

### THE PUBLIC SERVICE BOARD

The ordinances authorizing the outstanding Water and Sewer Revenue Bonds provide for the complete management and control of the operations of the System (under the name "El Paso Water Utilities"), during such time as any of such bonds are outstanding and unpaid, by a Board of Trustees known as the Public Service Board (the "Board").

**MEMBERSHIP . . .** The Board consists of five citizens of the United States of America residing in El Paso County, Texas. The Mayor of the City shall ex-officio be one member of the Board. The remaining four are named by the City Council for four year terms.

**TERM OF OFFICE AND FILLING OF VACANCIES . . .** Each member of the Board shall serve for a term of four years. All vacancies in membership, whether occasioned by expiration of office or otherwise, shall be filled in the following manner: the Chairman of the Board and the Mayor shall agree upon and submit to the Board for its approval the names of three or more persons eligible to serve as members of the Board. After the Board has signified by majority vote its approval of any three names so submitted to it, the Board shall file with the City Council the names of the three persons. Within 30 days after the filing of the names, the City Council shall by majority vote appoint one of the three. If the City Council rejects all three names, three others shall be submitted in like manner, and so on until an appointment is made.

**ORGANIZATION OF THE BOARD . . .** The Board shall elect one of its members as Chairman and one as Vice Chairman and shall appoint a Secretary and a Treasurer or Secretary-Treasurer who may be, but not need be, a member of the Board. The Board may make such regulations and by-laws for the orderly handling of its affairs as it may see fit.

**POWERS AND DUTIES . . .** The Board shall have complete authority and control of the management and operation of the System and the expenditure and application of its revenues and shall operate and manage the System with the same freedom and in the same manner as a board of directors of a private corporation operating properties of a similar nature. The Board shall elect or appoint all officers and employees which it may consider desirable.

### THE WATER SYSTEM

**GENERAL INFORMATION AND HIGHLIGHTS . . .** The El Paso Water Utilities Public Service Board (the "Utility" or the "PSB") recognizes it exists to serve a large population situated in an arid climate and has been aggressively planning for the future to insure an adequate long-term water supply. Major steps taken include passing a stringent water conservation ordinance, establishing a rate structure designed to encourage conservation, completion of a comprehensive Water Resource Management Plan, and the development of a Drought and Water Emergency Management Plan while continuing to increase reliance on the recycling of wastewater. The Utility has also expanded its surface water supplies (a renewable source) to decrease demand on ground water aquifers.

The Utility operates 174 wells, 67 reservoirs, 45 booster pump stations, two surface water treatment plants and over 2,300 miles of pipelines. The Utility also operates 9 reservoirs, 8 pump stations and 38.5 miles of pipelines comprising the reclaimed water system.

The Franklin Mountains divide the City but water supplies are geographically spread throughout. Historically, 60 percent of the annual usage has been from the Hueco Bolson aquifer which extends from Southern New Mexico, through east El Paso and into Mexico. About 15 percent of the historical annual usage has been from the renewable Mesilla Bolson aquifer west of the mountains. The Utility's 40 million gallon per day (MGD) Robertson/Umbenhauer surface water treatment plant, originally built in 1943, is centrally located in the City. The filtration and disinfection systems in this plant were upgraded in 1999 to meet anticipated future drinking water regulations. The second surface water plant, the Jonathan W. Rogers surface water treatment plant, with a capacity of 60 MGD, started production in early 1993. It is located further downstream to serve the City's eastside and expanding lower valley area. Together, they produce 100 MGD, which represents more than 50 percent of total annual demand. As a result of increased surface water use, increased water conservation and water reclamation, withdrawals from the Hueco Bolson have dropped to 33 percent. Both surface water treatment plants operate during the seven-month irrigation season when Rio Grande Project water is available. However, the Utility is developing a plan to obtain river water throughout the year. The Utilities' water system each year consistently receives a Superior Water System ranking by the Texas Commission on Environmental Quality.

Water demand for the Utility was at 203 gallons per person per day (gpcd) in 1989 prior to institution of an aggressive water conservation program, but has been declining rapidly since. The Utility exceeded its goal to reduce usage to 160 gpcd by the year 2000. As a result, a new goal of 140 gpcd has been set for the year 2010. Demand for 2005 was 137 gpcd, thus already meeting the new goal.

In 1995, the Public Service Board was designated as the Regional Planner for El Paso County by the State Legislature. This has resulted in a coordinated approach in developing water resources for this region. In addition, the Public Service Board is actively pursuing joint water resources planning with several New Mexico entities. One of the Utility's long-term water management plans is the El Paso-Las Cruces Regional Sustainable Water Project. This project is a unique regional cooperative effort to ensure that there is a reliable water supply to protect the economy, environment and quality of the life for the residents in the

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