



# El Paso Water Utilities

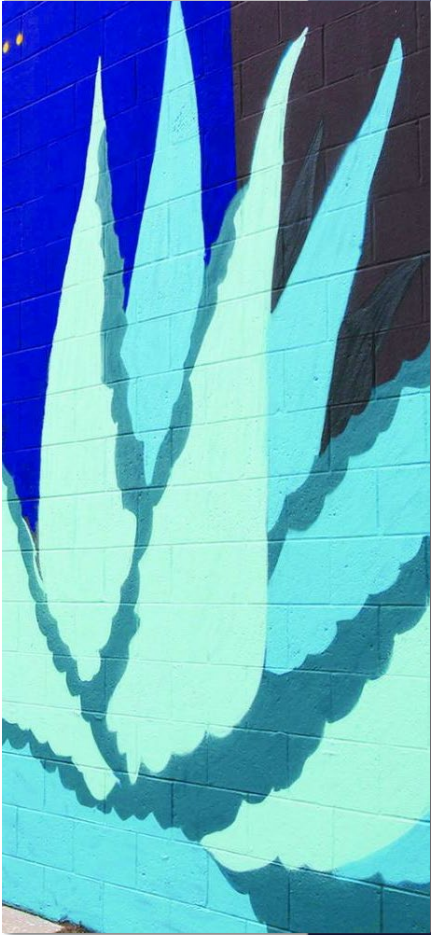
## An Overview of Creation + Governance

Goal 6. Set the standard for sound governance and fiscal management



21-1009-1111





## Overview

- Presentation Purpose
- About EPWater
- Governing Documents
  - State Statutes
  - Local Regulations
- Questions

# Presentation Purpose

- On August 2, 2021, City Council took action to direct the City Manager and the City Attorney to prepare a presentation on the creation and governance structure of the water utility.

# About EPWater

- A component unit of the City of El Paso
- Created in 1952 through City Ordinance No. 752
- Governed by a 7-member board of directors (Public Service Board), appointed by City Council and including the Mayor
- Responsible for the provision of “water services” to the City and surrounding areas, including water, wastewater, reclaimed water, and stormwater services



## About EPWater

- Provides 97% of all municipal water in El Paso County
- Responsible for meeting the community's present and future water demands
- Water sustainability requires diversification of sources

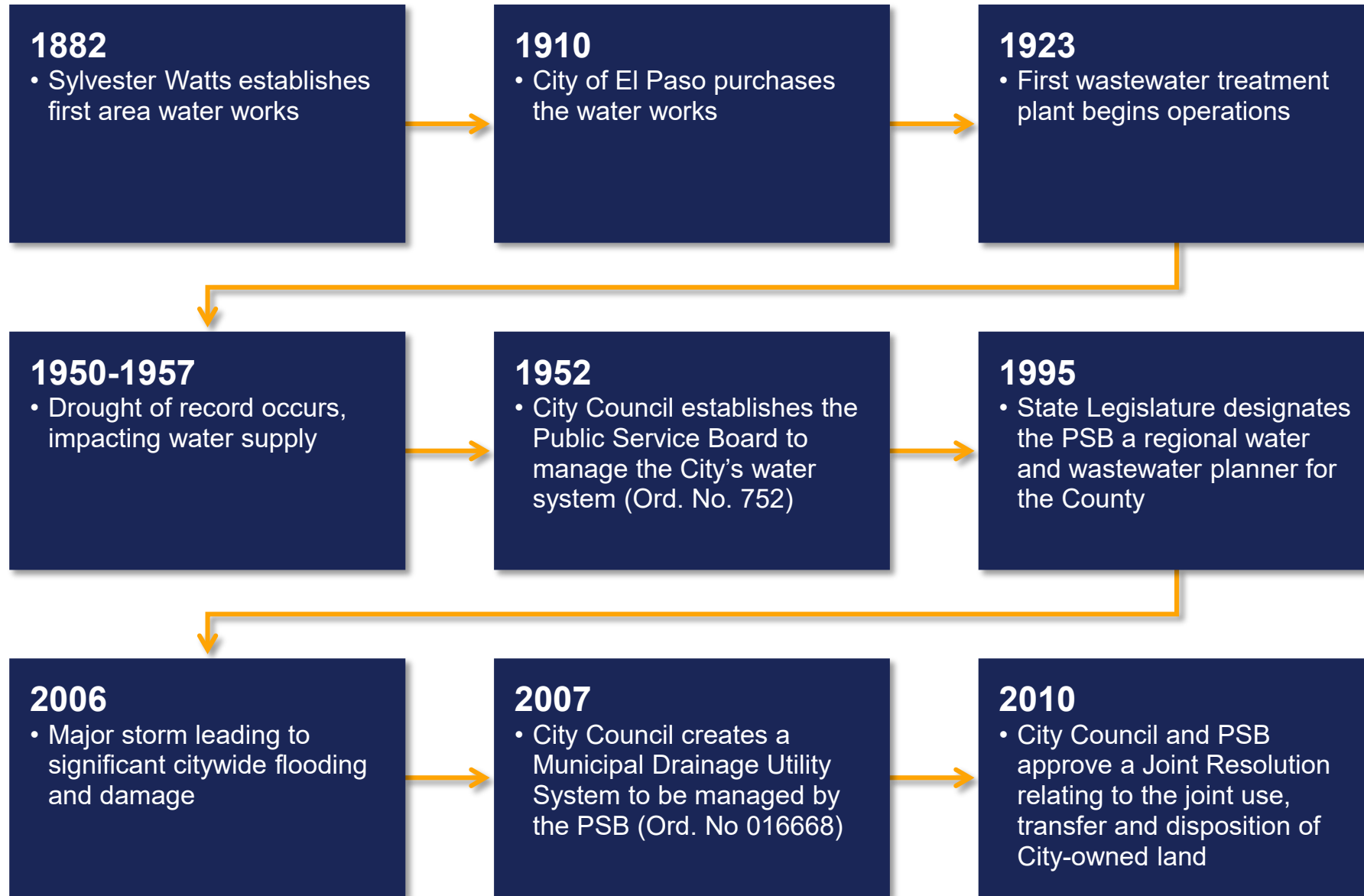
### Current Strategies

- Groundwater
- River water
- Desalination
- Water Conservation
- Water Reuse
- Rate Structure

### Future Strategies

- Desalination Expansion
- Advanced Purification
- Aquifer Recharge
- Importation

# About EPWater





**Chapter 1502**  
**Texas Government Code**  
(Concerning Bond Issuance for Municipal Utilities)

**Chapter 552**  
**Texas Local Government Code**  
(Governing Municipally Owned Utility Systems)

State Statute

**"Enabling Ordinance"**  
**Ordinance No. 752**  
(Creating Public Service Board  
& Transferring Water and  
Wastewater Control to Board)

**"Stormwater Ordinance"**  
**Ordinance No. 016668**  
(Creating Municipal Drainage  
Utility & Transferring Utility  
Control to Board)

**"Board Appointment  
Ordinance"**  
**Ordinance No. 017167 &  
Associated Resolution**  
(Concerning Board Composition  
& Selection Process)

**"Joint Resolution"**  
(Governing City-Owned Land  
Use, Transfers, and Sales)

Local Regulations



# Governing Documents

## State Statutes: Chapter 1502, TGC

- Authorizes governing body of a municipality to issue public securities and incur obligations to construct and improve utility systems. 1501.051.
- Management and Control of Utility
  - Municipality's governing body; or
  - Board of trustees
  - The municipality is responsible for specifying the organization, powers and duties of the board and for the election of the trustees
- Requires that the manager of the system file with City Council a detailed report on the operation of the system for the preceding 12-month period



# Governing Documents

## State Statutes: Chapter 552, TLGC

- Allows a municipality to construct and operate a utility system inside or outside municipal boundaries and to regulate the system in a manner that protects the interests of the municipality. 552.001.
- Allows a municipality to transfer the management of two or more of its water, wastewater, stormwater, or drainage systems to a board of trustees
  - The municipality may grant the board authority to set rates and related terms for the systems
  - The municipality must prescribe the number, qualifications, terms of office, succession, compensation, powers, and duties of the board

# Governing Documents

## Local Regulations: "Enabling Ordinance"

- Authorizes the issuance of Water and Sewer Revenue Bonds
  - Adopted May 22, 1952 following a bond election held the previous year
  - Comes at a time when Texas is going through a severe drought impacting water supply
- Purpose of the bonds is to improve the Water & Wastewater System through:
  - Acquisition of additional wells and reservoirs (i.e. land);
  - Extension of the water distribution and sewer collection systems; and
  - Acquisition of secondary sewer treatment facilities.
- Principal and interest is solely payable from net revenues of the System

# Governing Documents

## Local Regulations: “Enabling Ordinance”

- Creates a Waterworks and Sewage Fund and prioritizes its flow of funds
  - Comprised of all revenues received through operation of the system
- Creates a board of trustees (the “Public Service Board”) to manage the System
- Transfers to the PSB management and operation of the System, including authority to:
  - Approve regulations necessary for System management
  - Appoint officers and employees, including a general manager, to manage the System
  - Make and collect rates for services supplied by the System
  - Manage revenues of the System
  - Make determinations regarding property inexpediency to the System
- Requires an independent report be filed annually with the City Clerk on the condition and adequacy of the System, including recommended improvements

# Governing Documents

## Local Regulations: "Stormwater Ordinance"

- Ordinance No. 016668
- Creates a municipal utility drainage system (i.e. stormwater drainage)
  - Adopted June 19, 2007
  - Following a major storm that resulted in significant damage
- Provides the PSB management and operation of the System and requires that the PSB:
  - Appoint a general manager of the System
  - Establish a schedule of drainage charges against real property in the service area
  - Provide drainage service for real property in the service area
  - Develop rules and regulations to offer and provide service in the service area



# Governing Documents

## Local Regulations: “Stormwater Ordinance”

- Directs PSB to develop a Master Stormwater Management Plan
  - Plan is approved by Council; and
  - Takes into account the use of open space as natural drainage
- Requires that the PSB develop, on an annual basis, a Stormwater Capital Plan
  - Plan must be reviewed by the City for compliance with the Stormwater Management Plan
  - The Plan must identify Green Projects (i.e. stormwater infrastructure projects that have potential dual purposes of stormwater management and open space preservation)
  - The PSB is required to allocate 10 percent of the annual drainage utility fee revenues for Green Projects

# Governing Documents

## Local Regulations: “Stormwater Ordinance”

- Directs the PSB to create a Drainage Utility Fund
  - Revenue consists of all drainage utility fees collected
  - Restricted to use for drainage services
  - Must remain segregated from other City or PSB accounts
- Requires general manager, on behalf of PSB, present at least annually to the City Council a report on the status of the System

# Governing Documents

## Local Regulations: “Board Appointment Ord.”

- Ordinance No. 017167 and Resolution dated August 11, 2009
- Sets the number of board members to 7, including the Mayor
- Addresses the board member appointment process
  - Selection committee comprised of 15 members, including the mayor, the PSB, and one member appointed by each Council member
  - Committee nominates three persons eligible to serve as board members
  - City Council, by majority vote, appoints from the three nominees
    - City Council representatives may interview the nominees prior to appointment

# Governing Documents

## Local Regulations: “Joint Resolution”

- Related to certain uses and transactions involving real property
  - Adopted on March 31, 2010
  - Subsequently amended on September 26, 2012 and December 19, 2017
- Addresses the following transactions related to property owned by the City
  - Sale of City-owned, EPWater-managed property
  - Transfer or exchange of City-owned property between City and EPWater inventories
  - Joint use of City-owned property
- Annual report of available land is required to be provided to City Council



# Governing Documents

## Local Regulations: “Joint Resolution”

- Sale of City-owned, EPWater-managed property to a third party
  - May only be sold if the PSB declares the land inexpedient to the System
  - City must review and approve the sale before the property is advertised for sale
  - If approved, PSB may proceed with the sale
  - Contract of sale is approved by City Council
- Transfer or exchange of City-owned property between City and EPWater
  - Permits the exchange of land between inventories
  - Addresses the price of any exchange.



## Mission

Deliver exceptional services to support a high quality of life and place for our community



## Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



## Values

Integrity, Respect, Excellence, Accountability, People