

RULES AND REGULATIONS NO. 14

RULES AND REGULATIONS
ESTABLISHING THE LAND MANAGEMENT POLICY
OF THE PUBLIC SERVICE BOARD

BY THE AUTHORITY GRANTED TO THE PUBLIC SERVICE BOARD, BY VIRTUE OF SECTION 1502.070, TEXAS GOVERNMENT CODE, VERNON'S REVISED CIVIL STATUTES, CITY ORDINANCE 752, PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS, MAY 22, 1952 AND CITY ORDINANCE 016668, PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS, JUNE 19, 2007, AS AMENDED, NOW THEREFORE BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE CITY OF EL PASO, THAT THE FOLLOWING AMENDMENT TO THE RULES AND REGULATIONS GOVERNING THE LAND MANAGEMENT POLICY OF THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD IS HEREBY ADOPTED. ALL OTHER RULES AND REGULATIONS SHALL REMAIN IN FULL FORCE AND EFFECT.

SECTION I GENERAL

A. TABLE OF CONTENTS

The following headings or captions are adopted as the Table of Contents for Public Service Board Rules and Regulations No. 14.

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B. DEFINITIONS

The words and terms not expressly defined within these Rules and Regulations No.14 shall have their usual and customary meaning except where a specialized meaning is required, in which case such meaning shall be taken from the Public Service Board's Water, Sewer and Drainage Bond Ordinances and Rules and Regulations.

C. NEUTRAL GENDER

When the context requires, all nouns and pronouns in the masculine gender shall also include the feminine gender.

SECTION II POLICY

It is the Policy of the Public Service Board (PSB) to practice wise fiscal management of lands and other assets under the complete authority and control of the PSB. The PSB will ensure that the sale and management of lands under its control is done so in an effort to address any relevant environmental and water resource concerns, access to the underlying ground water for eventual use as potable water and how the land or portions of the land are used directly as part of system operation, focusing on the best overall value for the ratepayer, and taking into consideration the needs of the community-at-large.

It is hereby declared to be the policy of the PSB that land under the jurisdiction of the Public Service Board will be sold only after consideration of the following issues: (1) Protection of the water supply and natural stormwater flow paths, and promotion of water conservation initiatives adopted by the PSB; (2) Promotion of efficient utility services; and (3) Maximization of land values with reasonable risk levels.

The PSB will not engage in land development so as to compete with the private sector. The policies and procedures set forth herein are adopted in an effort to protect the water supply, promote water conservation, promote the use of reclaimed water, plan for stormwater drainage, and to establish main thoroughfares in the City that are consistent with the PSB's mission and adopted strategic plan.

SECTION III PURPOSE

The purpose of this policy is to categorize the PSB land holdings and identify the procedure for the sale of System land that is subject to the complete authority and control of the PSB.

A. LAND FOR SALE

Pursuant to the City of El Paso (the "City") water, sewer, and drainage bond ordinances, before System land may be eligible for sale, the PSB shall first determine whether the land, or portions of the land, may be declared inexpedient for use in connection with the water, sewer, and drainage systems (collectively, the "System"). All land that is declared inexpedient for use in connection with the System shall nonetheless remain a part of the System and subject to the complete authority and control of the PSB until the closing of a transaction for sale of the land, and any portions of the land that are reserved or excepted by the PSB in such transactions shall remain a part of the System unless expressly removed from the System thereafter by PSB action. In determining whether such land, or a portion thereof, may be declared inexpedient for use in connection with the system, the PSB shall consult with El Paso Water Utilities' staff and ensure that the following conditions are satisfied: (1) The land shall not be necessary for current and future operations of the El Paso Water Utilities, provided, however, that if the PSB determines that only a portion or portions of the land are necessary for operations, the PSB may permit the land to be sold so long as those portions necessary for operations are reserved from the conveyance; (2) There shall be enough water, sewer and drainage capacity at the treatment, distribution and collection facilities in order to ensure service to the land; and (3) The sale of the land does not adversely affect the water supply and is not contrary to the PSB's water conservation efforts.

B. RESERVED LAND

El Paso Water Utilities, under the direction of the PSB, will identify System lands that should be held in reserve for water storage, water, wastewater, drainage and reclaimed water purposes or facilities, buffer zones and for the purpose of protecting natural resources. Such land, being subject to the complete authority and control of the PSB, may be held in long-term trust for the protection of groundwater and securing of water rights or if it is more than 20 years beyond the contiguous growth and development of the City.

SECTION IV PROCEDURES

1. Sale of Land Through Bid. The PSB has developed a public bid process and specifications for the sale of System land, in accordance with Texas Local Government Code Ann.§272.001, which states the requirements of the sale of land through public auction and sealed bids. When land must be sold through the bidding process pursuant to the Texas Local Government Code, the bid will be awarded to the bidder submitting the highest bid that: (1) equals or exceeds the minimum acceptable price, as determined by the PSB in accordance with the Texas Local Government Code and the City of El Paso Water, Sewer and Drainage Bond Ordinances; and (2) complies with bid specification requirements and covenants. The PSB reserves the right to reject any or all bids.
2. Sale of Land Through Broker. The PSB may sell land in accordance with Texas Local Government Code Ann.§253.014(a)-(e), as amended.

SECTION V STORMWATER MANAGEMENT

Pursuant to City of El Paso Ordinance 016668 establishing a Municipal Drainage System, the Public Service Board Municipal Drainage Utility, in developing the Stormwater Plan, will take into account the use of open spaces, greenways, arroyos and wilderness areas in their natural state as a means to assist in the management of storm water and in accordance with the City's Open Space Master Plan.

- A. The stormwater capital infrastructure plan shall identify stormwater infrastructure projects (including land acquisition) which have the potential dual purposes of stormwater management and preservation with the City's open spaces, greenways, arroyos, and wilderness areas in their natural state in accordance with the City's Open Space Master Plan and the City's Parks and Recreation Master Plan (Green Projects).
- B. The Board shall allocate an amount equal to ten percent (10%) of the System's annual drainage utility fee revenues for such Green Projects.

SECTION VI EFFECTIVE DATE

These rules and regulations shall be and become effective from and after their adoption hereby and shall remain in effect until amended or changed by the Public Service Board.

PASSED, APPROVED and ADOPTED this 12th day of February 2003 by the Public Service Board of the City of El Paso, Texas.

RULES & REGULATIONS N0.14, SECTION V (A, B), SECTION VI, ADDED, REVISED, APPROVED and ADOPTED the 12th day of December 2007, by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

RULES AND REGULATIONS NO. 14, SECTION III (A1, 2), B, C, SECTION VI (A, B), ADDED, REVISED, APPROVED AND ADOPTED the 9TH day of June 2021 by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

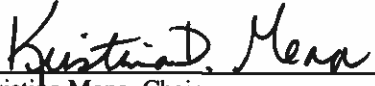
RULES AND REGULATIONS NO. 14, SECTIONS I II III IV and V, ADDED, REVISED, APPROVED AND ADOPTED the 11TH day of May 2022 by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas.

PUBLIC SERVICE BOARD

ATTEST:



Bryan R. Morris, Secretary-Treasurer



Kristina Mena, Chair

APPROVED AS TO FORM:



Daniel Ortiz, General Counsel