stormwater Design & Development Services	12	11	11	9	9
	Total Division	61	56	56	54	54
Grand Total		1230	1148	1099	1037	1022

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

** Budgeted Positions adjusted per off-cycle staffing change requests

PUBLIC SERVICE BOARD - EL PASO WATER UTILITIES

**E-7 - WATER AND WASTEWATER UTILITY FUND
BUDGETED EMPLOYEES PER 1,000 CUSTOMERS
2016 thru 2025***



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

Budgeted Employees per 1,000 Customers Data	
2015	3.9
2016	3.9
2017	3.9
2018	3.9
2019	4.0
2020	4.0
2021	4.0
2022	4.0
2023	4.1
2024	4.2
2025	4.3

* FTE=full time equivalent

