

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: El Paso Water Utilities Date: March 30, 2009

AGENDA DATE: April 7, 2009

CONTACT PERSON/PHONE: Ed Archuleta, (915) 594-5501

DISTRICT(S) AFFECTED: (All Districts)

SUBJECT:

Discussion and action regarding the Phase Two Governance Practices Report of the Public Service Board prepared by Hector Gutierrez, Public Affairs Consulting. **(All Districts)** [Mayor John F. Cook (915) 541-4145]

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

Hector Gutierrez of Public Affairs consulting made a presentation to the City Council March 10, 2009 of the Phase One Governance Practices Report for the El Paso Water Utilities Public Service Board. This agenda item is for Phase Two of the Report.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

March 10, 2009 – Phase One Governance Practices Report presented by Hector Gutierrez.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

El Paso Water Utilities funded the Governance Practices Study.

BOARD / COMMISSION ACTION:

As required by Section III.C. of Agreement for Professional Services, Hector Gutierrez will present the Phase Two Report to City Council April 7, 2009.

Accept report and approve recommended changes.

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____

FINANCE: (if required) _____

DEPARTMENT HEAD _____

(Example: if RCA is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

p:\20092010\April2009\CityCouncil\HectorGutierrezPhaseTwo\MemoAgendaItemRequestHectorGutierrezPhaseTwoGovernanceReport.doc



TO: Joyce Wilson, City Manager
City of El Paso, Texas

FROM: Robert D. Andron, General Counsel *RD Andron*
El Paso Water Utilities Public Service Board
Contact: Mayor John F. Cook (915) 541-4145

DATE: March 30, 2009

SUBJECT: Request to place Item on City Council Agenda - April 7, 2009

Discussion and action regarding the Phase Two Governance Practices Report of the Public Service Board prepared by Hector Gutierrez, Public Affairs Consulting. **(All Districts)** [Mayor John F. Cook (915) 541-4145]

Background

Hector Gutierrez of Public Affairs Consulting made a presentation to the City Council March 10, 2009 of the Phase One Governance Practices Report for the El Paso Water Utilities Public Service Board. This agenda item is for Phase Two of the Report.

ACTION REQUESTED

Discussion and action regarding the Phase Two Governance Practices Report of the Public Service Board prepared by Hector Gutierrez, Public Affairs Consulting. **(All Districts)** [Mayor John F. Cook (915) 541-4145]

REQUEST TO PLACE ITEM ON THE CITY COUNCIL AGENDA

As required by Section III.C. of Agreement for Professional Services, Hector Gutierrez will present the Phase Two Report to City Council April 7, 2009.

Please place this item on the agenda for Tuesday, April 7, 2009.

Hector Gutierrez will attend the City Council Meeting to present the Report on April 7th, 2009. Thank you for your kind attention to this matter.

Cc: The Honorable Mayor John Cook (email)
City Council Representatives (email)
Pat Aduato, Deputy City Manager for Building & Planning Services (email)
Charlie McNabb, City Attorney (email)
Theresa Cullen, Deputy City Attorney (email)
Richarda Duffy-Momsen, City Clerk (email)
Edmund Archuleta, President/CEO
Nicholas J. Costanzo, Vice President of Strategic, Financial & Management Services (email)
Hector Gutierrez, Public Affairs Consulting
Christina Montoya, Vice President of Marketing and Communications
Paula Apodaca, Consumer Affairs Manager

PSB GOVERNANCE PRACTICES REVIEW

**CITY OF EL PASO
PUBLIC SERVICE BOARD**

PHASE 2 REPORT

**“PSB Appointment Process, Makeup,
Best Practices, Advisory Groups, Etc.”**

Version 1.1



Prepared by:

**Hector Gutierrez
Public Affairs Consulting**



Prestige Consulting Services



APRIL 7, 2009

This material includes data that shall not be disclosed outside the City of El Paso and the Public Service Board, and shall not be duplicated, used, or disclosed in whole or in part for any purpose without the expressed written consent of the City of El Paso and the PSB. The City of El Paso and the PSB reserve the rights to all aspects of this planning document.

FOREWORD

“The Quest for Best Practices and Continued Improvement by the El Paso Water Utilities for Service to the City of El Paso”

PHASE 2

This document details the Phase 2 findings, feedback, and recommendations from a comprehensive study performed by Hector Gutierrez Public Affairs Consulting (HGPAC) and Prestige Consulting (Gilbert Moreno, Principal) to examine and review critical aspects of current governance practices of the El Paso Water Utilities Public Service Board (PSB). A sister document detailing the findings, feedback, and recommendations for Phase 1 was presented to and adopted by the El Paso City Council and the Public Service in early March.

The PSB manages four utilities: water, wastewater, reclaimed water and stormwater. The PSB services customers both in and outside El Paso, and they also own and manage over 100,000 acres of land purchased for water rights.

The El Paso City Council and the Public Service Board jointly agreed that it is critical that “**Best Practices**” be examined to assure that there is accountability, transparency, and validity regarding current PSB governance and their important relationship with the City of El Paso and its constituents.

There is no doubt that the El Paso Water Utilities is acknowledged as one of the premier operating water utilities in the nation. However, we can all agree that continuous improvement is a worthy proposition. Premier companies and enterprises seek to go from “**Good to Great**”, as described by best-selling management author Jim Collins. The desire to not become complacent, to not be insulated, and to listen to key stakeholder is what leads to the leap from “**Great to Greater**”.

It is within this context that recommendations will be provided. Continuous improvement is the standard. It is what leads to progress, positive impacts on all involved, and the framework for innovative strategic planning and significant future achievement.

We would again like to thank every member of our City Council, current and former members of PSB, our State Delegation, Congressman Reyes, and community and business leaders for their candid input and thoughtful suggestions. Moreover, a very special acknowledgment goes to the PSB staff that so openly provided us assistance with the research data so essential to the execution of this review.



TABLE OF CONTENTS

FOREWORD	3
A. SCOPE OF WORK.....	5
A.1 INTRODUCTION / BACKGROUND	5
A.2 WORK PRODUCTS—PHASES 1 AND 2	6
A.3 RECAP OF PHASE 1 TASK ASSIGNMENT RECOMMENDATION	7
A.4 PHASE 2 STUDY ASSUMPTIONS	9
B. RESEARCH, ANALYSIS AND RECOMMENDATIONS FOR PHASE 2 REPORT	10
B.1 TASKS 3 & 4-- BOARD APPOINTMENT PROCESSES AND BOARD MAKEUP	10
<i>B.1.1 Research / Analysis As It Relates to Tasks 3 & 4</i>	10
<i>B.1.2 Observations</i>	15
<i>B.1.3 Recommendations</i>	15
B.2 TASK 5—BEST MANAGEMENT PRACTICES FOR TRAINING AND COMMUNICATIONS	18
<i>B.2.1 Research / Analysis As It Relates To Task 5</i>	18
<i>B.2.2 Observations</i>	20
<i>B.2.3 Recommendations</i>	20
B.3 TASK 6 USE OF ADVISORY GROUPS	22
<i>B.3.1 Research / Analysis As It Relates To Task 6</i>	22
<i>B.3.2 Observations</i>	23
<i>B.3.3 Recommendations</i>	23
B.4 SUMMARY OF KEY RECOMMENDATIONS	25
C. OTHER OBSERVATIONS FOR PHASE 2 REPORT	26
C.1 PSB STRENGTHS IDENTIFIED PER SURVEY	26
C.2 PSB OPPORTUNITIES FOR IMPROVEMENTS PER SURVEY	27
C.3 OTHER SURVEY FINAL COMMENTS	28
D. ATTACHMENTS	29
ATTACHMENT A: PSB GOVERNANCE PRACTICES REVIEW SURVEY QUESTIONNAIRE	30
ATTACHMENT B: PROFILE OF OTHER WATER UTILITIES	33
ATTACHMENT C: COMMUNICATIONS PROFILE OF OTHER WATER UTILITIES	47
ATTACHMENT D: LEGISLATION CHANGING SIZE OF EL PASO WATER UTILITIES PSB	51
ATTACHMENT E: BOARD MEMBER ORIENTATION LIST	52
ATTACHMENT F: EPWU – PSB LEGAL ORIENTATION GUIDE.....	53
ATTACHMENT G: COMMUNITY ADVISORY COMMITTEE MEMBER ROSTER	54
ATTACHMENT H: 2007 PUBLIC WORKING COMMITTEE	56
ATTACHMENT I: CUSTOMER SATISFACTION SURVEY OVERVIEW: 1997-2006	57
ATTACHMENT J: RECENT EL PASO WATER UTILITIES AWARDS	58
E. BIBLIOGRAPHY	60

A. SCOPE OF WORK

A.1 Introduction / Background

El Paso Water Utilities Public Service Board (PSB) and the City of El Paso have partnered to seek an outside review of the Board's governance practices. Both parties believe this is the best way to obtain suggestions and improvements on how the Board can continue providing the highest level of service.

The City selected Hector Gutierrez Public Affairs Consulting (HGPAC) on February 3, 2009 to conduct this study and due to short timeline requirements, HGPAC subsequently hired Prestige Consulting Services (PCS) (Gilbert Moreno, Principal) to assist with the execution of the work requirements. The contract to conduct the work was executed by the PSB and HGPAC on February 5, 2009. Findings were to be reported to both the City Council and the PSB.

The study consisted of asking key stakeholders to complete a comprehensive questionnaire which included detailed questions regarding every aspect of the outlined scope of work. The consulting team's aim was to seek the greatest input from community opinion leaders, and also to get direct input from the political establishment (including two former mayors) and from the business community. Also interviewed were all current members of the PSB and five former members, 10% of the total sample size. The consulting team had the objective of personally interviewing at least 50% of all targeted prospects, and that goal was achieved.

In addition, research was conducted on thirteen (13) other water utilities where Board members are appointed. The key data required consisted of the following: population served, areas of responsibility, Mayor's role, number of Board members and the appointment process, member term limits, specific job description and title of Board members, formal training required, bond rating of the entity, and the number of City Council members in the respective community. Also examined were key communications practices for each of those municipalities to include: meeting location for the utility, whether video streaming or live television was utilized, website posting procedures, and whether advisory groups existed to add input to the utility. These findings are to be detailed as part of this Phase 2 report.

The Phase 1 study was presented to the City Council on March 10, 2009 and to the PSB on March 11, 2009. A recommendation was made to change the Board from the current five Board members to an expanded size of seven members. The City Council adopted that report on a 5-4 vote and the PSB unanimously accepted the recommendation. A decision was also made by City Council on March 10, 2009 to instruct the City Lobbyist in Austin to have legislation introduced in both Houses of the State Legislature to accomplish this objective. Senator Shapleigh and Representative Pickett are the two legislative sponsors; the House version of the Bill is HB 4004 (See Attachment A).

As a matter of background, the City of El Paso Water and Sewer Revenue Bond Ordinance 752 created the Public Service Board in 1952. This bond ordinance dictated the responsibilities of the Public Service Board and this has been carried forward to all current outstanding City of El Paso

Water and Sewer Revenue Bond Ordinances. Ordinance #752 states: the complete management and control of the system shall be in the hands of a Board of Trustees, to consist of five citizens of the United States of America residing in El Paso County to be known as "The Public Service Board." The Mayor of the city of El Paso shall ex-officio be one member of the Board. Ordinance NO 017009, Article 7 provides the latest iteration of the current makeup and responsibilities of the Board.. The city ordinance defines the Board appointment process, terms of office, member qualifications, compensation, meeting requirements, etc.

The Phase 2 report will include recommendations in the areas of board appointment process, board makeup, use of advisory committees, and specific suggestions on assuring that PSB messages and information effectively reach the widest audience in the future. Moreover, the survey interview process has certainly captured the acknowledgement by respondents of PSB successes, while underscoring their input on the requisite need for continued improvements to maximize accountability, transparency, and availability of critical information in the areas of water, wastewater, reclaimed water, and Stormwater general management and service provision. In summary, the study findings, recommendations, and suggestions for Phase 2 will be borne by analysis of data from questionnaire participants, from research conducted, and from the business experience and expertise of this consultant team.

A.2 Work Products—Phases 1 and 2

As mentioned above, there will be two separate reports to the City Council and the PSB as per the governing contract for this work, one for Phase 1 and one for Phase 2. The tasks are enumerated below.

Phase 1 Task Assignments--COMPLETED

Task 1: Gather information

Meet with PSB, City Council members, and a reasonable cross-section of community leaders to obtain their views and perspectives on current PSB governance practices.

- Research available surveys from organizations such as the Association of Metropolitan Water Agencies and Texas Municipal League
- Research the size of water utility boards in other cities relative to their level of responsibilities

Task 2: Size of Board in relation to the four utilities it manages and the size of its current and growing customer base

Analyze and determine if the current 5 member board is sufficient to make decisions for a community of this size, and if adding more board members will allow for increased efficiency, improved input, and/or communications.

Phase 2 Task Assignments—FOR THIS REPORT

Task 3: Board Appointment Process

Analyze and determine if the current appointment process of the Board best serves the needs of the customer base.

Task 4: Board Makeup

The PSB does not currently have job descriptions for its Board members. Research other water utilities and determine their practices.

Task 5: Best Management Practices For Training And Communications

Review current practices in regards to communications including meeting location and agenda postings, videotaped meetings for delayed viewing, and agenda format. Research practices by other similar utility boards and provide recommendations. Evaluate whether other utilities have formal training programs for Board members and provide recommendations.

Task 6: Use of Advisory Groups

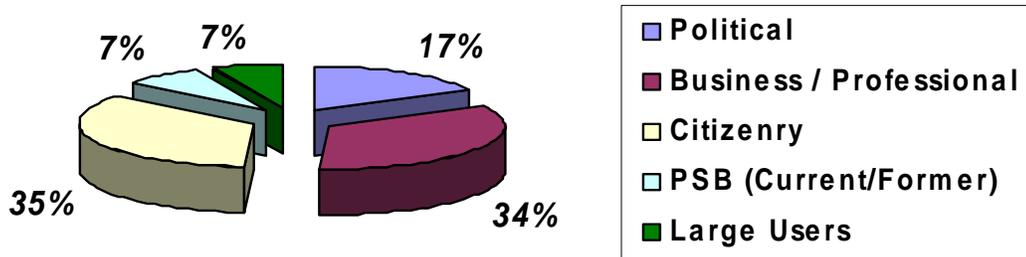
The PSB uses a Public Working Committee that advises the board on numerous topics such as conservation, reuse, capital programs, rate-making, etc. The Board also makes use of special committees such as the current Stormwater Community Advisory Committee, which provides input on the Stormwater Master Plan. Research practices in other cities and make recommendations.

A.3 Recap of Phase 1 Task Assignment Recommendation

To recap what HGPAC and Prestige reported in Phase 1, the consulting team met with current PSB, City Council, and a representative cross-section of 88 community stakeholders to obtain their views and perspectives on current PSB governance practices.

The following chart summarizes the profile of survey participants.

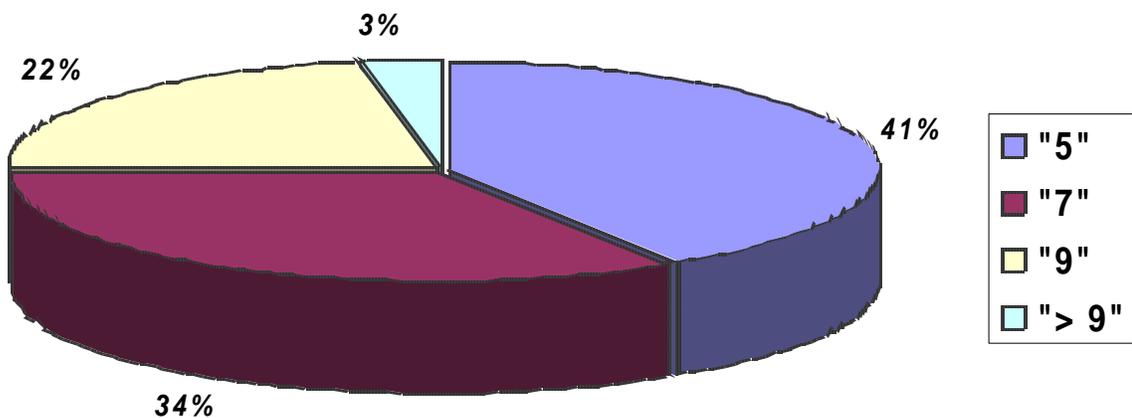
PSB STAKEHOLDER CATEGORIES



The following chart profiles the results of the recommended board size and the rationale provided by the 88 questionnaire respondents and the research conducted on 13 other water utilities.

- The respondent survey feedback resulted in the average mean size of **6.65** board members.
- The research of other cities where Board members were appointed was 6.46.
- Several comments highlighted the relative importance of focusing on **who is serving on the board versus the number of board members.**

Q.1 IDEAL BOARD SIZE?



Forty one percent of respondents felt that current Board size was adequate and working effectively. However, fifty nine percent (or 54 respondents) who selected to increase the board size, a total of 43 respondents indicated one or more reasons for their recommendation to increase the PSB board size.

The following is the frequency distribution of the reasons expressed for those individuals that selected to opt for an increase in board size:

- 26 Reflects the growth in our community**
- 24 More closely reflects the makeup of our community and stakeholders**
- 22 Increases the levels and channels of citizen input**
- 25 Ensures increased accountability and transparency**
- 16 Provides balanced representation of race, gender, and ethnicity**
- 29 Expands the base of board expertise and talent**
- 22 Other**

Of the “other” reasons identified, the following were the prevalent themes for additional comments:

1. need for added balance of opinions, observations, recommendations, and ideas
2. board content, expertise, and representation can be more diverse to include special interest groups
3. allows single district selection by council members
4. allows for more rigorous debate and decision-making

NOTE: None of the “other” reasons stated above had more than four responses.

In addition to the survey questionnaire, the research of the thirteen (13) cities regarding board size resulted in the following observations:

- 8 of 13 (62%) of the entities had at least 6 board members.
- Most entities’ areas of responsibility beyond water and waste water services had more than five (5) board members except for Memphis (water, electric, and natural gas).
- The mayor does not sit on the board in 9 of 13 (69%) of the utilities, but is involved in the appointment process in 8 of 13 (62%) of the utilities.
- There is no correlation between the population served and the size of the board serving it.

A.4 Phase 2 Study Assumptions

1. Phase 2 recommendations as related to Tasks 3 and 4 will be ultimately decided by the City Council for incorporation in a future City Ordinance, as appropriate and coincident with the next issuance of the City of El Paso water, wastewater, or stormwater revenue bonds.
2. Phase 2 recommendations for Tasks 5 and 6 will be direct recommendations for the PSB Board to consider immediately.
3. All interviews and completed survey questionnaires are considered confidential and proprietary.

B. RESEARCH, ANALYSIS AND RECOMMENDATIONS FOR PHASE 2 REPORT

B.1 TASKS 3 & 4-- Board Appointment Processes and Board Makeup

B.1.1 Research / Analysis As It Relates to Tasks 3 & 4

The initial research included profiling the size of thirteen (13) water utility boards in other cities relative to their level of responsibilities. Included in the review were the following research components that are detailed in Attachment B and C: Profile Of Other Cities' Water Utilities.

Population Served
Areas of Responsibility
Mayor's Role
of Board Members
Board Member Term Limits
Specific Job Descriptions For Board Members
Formal Training Required? What Type?
Appointment Process
Board Member Titles
on City Council
Other Comments
Bond Rating

Relative to the Phase 2 scope of work tasking, the following Table A. contrasts the thirteen (13) cities using the eight components highlighted in the table above

This profile can be contrasted to the *current* Public Service Board profile that includes:

Mayor's Role	Serves as ex-officio – Mayor and PSB Chair provide three nominees for Council approval after obtaining a majority vote of PSB
Board Member Term Limits	Two Four Year Terms
Board Orientation/ Training	Provided
Board Selection	PSB propose three names to the City Council. City Council makes final selection from the three names proposed.

More detailed observations and analysis regarding elements of Attachments B and C are detailed in appropriate separate sections of this report.

Table A. Profile of Other Water Boards

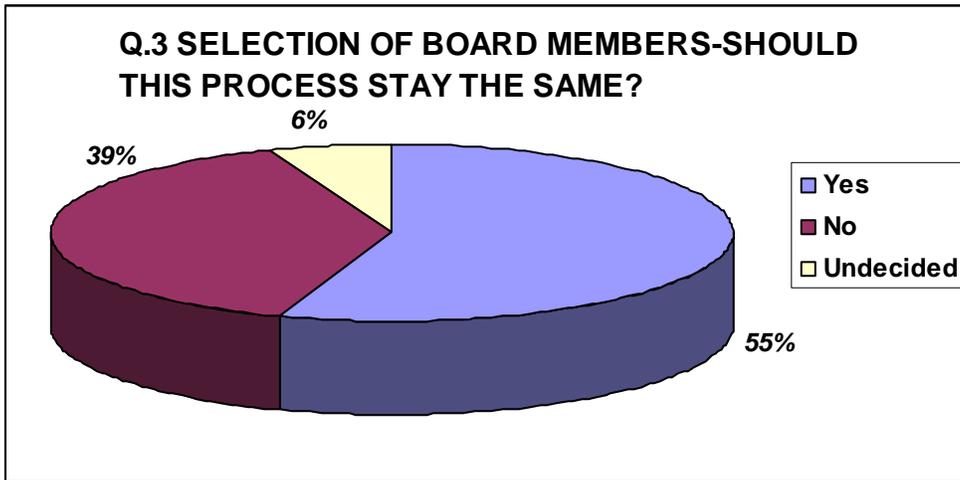
OTHER CITIES ' BOARD PROFILE

CITY	POP' LTN, SERVED	MAYOR 'S ROLE	BOARD TERM		BOARD TRAINING PGM?	BOARD SELECTION	
			LENGTH	# OF		NOMINATION PROCESS	SELECTION PROCESS
Birmingham, AL	600,000	None	6 YRS	2	NO	City Committee	City Council
Montgomery, AL	225,000	None	6 YRS	NO LIMIT	NO	City Council	City Council
Denver, CO	1,300,000	Appoints Board	6 YRS	NO LIMIT	NO	Mayor	Mayor
Columbus, GA	227,600	Ex- Officio Member	4 YRS	2	NO	City Council	City Council
Honolulu, HI	1,000,000	Appoints Board With Council Approval	5 YRS	STAGGERED	NO	Mayor	City Council
Des Moines, IA	400,000	Appoints Board	6 YRS	1	NO	Mayor	City Council
Louisville, KY	830,000	Ex- Officio & Appoints Board (Local Approval)	2, 3, 4 YRS	1	NO	Mayor	City Council
Portland, OR	800,000+	Appoints Chair of Board	2 YRS	3	NO	Mayor	City Council
Providence, RI	600,000+	Appoints 4 Board Members	4 YRS	NO LIMIT	NO	Mayor/ City Council	Mayor/ City Council
Knoxville, TN	366,000+	Selects Members Not on Board	7 YRS	2	NO	Mayor	Mayor
Memphis, TN	986,000+	Appoints Board With Council Approval	3 YRS	NO LIMIT	NO	Mayor	Mayor
Brownsville, TX	167,000	Ex- Officio Member	4 YRS	2	NO	City Commission	City Commission
San Antonio, TX	1,200,000	Ex- Officio Member	4 YRS	2	YES	City Council	City Council



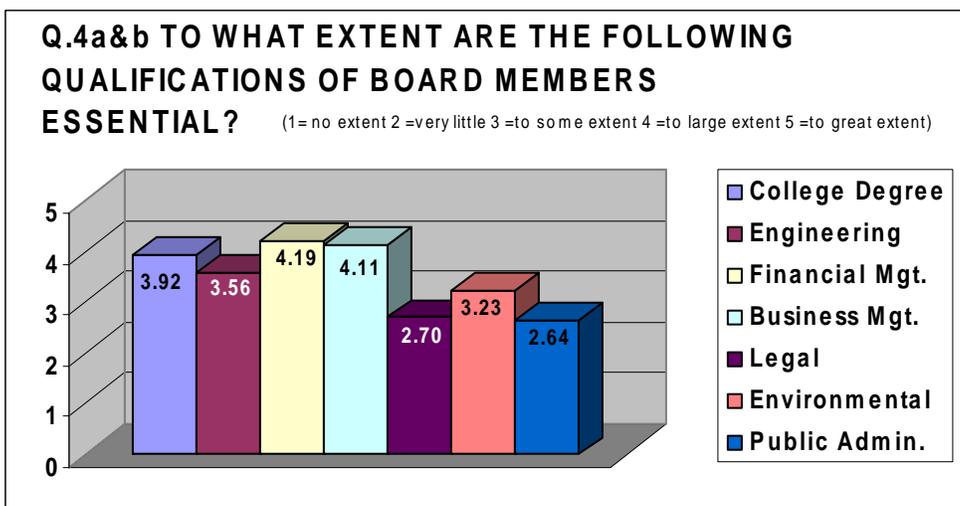
One of the key questions of the questionnaire survey dealt with the current selection process of PSB Board members. Currently, the Chairman of the Board and the Mayor shall agree upon and submit to the Board for its approval, the names of three or more persons eligible to serve as members of the Board. At such time as the Board has signified by majority vote its approval of any three names so submitted, the Board shall file with the City Council the names of such three persons. Within 30 days of the filing of such names, the City Council shall by majority vote appoint any of the three. If the City Council rejects all three names submitted, three other names shall be submitted to the City Council in like manner, and so on until such appointment is made.

It is clear that a slight majority of the questionnaire respondents (55%) felt that the current selection process is working as depicted in the following chart. However, 39% of the stakeholders felt that there ought to be some type of change to this process to allow more input from stakeholders at the front end of the process.

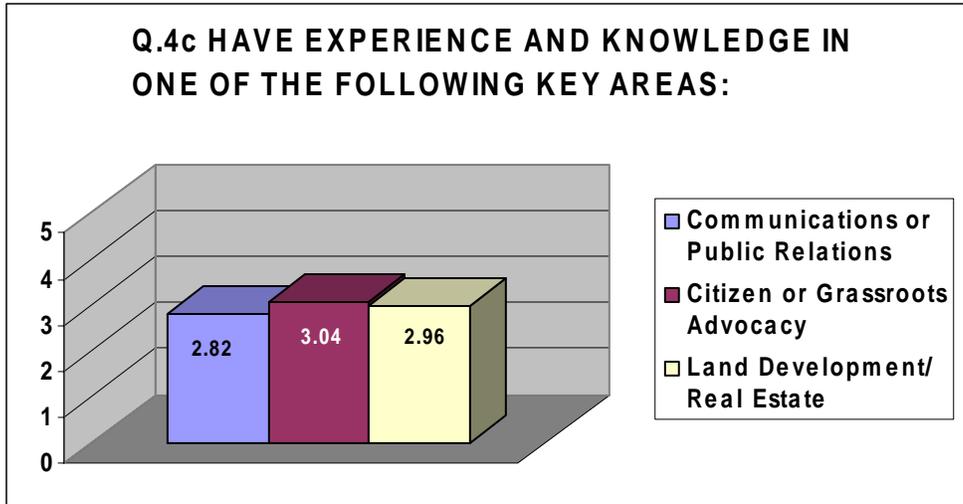


The current ordinance specifies only that the Board shall consist of five citizens of the United States, residing in El Paso County, Texas, one of whom shall be the Mayor of the City who shall be an ex-officio member of the Board. There is no mention of any other requirements or requisite qualifications for PSB Board member candidates.

One of the key strengths of any Board, especially one that is charged with complete authority and control of the management and operations of the System per City Ordinance, is that Board members possess a broad range of experience and expertise. As highlighted below, the respondents to the survey felt that a college degree was preferable and ranked knowledge and experience in the broad financial and business field as most important. Engineering ranked third, followed by environmental, legal, and public administration experience.



It was interesting to note that experience and knowledge in grassroots advocacy, communications, and land development/real estate was considered more important than legal expertise and a public administration background. Question 4c of our survey examined that issue as depicted below.



Q.5a stated that currently each **term of office** shall be four years with no member being appointed to more than two consecutive terms.

Should there be any change to this?

YES	NO
37%	63%

Almost two-thirds of respondents felt that the current term of office procedures should remain the same.

The current ordinance states that “each term of office shall be four years with no member being appointed to more than two consecutive terms. The survey of the thirteen (13) utilities revealed that the average term for the composite was 3.83 (for utilities with term limits); the terms ranged from 2 years to a maximum of a seven (7) year term in Knoxville, Tennessee. Four of those thirteen utilities had six year terms.

There were no limits placed on number of terms by four of these utilities. Five of them had limits of no more than two terms, one allowed members to serve three terms, and two of the utilities allowed only one term.

Q.5b asked if there should be a **description for board members** clearly delineating roles and responsibilities with competencies and qualifications.

YES	NO
76%	24%

It was clear that a majority of El Paso survey respondents felt that more specificity or listing of ideal qualifications should be evaluated and considered appropriate.

Q.6 of the survey stated that management of water, wastewater, reclaimed water, and stormwater are complex issues. How long do you think it takes a **Board member to get “up to speed”** and be knowledgeable to make the best decisions for our community?

YEARS
1.02

It is evident that the broad responsibilities and broad complexity of operating the water utility system is such that the consensus from the respondents concluded that it takes at least a year to become broadly knowledgeable to be an informed Board member.

Q.7 indicated that new Board members are given an orientation upon appointment to the PSB and also asked if every Board member should be required to also **complete a formal training program** every year?

YES	NO	UNDECIDED
69%	20%	11%

As an item of note, the data from the 13 utilities that were researched revealed that only San Antonio had a formal training program identified.

Q.8 asked respondents if the PSB include should include a **member who resides outside the City?**

YES	NO	UNDECIDED
32%	53%	15%

There was no clear consensus on this matter, but nothing in the current ordinance should preclude a qualified person from outside the City to serve on the Board. Currently, approximately 10 percent of all PSB customers reside outside the City.

B.1.2 Observations

It is felt by this team that the PSB Bylaws may need to be modified to reflect a more specific listing of Board member requirements. As mentioned in Phase 1, most respondents felt that the quality of Board members is more important than the size of the Board. However, the reason given most for expanding the Board was to add more to the base of board expertise and talent, to concomitantly reflect the growth of our community since 1952, increase the levels and channels of citizen input. The public is asking for more accountability and transparency.

The majority of respondents agree that City Council should continue to make the final decision on Board appointments. As stated earlier, the current process in the latest ordinance assures that appointing the best and most qualified person ultimately belongs to the City Council.

The research of other cities indicated that the predominant nominations process for the 13 utilities was driven primarily directly from the Mayor in seven instances, by the City in three situations, one hybrid model example in Providence where the Mayor and City Council independently make appointments, and two situations where a City Committee or City Commission drives the process. The selection process analysis from the thirteen cities revealed that City Council was the predominant decision-maker on appointees in 8 of 13 instances, followed by the Mayor in three of those municipalities.

B.1.3 Recommendations

1. Board member terms of office should remain the same, and a member should not serve more than two terms (no change recommended). Staggered terms provide for continuity and consistency in managing the utility. Moreover, a four year term allows time for Board members to gain knowledge and efficiency in managing the business. Allowing for a maximum of two terms assures rotating participation. As this team recently recommended the addition of two new Board members, we suggest that of the two new names submitted one serve a four year initial term and the other serve an initial two year term. After their first term, they shall be eligible for one additional term of four years, as stated in the current ordinance. This will continue the staggered system that is currently in place. The adoption of this recommendation will assure the following decisions by City Council:
 - a. One PSB member considered in 2010
 - b. Two PSB members considered in 2011
 - c. One PSB member considered in 2012
 - d. Two PSB members considered in 2013
 - e. One PSB member considered in 2014

Consideration should be given to appointing new Board members at least three to four months before a term ends to allow a new incumbent to overlap with the outgoing Board member. This would allow the orientation process to be initiated and progress before the first official meeting for this individual.

2. Members of the Board should continue to be citizens of the United States and be El Paso County residents. However, we recommend the following requisite qualifications be added to the next City Ordinance :
 - a. College degree preferable
 - b. Community involvement experience that accents demonstrated leadership related to other key organizations
 - c. No conflicts of interest (i.e., real estate, land development, other utilities)
 - d. Abide by a specified code of ethics.
 - e. No previous political office held.

3. Board Appointment Recommendations:
 - a. The Board Chair and the Mayor should not be the originators of the three names for initial consideration by the PSB which are subsequently sent to City Council for consideration and a decision on selecting the one name from the "slate of three" that they receive from that entity.
 - b. City Council should have more input into the process. The team suggests that each member of Council appoint one member from their District to a newly created Nominating Committee (NC) for new Board members. Also sitting on the NC will be the current five PSB members (or seven members if legislation introduced during this Texas Legislative session changes the current make-up of the PSB, as recommended). The Mayor should chair the committee. It is recommended that the NC consult with the PSB CEO as they deem appropriate.

This 13 member NC will narrow this list of names of potential candidates to no more than three names. The City Council will then make a final decision of one name from the "slate of three" submitted by the NC. This allows for a potential "open call" to the public for qualified and interested individuals by both the PSB and the City government. Moreover, this important committee process allows for teamwork at the front end by the PSB jointly working with the City on the important nominations process. Due to a quorum of Board members existing for the NC, all meetings to discuss new members will be posted and subject to the Open Meetings Act. Deliberations of the NC will occur in either open or executive session. As personnel issues are being considered, any member of the committee may make a motion to go into executive session and then, upon majority vote of the committee, the committee would retire into executive session to discuss the strengths and weaknesses of individual candidates. However, a candidate being considered has a right under the Open Meetings Act, to ask that any deliberation about him or her occur in a public hearing.

The final three nominees should be personally interviewed by each City Representative prior to the final vote by the City Council in selecting the PSB Board member. Another option is for the city's Legislative Review Committee to handle this process, per City Council's directive.

- c. The ideal board is one that is well-rounded and possesses expertise in a broad range of areas to include the following:
1. Financial management experience
 2. General Business management experience
 3. Engineering experience
 4. Environmental or Health expertise
 5. Consumer or Citizen Advocacy experience
 6. Communications, Public Administration, or Education experience
 7. City Government ---Mayor represents this constituency

A member may possess experience and knowledge in several of the experience areas mentioned above, but it is acknowledged that most individuals may have more expertise in one major area that truly stands out. The nominee's true community orientation and integrity are essential. Moreover, the nominee must know that the board commitment will involve significant time requirements. This includes a dedicated focus to serious business and financial matters not only at bi-monthly Board meetings, but in various other committees dedicated to examining narrower subject matter issues. This is a Board where "homework" in between meetings is required.

The team recommends at least one board member represent each of the 6 key subject matter areas of expertise mentioned above. Following these general criteria of balanced expertise and experience will allow for improved, focused, and expedited consideration for Board member nominations and vacancies. For example, when a member's term is up and that member is regarded as having greatest expertise in engineering, the new board member being considered shall be in the engineering field of professional knowledge and experience.

This team believes that a formal description of Board suggested qualifications and expectations will best address the critical role each Board member plays to assure that the region's water utility continues to be recognized. This includes the employment of best practices in every fiscal, operational, customer service, and public affairs disciplines.

B.2 TASK 5—Best Management Practices for Training and Communications

B.2.1 Research / Analysis As It Relates To Task 5

The internal practices of training and communications are totally within the purview of the EPWU PSB. The following recommendations are for their sole consideration and action, as appropriate. The following Table B. summarizes key communications strategies employed by the thirteen (13) other utilities that the team researched.

Table A. Profile of Other Water Boards

OTHER CITIES' COMMUNICATIONS PROFILE

CITY	MEETING LOCATION	TELEVISED MEETINGS?	VIDEO STREAMING?	ADVISORY GROUPS?
<i>Birmingham, AL</i>	<i>Main Offices</i>	<i>N</i>	<i>N</i>	<i>N</i>
<i>Montgomery, AL</i>	<i>Main Offices</i>	<i>No Response</i>	<i>No Response</i>	<i>No Response</i>
<i>Denver, CO</i>	<i>Main Offices</i>	<i>N</i>	<i>N</i>	<i>Y (City Advisory Group)</i>
<i>Columbus, GA</i>	<i>Main Offices</i>	<i>N</i>	<i>N</i>	<i>Y (Annual Focus Group)</i>
<i>Honolulu, HI</i>	<i>Main Offices</i>	<i>N</i>	<i>N</i>	<i>N</i>
<i>Des Moines, IA</i>	<i>Main Offices</i>	<i>Y (Replay)</i>	<i>N</i>	<i>N</i>
<i>Louisville, KY</i>	<i>Main Offices</i>	<i>N</i>	<i>N</i>	<i>N</i>
<i>Portland, OR</i>	<i>City Hall</i>	<i>N</i>	<i>N</i>	<i>N</i>
<i>Providence, RI</i>	<i>Main Offices</i>	<i>N</i>	<i>N</i>	<i>N</i>
<i>Knoxville, TN</i>	<i>Main Offices</i>	<i>N</i>	<i>N</i>	<i>Y (Waste Water Oversight Cmte.)</i>
<i>Memphis, TN</i>	<i>Main Offices</i>	<i>N</i>	<i>N</i>	<i>Y (Community Advisory Council)</i>
<i>Brownsville, TX</i>	<i>Main Offices</i>	<i>Y (Replay)</i>	<i>N</i>	<i>Y (Consumer Advisory Panel)</i>
<i>San Antonio, TX</i>	<i>Main Offices</i>	<i>N</i>	<i>N</i>	<i>Y (City Advisory Panel)</i>
<i>El Paso, TX</i>	<i>Main Offices</i>	<i>Y (Replay)</i>	<i>Y</i>	<i>Y (Public Working Cmte. + Other Groups)</i>

In addition, the questionnaire survey focused on the training and communications processes.

Q.7 in that survey referenced that new Board members are given an orientation upon appointment to the PSB.

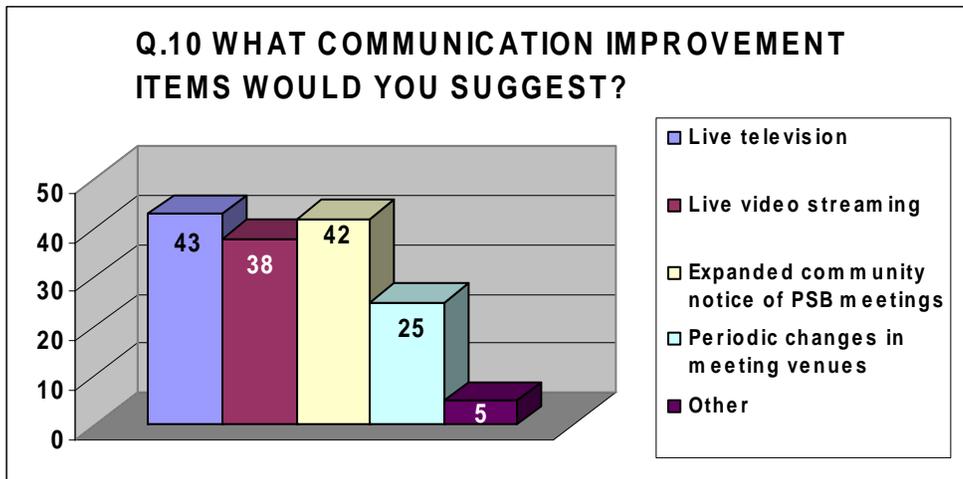
Should every Board member be required to also **complete a formal training program** every year?

YES	NO	UNDECIDED
69%	20%	11%

The current training for the PSB is found in Attachments E and F

It is a comprehensive compendium of key operational subject areas and a listing of important legal matters and considerations that are currently communicated to each board member.

In addition to training, one of the key items examined in the survey was communications—the focus area that assures the broadest public awareness and understanding by all stakeholders of PSB initiatives. In general comments provided by respondents, **communications** was the most frequent item mentioned by respondents that requires ongoing, concentrated attention by the PSB. The following chart depicts frequency responses to suggested improvement areas. Live television and live video streaming were considered critical to open, transparent, and accountable Board proceedings to the public. Moreover, it was felt that Public Service Board meetings needed more publicity.



“Other” suggested areas of improvement included the following with no more than five responses in any area cited:

More PR and outreach (PSAs, etc.)	5
Public meetings	5
Accessible PSB meetings/ reasonable times	3
Expanded tools/ open communications	2
Onsite quarterly newsletter	2

B.2.2 Observations

Training Observations:

Board members are currently exposed to a comprehensive orientation training program. It is important that processes and standards exist to assure that this critical training need is met for Board members, not only at initial orientation, but that they are exposed to national best practices in carrying out their important responsibilities throughout their terms.

Communication Observations:

The stakeholders urged that the PSB be more involved and active in communicating with the public regarding key issues and in finding new and innovative ways to reach the masses. Generically, the call from all stakeholders is for more frequent and open dialogue regarding key initiatives and issues.

Neighborhood associations and community groups expressed a desire for more ongoing contact with the PSB, not only when there is a crisis or problem. "Maintenance communications" or ongoing exposure is what the public is demanding.

Of the 13 other entities researched, none had live television. Three of the 12 that responded had delayed television airing their meeting, including El Paso. El Paso was the only entity that had video streaming, which began last month.

All the entities researched conduct their meetings at their utility location except Portland who conducts their meetings at City Hall.

B.2.3 Recommendations

Training Recommendations:

1. The consultants recommend that both the General and Legal orientation lists for Board members (Attachments E and F) be revalidated and prioritized for orientation purposes. The new orientation guide/planning document should clearly state what training/orientation will occur in Month 1, Month 2, Month 3 etc.
2. Each new Board member should continue to attend a specific ethics seminar and/or receive training in this area prior to their first meeting. A signed City Code of Ethics must be executed prior to voting on any issue. This documentation should include that the member has been exposed to the requirements of Texas Open Records Act and Texas Open Meetings Act.
3. We recommend that the current Board and management jointly agree on what continuous, formal training programs should be specifically identified and introduced for Board members, in addition to the current training offerings.

Communications Recommendations:

1. The consulting team commends the PSB for recently adding a new Public Relations position. It recommends that more focus be directed to marketing and promoting the PSB on a constant basis. Reacting to the daily news is a PR responsibility. Marketing concentrates on fully understanding what the public needs and expects.
2. A very good way to judge marketing and public relations effectiveness is to get direct feedback from external stakeholders. Customer surveys have been conducted by the PSB in 2000, 2001, 2002, and 2006. There is no better measure of assessing key indicators or opinions than to conduct this survey at least once a year. Assessments by customers will normally evaluate perceptions of cost and value of service, awareness and employment of conservation practices, service and reliability, management reputation, communications effectiveness, and allowing an overall qualitative report card grade of the PSB. Surveys also allow for asking specific questions on current critical issues affecting the utility. The team recommends that the PSB begin to use this type of instrument as soon as possible and that it be done on a minimum of a yearly basis. The trend line for the overall rating of the PSB in the “good to *excellent*” category is as follows:

Percent Excellent or Good:	1997	56%
	2000	54%
	2001	81%
	2002	61%
	2006	61%

Customer surveys also assure a direct sensitivity to customer opinions and expectations. Executive performance review should include achieving customer satisfaction goals. Other utilities in the telephone and electric industry use this standard.

3. The team recommends that the PSB formalize its “community engagement” process and tools. The purpose of the formal initiative is to complement the existing PR and communications efforts. This process works on the principle that community engagement is what makes organizations effective by involving people in local action and decision-making thus enhancing the community’s quality of life as impacted by water issues.
4. The team also commends the PSB on commencing live streaming this month. Customers in the information age are demanding real-time information by governmental bodies. We suggest live television soon follow this recent positive development. Live streaming only benefits those that currently have computers. Allowing a telecast on the public information station Channel 15 will assure a wider audience and derive more positive public opinion of the PSB.
5. The annual State of the Water final report should be taken directly to the City Council for a special presentation as well as be provided one-on-one to every member of the State Legislature. Governmental entities are suggesting more ongoing and specific briefing to them

on important issues. A monthly key summary update to all stakeholders is suggested; some great news is perhaps not being communicated to key groups.

6. The team recommends at least two Board meetings occur outside of the PSB building each year. It is also recommended that the meeting times be varied so the public can attend after work hours. The only negative consideration to this is that makes live streaming and live television more difficult, unless they are held at City Hall. The key idea is to demonstrate outreach and flexibility. We also understand the changing meeting places and times will inadvertently lead to some confusion and misunderstandings unless these outside meetings are posted and set well in advance and publicized. Meetings regarding change in the rate structure or assessing new fees would be great opportunities for conducting the meetings at City Hall.

B.3 TASK 6 Use of Advisory Groups

B.3.1 Research / Analysis As It Relates To Task 6

Q.9a stated that **currently the PSB has active Advisory Groups** (for example, the Stormwater Working Committee Advisory Group and Citizen Public Working Committee).

Should they continue?

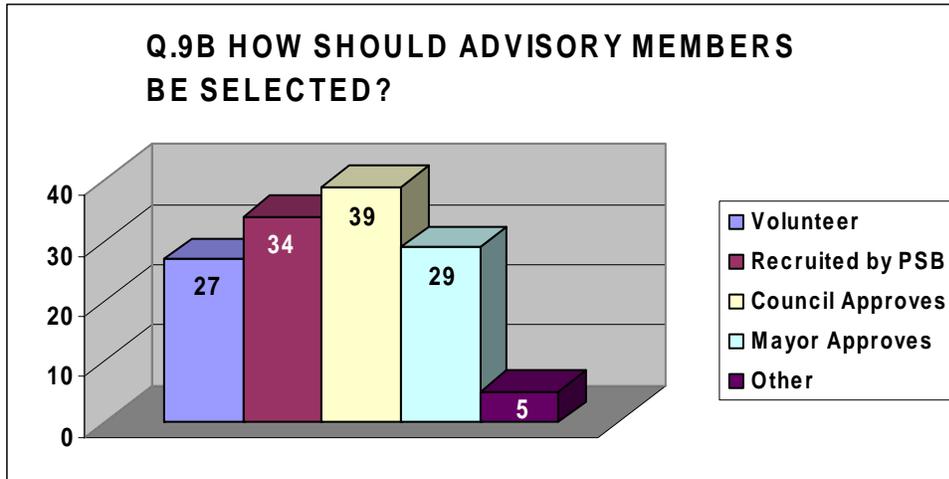
YES	NO	UNDECIDED
89%	4%	7%

There is no question that a great majority of the stakeholders interviewed see great benefit to citizen input to important issues related to the operations of the PSB, such as the Stormwater Master Plan Community Advisory Committee (Attachment G). The key mission of this advisory group was to assist the PSB staff in developing a master plan for repairing , constructing, and maintaining a system of facilities that safely, efficiently and cost-effectively conveys Stormwater, while also minimizing the impacts to water quality and assures the preservation and enhancement of our environment. In carrying out their responsibilities, the diversified members of this committee were to become familiar and knowledgeable about El Paso's Stormwater system, develop a list of community values the technical team could use in ranking Capital Improvement Program (CIP) projects, and provide input on the priority order both of open space acquisitions and projects in the first three years of the CIP. A final report of recommendations from this committee was finalized on January 21, 2009 and was subsequently approved by the PSB on March 11, 2009.

The current Stormwater Advisory Committee was expanded to include more direct appointments by City Council in 2008. In addition to this committee, the PSB has had a Public Working Committee (Attachment H) since the late 1900'ss convened each year to make recommendations to the PSB on key issues and initiatives. For example, the 2007 work of the committee was primarily focused on the

stormwater rate structure recommendations, appeals process, impact fees, and public education and outreach. This committee did not meet in 2008.

The following chart highlights how respondents felt regarding the selection process for advisory group members. (put number 27 in blue graph below in white so that it shows up)



9.B OTHER RESPONSES – ADVISORY GROUPS

1. Diverse mixture of community members affected by water issues(e.g., neighborhood associations, City Departments, Service Organizations, Civic Organizations, Customers)	5
2. General Public can apply/ community referrals	4
3. Appointed by the PSB Board	4
4. Members independent of the PSB or Political Interests	2

B.3.2 Observations

The Public Working Committee has been the standing advisory committee to the PSB for many years. However, in 2008 a new committee was constituted as the Stormwater Community Advisory Committee, which included members selected by the PSB and also included direct appointments by City Council and the Mayor.

Analysis from the research of the 13 other utilities indicates that over 50% have advisory groups.

B.3.3 Recommendations

The consulting team recommends that Advisory Groups to the PSB be utilized to the maximum extent possible where the scope of work and mission are truly warranted. Appointments to these committees should come from a combination of sources. They should not be solely appointed by City

Council; nor should they be chosen totally by the PSB. Volunteers should also be sought, so that no name is excluded from appropriate consideration. The more options for nominations, the greater the potential to attract a better qualified talent pool.

Advisory Groups should be considered to operate for the following key subject areas:

1. The special Stormwater Advisory Group should continue to provide input to the PSB regarding this important issue.
2. The Public Working Committee should be the primary advisory committee to the Board. The team's recommendation is that it needs to be reconstituted and reevaluated; at least fifty percent of the members should be appointed by City Representatives. Separate subcommittees could be considered for the following key subject areas depending on sensitivity of the issue by external stakeholders or the critical need identified by the PSB Board. For example:
 - a. Rate/fee "issues"
 - b. Communications/Public Relations
 - c. Land Use/Open Space (Real Estate)
 - d. Conservation Programs

However, caution should be taken in not having too many subcommittees that bog down the administration/management of the utility; it is a sensitive balancing act. Again, all advisory sub-committees should serve at the direction of the Public Working Committee and Board of Directors.

3. At least 50% of the members serving on these committees should come from direct City Council or mayoral appointments; the other 50% should come from other critical stakeholders identified by the PSB Board. Gaps in experience/expertise should be achieved by targeted outreach by both the PSB and the City of El Paso. It would be very positive if the PSB, working jointly with the City Manager, could develop a means for the public to apply and complete an application for service in the Public Working Committee. The applications would either go to individual council members for their selection among various applicants or the application could go directly to the PSB Board for the selection of their slate of stakeholder members comprising no more than 50% of any advisory group or subcommittee.
4. Reports by the Public Working Committee are submitted to the PSB Board for follow-up and/or action and to the City as a matter of information.
5. Public Working Committee members should be geographically diverse and truly consist of qualified individuals that have a sincere interest in the subject being studied and addressed.

B.4 Summary of Key Recommendations

The following chart highlights the key recommendations proposed in the Phase 1 and Phase 2 reports to both the City and the Public Service Board:

PSB GOVERNANCE PRACTICES REVIEW SUMMARY OF KEY RECOMMENDATIONS

CITY COUNCIL

- Change PSB Membership from five to seven members*
- Apply criteria of requisite qualifications and experience in six areas*
- Initiate new PSB appointment process with newly formed Nominating Committee (NC)*
- Appoint new Board members 3-4 months prior to initiation of term to facilitate transition*

EPWU - PSB

- Refine Board job description, orientation, and training program*
- Expand communications and public outreach*
- Conduct an annual customer satisfaction survey*
- Implement a formal "customer engagement" program*
- Name one "umbrella citizen advisory entity"*
- Advisory groups to include appointments by City Reps and PSB Board; also allow for qualified volunteer applications*

C. OTHER OBSERVATIONS FOR PHASE 2 REPORT

As detailed in the previous section, the second research component consisted of an independent review survey with a cross-section of community leaders to obtain their views and perspectives on current PSB governance practices. This section provides an overview and highlights of the following stakeholder survey questions as outlined in **Attachment I: PSB Governance Practices Review Survey Questionnaire:**

- PSB strengths identified
- PSB opportunities for improvements identified
- Other final comments

C.1 PSB Strengths Identified Per Survey

The El Paso Water Utilities – Public Service Board has enjoyed national and international recognition in its technical, business, educational and financial management practices as highlighted in **Attachment H: Recent El Paso Water Utilities Awards.** Consistent with the classical Strengths, Weaknesses, Opportunities, and Threats (S.W.O.T.) organizational introspection tool, the stakeholders were asked in Q.11 to provide commentary **regarding PSB strengths that the organization should sustain.**

The following table highlights the “top ten” comments regarding PSB strengths. Please be aware that any survey respondent could have provided multiple comments.

“Top Ten” PSB Strengths

STRENGTH(S)	Number of Comments
1. STRONG, COMPETENT UTILITY MANAGEMENT LEADERSHIP	20
2. DEDICATED, CAPABLE PROFESSIONAL STAFF	16
3. STRONG VISIONARY STRATEGIC THINKING AND PLANNING FOR THE FUTURE	15
4. INDEPENDENT, POLITICALLY AUTONOMOUS	15
5. TECHNICAL ENGINEERING EXCELLENCE MANAGING LARGE PROJECTS	14
6. SOUND FISCAL MANAGEMENT AND PRACTICES	11
7. STRONG UTILITY SYSTEMS & SERVICE RELIABILITY WITH LOW RATES	9
8. RESPONSIVE FOR THE PUBLIC GOOD	8
9. PERFORMANCE RECORD AND COMMITMENTS MET	7
10. NATIONAL MODEL FOR CONSERVATION, AND STEWARD OF WATER AND LAND RESOURCES	7

Based on the “top ten” list above, the survey respondents recognize the following **PSB strengths** reinforcing the body of recognition and awards enjoyed by the organization:

- **utility’s management leadership**
- **staff competency**
- **overall visionary planning**
- **independent nature of the PSB’s political autonomy**
- **excellence in engineering.**

The preponderance of survey respondents underscored the need for sustaining the strengths identified above as keys to continued value-added, customer-centered services, as well as understanding the importance of keeping politics outside of the business of running the water utilities.

C.2 PSB Opportunities For Improvements Per Survey

Again, consistent with the classical S.W.O.T organizational introspection, the stakeholders were asked to conversely provide commentary regarding areas of improvement addressing the following question Q.12 on how the PSB can improve. (Identify weaknesses, list opportunities, things to avoid)

The following table highlights the “top ten” comments regarding PSB opportunities for improvement. Please be aware that any survey respondent could have provided multiple comments.

“Top Ten” PSB Opportunities

OPPORTUNITIES		Number of Comments
1.	ENHANCE THE PUBLIC RELATIONS OUTREACH TO THE COMMUNITY, PARTNERS, AND CUSTOMER BASE	36
2.	EXPAND PUBLIC EDUCATION AND INPUT REGARDING WATER ISSUES, RATE CHANGES, AND COSTS	20
3.	IMPROVE EXECUTIVE MANAGEMENT LEADERSHIP STYLE AND SENSITIVITY TO THE PUBLIC	18
4.	IMPROVE THE RESEARCH AND MANAGEMENT OF CUSTOMER OPINION	17
5.	IMPROVE THE COLLABORATION WITH CITY HALL TO PLAN GROWTH & INFRASTRUCTURE NEEDS	12
6.	IMPROVE ACCOUNTABILITY AND TRANSPARENCY TO THE PUBLIC	10
7.	INCREASE OPENNESS IN BOARD MEETINGS AND ACCESS TO OPEN RECORD REQUESTS	7
8.	IMPROVE CUSTOMER SERVICE AND STAFF FRIENDLINESS AND ACCESSIBILITY	7
9.	AVOID POLITICAL PRESSURE OF SPECIAL ECONOMIC INTERESTS INCLUDING DEVELOPERS	6
10.	MANAGE PROJECTS (INCLUDING STORMWATER) THAT ADD VALUE TO THE COMMUNITY	6

The survey respondents again underscored the need for improved communications including the need to specifically build stakeholder awareness, understanding, input, and buy-in to the PSB strategic initiatives and changes or improvements in water services. This includes a need for greater sensitivity to how the utility interfaces with the public and City Hall.

C.3 Other Survey Final Comments

Finally, the stakeholders were given one final opportunity in Q.14 to provide commentary regarding any subject germane to PSB governance practices.

The following table highlights the “top ten” final comments in that regard. Please be aware that any survey respondent could have provided multiple comments.

“Top Ten” Final Comments Regarding the PSB

FINAL COMMENT THEMES	Number of Comments
1. PSB MUST CONTINUE TO MANAGE THE STORMWATER UTILITY AND PROVIDE MORE PUBLIC EDUCATION	15
2. KEEP POLITICS OUT OF THE WATER BUSINESS	9
3. OBJECTIVELY, THE PSB IS NOT BROKE – IT IS A COMMUNITY ASSET AND MODEL IN WATER UTILITY MANAGEMENT	9
4. PSB SHOULD TRULY SERVE THE NEEDS OF EL PASO CITIZENRY WORKING WITH CITY GOVERNMENT	9
5. MUST SELL THE VALUE OF PSB’S PROVEN SUCCESSES AND MANAGEMENT	6
6. PROVIDE MORE TIMELY PUBLIC EDUCATION, AWARENESS, INPUT AND COMMUNICATIONS	5
7. NEED SENIOR EXECUTIVE MANAGEMENT WITH PUBLIC RELATIONS SKILLS PROMOTING TRANSPARENCY	4
8. MUST HAVE A MORE APPROACHABLE, SERVICE-ORIENTED EPWU STAFF	4
9. PSB SHOULD BALANCE THE NEED TO PRESERVE OPEN SPACE WITH PLANNED GROWTH (VALUE OPEN SPACE)	2
10. CONTINUE TO PURSUE NEW WATER SOURCES USING TECHNOLOGY, CREATIVITY, AND INNOVATION	2

Based on the profile of final comments, the overriding input included:

- Continuing the stormwater utility with the PSB and recognizing the utility as a real asset
- Keeping politics out of the water business
- Maintaining a PSB focus on what is best for the community
- The need to continuously focus on communicating the value the PSB brings to the community it serves

D. ATTACHMENTS

Attachment A	PSB Governance Practices Review Survey Questionnaire
Attachment B	Profile Of Other Cities' Water Utilities
Attachment C	Communications Profile of Other Cities' Water Utilities
Attachment D	Legislation Changing Size Of El Paso Water Utilities PSB
Attachment E	Board Member Orientation List
Attachment F	EPWU – PSB Legal Orientation Guide
Attachment G	Community Advisory Committee Member Roster
Attachment H	2007 Public Working Committee
Attachment I	Customer Satisfaction Survey Overview: 1997 - 2006
Attachment J	Recent El Paso Water Utilities Awards

Attachment A: PSB Governance Practices Review Survey Questionnaire

NAME _____

City Council District _____

1. The current Public Service Board has five members; what do you believe the **ideal size of the Board** should be?
 ___5 ___7 ___9 ___Other

2. **Why do you think the Board should be increased?**
 (Select as many as apply)
 ___ Reflect the growth in our community
 ___ More closely reflect the makeup of our community and stakeholders
 ___ Increase the levels and channels of citizen input
 ___ Ensure increased accountability and transparency
 ___ Provide balanced representation of race, gender, and ethnicity
 ___ Expand the base of board expertise and talent
 ___ Other _____

3. **Selection of Board Members:** Currently, 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. At such time as the Board has signified by majority vote its approval of any three names so submitted, the Board shall file with the City Council the names of such three persons. Within 30 days of the filing of such names, the City Council shall by majority vote appoint any of the three. If the City Council rejects all three names submitted, three other names shall be submitted to the City Council in like manner, and so on until such appointment is made.

Should this procedure stay the same?
 ___ Yes ___ No ___ Undecided

If no, what would be your suggestion?

If yes, why?

4. To what extent are the following **qualifications of Board members** essential?
 (Indicate importance with number: 1-no extent; 2-very little extent; 3-to some extent; 4-to a large extent; 5-to a great extent)

- a. Have a **college degree** _____
- b. Be proficient in a **certain professional field** including:
 - Engineering _____
 - Financial Management _____
 - Business Management _____
 - Legal _____
 - Environmental _____
 - Public Administration _____
 - Other _____
- c. Have **experience and knowledge** in one of the following key areas:
 - Communications or Public Relations _____
 - Citizen or Grassroots Advocacy _____

Land Development / Real Estate _____

Other _____

d. Any other qualifications? _____

5. Currently, each **term of office** shall be four years with no member being appointed to more than two consecutive terms. Should there be any change to this?

___ Yes ___ No

If no, why? _____

If yes, what should the change be?

Should there be a **description for Board members** clearly delineating roles and responsibilities with competencies and qualifications?

___ Yes ___ No

If yes, what would they include?

6. Management of water, wastewater, reclaimed water, and Stormwater are complex issues. How long do you think it takes a **Board member to get "up to speed"** and be knowledgeable to make the best decisions for our community?

7. New Board members are given an orientation upon appointment to the PSB. Should every Board member be required to also **complete a formal training program** every year?

___ Yes ___ No ___ Undecided

8. Should the PSB include a **member who resides outside the City**?

___ Yes ___ No ___ Undecided

9. **Currently the PSB has active advisory groups** (for example, the Stormwater Working Committee Advisory Group and Citizen Public Working Committee).

Should they continue?

___ Yes ___ No ___ Undecided

How should advisory members be selected?

___ Volunteer

___ Recruited by PSB

___ Appointed by Council--1 or 2 per Council member and 1 or 2 by Mayor (Circle 1 or 2)

___ Other means (explain: _____

Do you recommend any additional advisory groups? What should they concentrate on?

10. Communication is essential to ensure community awareness and understanding of PSB initiatives. What **communication improvement items** would you suggest?

(Select from the following possible answers)

- Live television
- Live video streaming
- Expanded community notice of PSB meetings
- Periodic changes in meeting venues
- Other

11. What **PSB strengths** should the organization sustain?

12. **How can the PSB improve?** (Identify weaknesses, list opportunities, things to avoid)

13. Has your **opinion of the PSB** changed since they took over the Stormwater Utility a year ago?

Yes No

If yes, explain:

14. Any other **final comments**?

Attachment B: Profile Of Other Water Utilities

Birmingham Water Works and Sewer Board, Alabama	
Population Served	600,000
Responsible Areas	Water, wastewater
Mayor's Role	Does not play a role
#of Board Members	5
Board Member Term Limits	6-year terms. Board members are limited to 2 full terms. If a board member was originally appointed to complete an unexpired term of another board member, he can serve 2 more full terms.
Specific Job Descriptions For Board Members	No job descriptions for board members or consultants. Consultants are on contracts.
Formal Training Required? What Type	No
Appt. Process	The mayor is not involved in the appointment process. All of our board members are appointed by the Birmingham City Council. The city council declares that a board member's term is about to expire. They have a period of 2 to 3 weeks for interested parties to submit resumes or information for the Birmingham Council to consider. A committee reviews the applicants and recommends one for the council to consider. Please note that the council can approve someone other than the committee's recommendation to serve on the board.
Board Member Titles	Chairman, 1 st Vice Chair, 2 nd Vice Chair, Secretary/Treasurer, Asst. Secretary/Treasurer
# on City Council	9
Other Comments	Serves 5 county area
Bond Rating	AA

Montgomery Water Works & Sanitary Sewer Board, Alabama	
Population Served	225,000 est.
Responsible Areas	Water, wastewater, industrial
Mayor's Role	None
#of Board Members	9
Board Member Term Limits	6-year terms. No limit on how many terms they can serve.
Specific Job Descriptions For Board Members	No job description
Formal Training Required? What Type	No formal training
Appt. Process	Nominated and appointed by City Council of Montgomery
Board Member Titles	Chairman, Vice Chairman, Secretary, Members
# on City Council	9
Other Comments	
Bond Rating	Moody's Aa3 S&P AAA

Denver Water Board, Colorado				
Population Served	1.3 million			
Responsible Areas	Raw-water collection, storage and distribution; potable and recycled water treatment and distribution			
Mayor's Role	Appoints the Board			
#of Board Members	5			
Board Member Term Limits	The term for a Board member is 6 years. There are no term limits.			
Specific Job Descriptions For Board Members	No			
Formal Training Required? What Type	No			
Appt. Process	Board members are appointed by the Mayor. They must be a resident of the city and county and at least 25 years of age.			
Board Member Titles	President, First Vice President and three vice presidents			
# on City Council	13			
Other Comments	Serves City and County of Denver, and nearly 40% of people living near surrounding suburbs			
Bond Rating		Moody's	S&P	Fitch
	GO	Aa1	AAA	AA+
	Senior Rev (underlying)	Aa2	AA+	AA+
	Master Rev. (underlying)	Aa2	AA	AA+
	COPs	Aa2	AA-	NR

Columbus Water Works, Georgia	
Population Served	227,600
Responsible Areas	Water and wastewater
Mayor's Role	Serves as Ex-officio
#of Board Members	5
Board Member Term Limits	Appointed for 4 years and can serve up to two terms
Specific Job Descriptions For Board Members	No
Formal Training Required? What Type	No. Members attend an orientation.
Appt. Process	Appointed by City Council
Board Member Titles	Chairman, Treasurer, members
# on City Council	8 and 2 at large
Other Comments	
Bond Rating	S&P: AAA/A+ (SPUR)

Honolulu Board of Water Supply	
Population Served	Serves roughly 1 million customers on the island of Oahu.
Responsible Areas	City's municipal drinking water system. Wastewater, electricity and gas fall under the jurisdiction of other county/private entities.
Mayor's Role	Board members of the Honolulu Board of Water Supply are appointed by the mayor with the approval of the City Council.
#of Board Members	7
Board Member Term Limits	Five year staggered terms
Specific Job Descriptions For Board Members	No
Formal Training Required? What Type	No
Appt. Process	Five members are appointed by the Mayor and approved by City Council. The remaining two directors are ex-officio (by virtue of office or position), the Director of the State Department of Transportation and the Chief Engineer of the City Department of Facility Maintenance
Board Member Titles	Chairman, members and ex-officio
# on City Council	9
Other Comments	
Bond Rating	AA

Des Moines Water Works, Iowa	
Population Served	400,000
Responsible Areas	Water and operates Water Works Park (approximately 1500 acres of land near downtown Des Moines.
Mayor's Role	Appoints members to the Board
#of Board Members	5
Board Member Term Limits	Each Board member is appointed for a six-year term (unless filling a vacancy caused by resignation)
Specific Job Descriptions For Board Members	None
Formal Training Required? What Type	No training required, members attend orientation
Appt. Process	Mayor of Des Moines appoints members to board – City Council confirms
Board Member Titles	Only two board members have titles – Board Chairperson and Board Vice-Chairperson; others are members
# on City Council	5 and two at-large members
Other Comments	
Bond Rating	Standard and Poor's: AA+ Moody's: Aa2

Louisville Water Company, Kentucky	
Population Served	830,000 people in Louisville Metro and parts of Bullitt and Oldham Counties.
Responsible Areas	Water; billing service only for the local sewer district, which includes bills for sewer and drainage.
Mayor's Role	Louisville Metro Government owns 100% of Louisville Water Company stock. By statute, the Mayor is given authority to appoint members to the Board of Water Works, and those appointments must be approved by the local government legislative body. The Mayor serves as an Ex Officio Member of the Board of Water Works, but only has a vote on matters if in attendance. He may have a delegate present but is not permitted to give his proxy if not present.
#of Board Members	There are six (6) members of the Board of Water Works plus the Mayor.
Board Member Term Limits	Terms are staggered with 2 members being appointed for 2 years, 2 members appointed for 3 years, and 2 members appointed for 4 years. All members remain a member of the Board until a successor is appointed and approved by the council.
Specific Job Descriptions For Board Members	No
Formal Training Required? What Type	Not formal, but we do provide a binder of relevant information to the BOWW members and the President and General Counsel meet with new BOWW members to provide an overview. Additionally, every few years we provide additional opportunities to tour facilities. Through the monthly board meetings and committee meetings, members of the Board are given opportunities to learn about the operations of the company and about general governance issues of which directors should be apprised.

Appt. Process	Mayor nominates individuals to serve on the Board of Water Works which is the governing body of the Louisville Water Company. The names of the nominees are presented to the Metro Council for review and approval.
Board Member Titles	Directors
# on City Council	Metro Council consists of 26 individuals; one for each of the 26 Districts of Louisville Metro.
Other Comments	<p>In 2003, Jefferson County and City of Louisville merged to form a consolidated local government which serves a community of 386 square miles and 700,000 residents.</p> <p>Louisville Metro Government has all of the authority of the two previous governments. With a mayor and legislative council (called the Metro Council composed of 26 members nominated and elected by district).</p>
Bond Rating	Moody's Aa1 Standard and Poor's AA+

Portland Water District (OR)	
Population Served	More 800,000 over 1/5 th of the population of Oregon.
Responsible Areas	Water, sewer, Stormwater and solid waste
Mayor's Role	Appoints the chair of the board
# of Board Members	9 permanent members
Board Member Term Limits	2-year terms with no compensation; no member serves on the board for more than six consecutive years.
Specific Job Descriptions For Board Members	Board members must reside in or work predominantly in the City of Portland and have an interest in sewer, water and solid waste issues. Mayor and city council will attempt to have a range of professional and academic expertise, and volunteer experience in disciplines such as accounting, civil engineering, conservation, environmental sciences, health sciences, public administration, urban planning and economics. Reflects the diversity of Portland community with regard to customer classes, income levels, cultural and ethnic identity, and geographic location.
Formal Training Required?	No
Appt. Process	<p>Board members are nominated by the mayor and appointed by city council. Any council member may submit recommendations to the mayor on potential appointments to the board. Mayor seeks nominations from neighborhood associations, district coalitions and residential customers from various city neighborhoods. Three seats are filled from residential geographic nominations (West, Northeast/Southeast, and East Portland). Mayor seeks nominations from public interest groups, large commercial and industrial businesses, local businesses, and two seats at-large. City council members may appoint one member of their staff to serve as a representative of their office to the board as communication's contacts but have no voting privileges.</p> <p>Board positions and vacancies announced to local media publications and broadcasts, newspapers, cable stations and radio. Nomination requests sent to neighborhood associations and district coalition boards, to consumer advocacy and environmental</p>

	interest groups, and business district associations. Standard application form used and submitted to the Mayor's office.
Board Member Titles	Chairman, appointed by mayor.
# on City Council	6 (Mayor, 4 commissioners and city auditor)
Other Comments	Board's purpose is to advise City Council on rates, customer needs, legal mandates, public policies, long-term financial stability and viability. Citizen Committee reviews rates and charges; Citizens provide input and feedback on policy issues through forums.
Bond Rating	Moody's: 1 st lien AA1, 2 nd lien AA2

<u>Providence Water Supply Board (RI)</u>	
Population Served	600,000 (17 cities and towns)
Responsible Areas	Water
Mayor's Role	Appoints 4 board members*
# of Board Members	7
Board Member Term Limits	4 year terms, no limit on how many terms they can serve
Specific Job Descriptions For Board Members	Comprised of dedicated private citizens and public officials and committed to fair and equitable service to all customers and property owners in service area.
Formal Training Required? What Type	No
Appt. Process	*Four board members are appointed by the mayor, two are appointed by the city council president and one (ex-officio) is the City's Finance Director
Board Member Titles	Chair, Vice Chair, Ex-Officio, 2 councilmen, members
# on City Council	15 representing 15 wards
Other Comments	Mails four bills a year; two are actual and two are estimated. Operates as an enterprise fund of the city. Budget is approved by City Council.
Bond Rating	AA-/Stable

<u>Knoxville Utilities Board (TNI)</u>	
Population Served	77,000 water customers; 94,000 gas customers; 195,000 electric customers
Responsible Areas	Water, wastewater, gas and electric
Mayor's Role	Does not sit on the board but selects members
# of Board Members	7 members – appointed by the mayor and confirmed by city council
Board Member Term Limits	7-year terms; no more than 2 terms; one term expiring each year
Specific Job Descriptions For Board Members	Must be a resident for 3 years, 25 years of age. Cannot be a public official. State conflict of interest statute prohibits a business of a board member to provide goods or services during their tenor.
Formal Training Required? What Type	No training, members attend a half day orientation and tour.
Appt. Process	Mayor selects members of the board
Board Member Titles	Chair, Vice Chair, 5 Commissioners
# on City Council	Composed of nine members, City Council has six representatives elected from districts and three elected at-large representing the entire city.
Other Comments	Meets once a month at the utility's main office
Bond Rating	AA+ (water); AA (wastewater)

<u>Memphis Light Gas & Water Board (TN)</u>	
Population Served	420,000 electric customers; 313,000 natural gas in Shelby County; 253,000 water customers.
Responsible Areas	Water, natural gas and electric for Memphis and Shelby County
Mayor's Role	Does not sit on the board; appoints members
# of Board Members	5 members appointed by Mayor and approved by City Council
Board Member Term Limits	3 year terms, no limit on how many terms they can serve
Specific Job Descriptions For Board Members	No
Formal Training Required? What Type	No formal training, members go through orientation.
Appt. Process	Mayor selects members of the board
Board Member Titles	Chair, Vice Chair, 3 Commissioners
# on City Council	9 – 6 reps elected from districts; 3 elected at-large representing entire city
Other Comments	
Bond Rating	AA

<u>Brownsville Public Utilities Board (TX)</u>	
Population Served	167,000 (50,000 accounts)
Responsible Areas	Water, wastewater and electric
Mayor's Role	Sits on board as ex-officio voting member
# of Board Members	6 including mayor
Board Member Term Limits	4 years per term; can be re-elected by City Commission; 2 terms only
Specific Job Descriptions For Board Members	No
Formal Training Required? What Type	The BPUB Board of Directors is required to undergo the Open Government Training required for Texas public officials.
Appt. Process	Letter of interest to serve on the board submitted to city secretary; city commission appoints members; appoints according to term limits. The mayor ex-officio member of the board. The remaining members of the board shall be appointed by a majority of all five (six) city commissioners of the City of Brownsville.
Board Member Titles	Chair, Vice Chair, Secretary, Treasurer, Member, Ex-officio member
# on City Council	7 (Mayor and 6 City Commissioners)
Other Comments	
Bond Rating	Moody's: A2 Fitch Rating: A S&P Rating: A
Number of CEOs in last 20 years	Present CEO has been in position for over 10 years and has been with the utility for about 30 years.

<u>San Antonio Water Systems (TX)</u>	
Population Served	1 million; (325,944 water; 354,878 wastewater accounts)
Responsible Areas	water, wastewater
Mayor's Role	Sits as an Ex-officio voting member
# of Board Members	7 w/ mayor
Board Member Term Limits	4 years per term; 2 terms only
Specific Job Descriptions For Board Members	Person must live in the geographic area that they are representing.
Formal Training Required? What Type	State of Texas requires members to obtain a State-required certificate by law. Members also are required to attend an internal orientation.
Appt. Process	Appointed by the City Council; City Clerk's office posts vacancy; anyone can submit their interest to serve on the board
Board Member Titles	Chair, Vice Chair, Secretary, 3 Trustees, Ex-officio
# on City Council	11 (Mayor and 10 City Councilors)
Other Comments	Trustees must reside either within the area served by SAWS or within the corporate limits of the city
Bond Rating	AA
Number of CEOs in last 20 years	The organization was separated from the City Government in 1992. Since then we have had 5 permanent CEO's and at least 4 interim CEO's.

Attachment C: Communications Profile Of Other Water Utilities

	Birmingham Water Board (AL)	Montgomery Water (AL)	Denver Water Board (CO)
Meeting Location:	Board Room, Utilities Main Office	Utilities Main Office	Board Room, Administration Office
Televised Meetings (Y or N)	No. Posts the meeting dates; meeting open to the public and media.	No response	No; open to media and public.
Video Streaming of Meetings (Y or N)	No	No response	No
Posting Procedures:	Website; posts date, time, location, and purpose of meeting.	Website; posts upcoming events, board meetings.	Posted on website 24 hours prior to meeting; sends agenda to the city.
Advisory Groups (Y or N) Purpose of Advisory Group:	No. Only have consultants, i.e., attorney, engineers, and public communication consultants.	No response	Citizen Advisory Group; provides feedback; is an independent group.

	Columbus Water Board (GA)	Honolulu Water Board (HI)	Des Moines Water Works (IA)
Meeting Location:	Board Room, Utilities Main Office	Board Room, Utilities Main Office	Board Room, Utilities Main Office
Televised Meetings (Y or N)	No, but recorded audio; open to the public and media.	No. but open to public and media.	Audio and video recorded. Shown during the week, but not live.
Video Streaming of Meetings (Y or N)	No	No	No
Posting Procedures:	Do not post agenda to website; sends agenda to newspaper and board members 5 days before meeting. All meeting dates posted on website for the year.	Pursuant to State's Sunshine Law, agendas are filed at the City Clerk's office 7 days before a board meeting and then posted on the website.	Post agenda online one week before every meeting.
Advisory Groups (Y or N) Purpose of Advisory Group:	Has a focus group annually.	No	No, but have finance and planning committees that discuss issues that do not take action by the Board. Board members sit on the committees to gain feedback.

	Louisville Water Company (KY)	Portland Water Board (OR)	Providence Water Supply Board (RI)
Meeting Location:	Board Room, Utilities Main Office	City Hall, Lovejoy Room	Board Room, Utilities Main Office
Televised Meetings (Y or N)	No, but open to the public and media.	No, but meetings are open to the public.	No, but meetings are open to the public and media.
Video Streaming of Meetings (Y or N)	No	No	No
Posting Procedures:	Notice of meeting is posted on website. Schedules and agenda are not posted on website. Agenda is sent to key people within the company and to media for notice.	Agenda posted on website one week before meeting.	Meets State Open Meetings Act; agenda posted on website 48 hours prior to meeting.
Advisory Groups (Y or N) Purpose of Advisory Group:	No	The Board may at any time establish standing committees of at least three individuals to address specific issues related to the Board's purpose. The Chair, one other board member, and City Council liaisons to the Board will serve as the Board Executive Committee; committee will facilitate ongoing communications with the City Council, Utility staff and bureaus. The Board may designate more specific roles and responsibilities for the Executive Committee and any standing committee in the Board by-laws.	No

	Knoxville Utilities Board (TN)	Memphis Light Gas & Water (TN)
Meeting Location:	Utility Corporate Building, Historic Millers Building	Utilities Main Office
Televised Meetings (Y or N)	No, but meetings are open to public and media.	No, but meetings are open to public and media.
Video Streaming of Meetings (Y or N)	NO	No
Posting Procedures:	Legal Notice once a year posted on website with all scheduled meetings and sent to the city. Sends meeting notices to each news outlet. Agenda is not posted on website.	Agenda is posted 2-3 days before meeting.
Advisory Groups (Y or N) Purpose of Advisory Group:	Yes. Wastewater Oversight Committee formed because of the Wastewater Consent Decree.	Community Advisory Council; appointed by either president or director of communications. Twelve leaders that meet quarterly and provide feedback and serve as the voice of the customer. Leaders are community organization leaders: a representative from realtors, business, and community leaders, etc.

	Brownsville Public Utilities Board (TX)	San Antonio Water Systems (TX)	El Paso Water Utilities Public Service Board (TX)
Meeting Location:	Main Administration Building	Board Room, Main Office	Board Room, Main Office
Televised Meetings (Y or N)	Yes, but not live. Meetings are open to the public and media.	No, but open to the public and media	Yes, but not live - aired at a later time; meetings are open to the public and media
Video Streaming of Meetings (Y or N)	No	No	Yes
Posting Procedures:	Meets legal requirements for open meetings; sends agenda to City Hall.	Agenda is posted 72 hours in advance on website and City Hall. Website also has schedule of meetings for the year.	Agenda is posted to website, at City Hall and Administration Building five days before meeting. Agenda also sent to media. Website also has schedule of the meetings for the year.
Advisory Groups (Y or N) Purpose of Advisory Group:	Yes: Public Utilities Board Consumer Advisory Panel (PUBCAP); panel does not have a policy, but provides feedback.	City Advisory Panel: reviews water resource plan. Community Conservation Committee: evaluates different project. Also have Rate Advisory Committee, Audit and Finance Committee, Planning and Operations Committee, and Water Resources Committee.	Public Working Committee; Impact Fee Advisory Group; Stormwater Citizens Advisory Committee; Finance Committee; and Architect/Engineer Advisory Committee. AD-HOC Advisory Committees: Sludge, Conservation, Drought Management Plan.

Attachment D: Legislation Changing Size Of El Paso Water Utilities PSB

By: Pickett H.B. No. 4004

A BILL TO BE ENTITLED

AN ACT

relating to the management and control of utility system.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1502.070(a), Government Code, is amended to read as follows:

(a) Management and control of a utility system may be vested in:

(1) the municipality's governing body; or

(2) a board of trustees named in the proceedings adopted by the municipality and consisting of not more than five members, one of whom must be the mayor of the municipality; or

(3) in a county with a population of at least 600,000 and located on the international border, a board of trustees names in the proceedings adopted by the municipality and consisting of not more than seven members, one of whom must be the mayor of the municipality.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

Attachment E: Board Member Orientation List

- Biographies of Board Members
- Biography of President/CEO
- PSB Meeting Schedule
- Executive Summary of Annual Budget
- Annual Report
- Revenue and Expense Summary
- Investment Report
- CARE System Brochure
- Drinking Water Report
- Latest issue of "In the Works"
- Latest issue of "Water Biz"
- Latest issue of "On the Water Front"
- Legal Orientation Guide
- Summary of Items to be considered on Consent Agenda
- HUB Report
- Customer Survey
- Utility Jacket
- Brochures on Treatment Plants
- Water. Nothing Can Replace It
- Strategic Plan

Attachment F: EPWU – PSB Legal Orientation Guide

Table of Contents

1. A short introduction to the Public Service Board and Local Government
2. PSB Organization Chart
3. Administrative Instruction #1
4. Texas Civil Statutes, Article 1115
5. Ordinance 752 (The Ordinance which created the Public Service Board)
6. 2008 Bond Ordinance
7. The PSB By-Laws
8. The PSB Rules and Regulations
9. Water and Sewer System Provisions, Chapter 15.12 of the El Paso Municipal Code
10. Water Conservation Provisions, Chapter 15.13 of the El Paso Municipal Code
11. Resolution on Large Water Users
12. Resolution on Land Use Policy of the Public Service Board
13. Land Management Policies
14. The Texas Open Meetings Act
15. The Texas Open Records Act
16. The Texas Public Officials Conflict of Interest Act
17. Texas Nepotism Laws
18. Ethics Ordinance and Related Affidavit

Attachment G: Community Advisory Committee Member Roster

Member Organization	Member Name
Associated General Contractors of America	Will Martinez
Associated General Contractors of Texas	Mike Brown
Borderland Mountain Bike Association District 1 Representative	Dr. Richard Bonart
Canutillo Independent School District	Dr. Pauline Dow Alternate: Yusuf Farran
City of El Paso Open Space Sub-Committee District 2 Representative	Carl Pataky Alternate: Charlie Wakeem
City of El Paso Plan Commission	Belinda Luna Alternate: Joe Lares
District 4 Representative	Jane Ratcliff
El Paso Apartment Association	Gerald Carlson Alternate: Anna Routledge
El Paso Association of Builders District 5 Representative	Robert Bowling IV*
El Paso Council of Engineering Companies	Mike Pink
El Paso County Water Improvement District No. 1 District 6 Representative	Jesus "Chuy" Reyes
El Paso Hispanic Chamber of Commerce	Cindy Ramos-Davidson Alternate: J. Antonio Rico
El Paso Hispanic Chamber of Commerce District 3 Representative	Tanny Berg*
El Paso Independent School District	Kenneth Parker Alternate: Walt Byers
El Paso Interreligious Sponsoring Organization	Teodora Trujillo Alternate: Jesus Luna
El Paso New Car Dealers Association Mayor's Representative	Gerald Miller Alternate: Jerry Thiedt
El Paso New Car Dealers Association	Steve Hoy
El Paso Regional Economic Development Corp.	Bob Cook

Greater El Paso Association of Realtors District 7 Representative	Dan Olivas
Greater El Paso Chamber of Commerce	Richard Dayoub Alternate: Cassie McKenzie
International Boundary and Water Commission	Cesar Boisselier
Neighborhood Association – Central	Matthew Carroll
Neighborhood Association – East	Mark Benitez Alternate: Oscar Mestas
Neighborhood Association – Lower Valley	Andres Ramirez
Neighborhood Association – Northeast	Daniel Schulte Alternate: Daniel Schulte, Jr.
Neighborhood Association - West	Douglas Echlin
Paso del Norte Group	Lisa Colquitt-Muñoz Alternate: Jorge Ramos
Save the Valley Neighborhood/Civic Association	Mary Frances Keisling
Socorro Independent School District	Thomas Eyeington Alternate: Rafael Padilla
Texas Board of Professional Engineers	Joe Cardenas
Texas Department of Transportation	Horacio Fernandez Alternate: Antonio Santana
University of Texas at El Paso	Dr. John Walton Alternate: John Sproul
U.S. Army of Corps of Engineers	Ben Alanis*
Village of Vinton	Jessica Garza*
Ysleta Independent School District	Santiago Loredó

*These members either attended no meetings or only one meeting.

Attachment H: 2007 Public Working Committee

Member Roster

Organization

1. City Development Services Dept.
2. City Manager's Office
3. City Neighborhood Associations
4. City Street Department
5. El Paso Apartment Association
6. El Paso Association of Builders
7. El Paso Council of Engineering Companies
8. El Paso Employees Federal Credit Union
9. El Paso Hispanic Chamber of Commerce
10. El Paso Independent School District
11. El Paso Interreligious Sponsoring Organization
12. El Paso Interreligious Sponsoring Organization
13. El Paso League of Women Voters
14. Fort Bliss
15. Greater El Paso Chamber of Commerce
16. Paso del Norte Water Task Force
17. Texas A&M Agricultural Research Center
Texas Agricultural Experiment Station
18. Texas Board of Professional Engineers
19. Texas Gas Service
20. U.S. Environmental Protection Agency
21. United Way of El Paso County
22. University of Texas Health Sciences Center at Houston
23. Wells Fargo
24. Wells Fargo
25. West Texas Irrigation Association
26. Western Refining
27. At Large

Representative

Larry Nichols
Patricia Aduato
Douglas Echlin
Gerald Pucel
Mary Cardenas
Raymond Aduato
Terry Bilderback
Raymond Ponteri
Philip DelRio
Donald Thompson
Richard Morales
Teodora Trujillo
Inga Groff
David Hall
Michael Guerra
Irene Tejada
Dr. Ari Michelsen

Joe Cardenas
Pete PARRAZ
Dr. Carlos Rincon
Deborah Zuloaga
Dr. Shawn Gibbs
Giselle Smith-Johnson
Ruben Torres
Lewis Wright
Leonard Bloom
Jimmy Janacek

Attachment I: Customer Satisfaction Survey Overview: 1997-2006

Question	1997	2000	2001	2002	2006
Are you and members of your household doing more to conserve water than you did a year ago? YES	78%	70%	83%	75%	79%
Have you made changes in your landscape in order to conserve water? YES	43%	42%	23%	43%	50%
The cost of water in El Paso is reasonable. AGREE	51%	82%	81%	70%	53%
Our drinking water is safe and of good quality. AGREE	70%	86%	56%	75%	75%
We get good service. AGREE	69%	95%	96%	94%	89%
In the future, the cost of water in El Paso will be significantly higher. AGREE	81%	69%	90%	88%	68%
Do you think EPWU does a good job of informing consumers of future plans and other water issues? YES	54%	81%	73%	67%	72%

How would you rate EPWU in managing our water resources?	1997	2000	2001	2003	2006
Excellent	12%	7%	4%	12%	14%
Good	44%	47%	77%	49%	47%
Average	34%	39%	17%	27%	28%
Below Average	6%	4%	5%	4%	4%
Poor	1%	5%	5%	2%	3%
Don't Know	2%	2%	1%	6%	3%

Attachment J: Recent El Paso Water Utilities Awards

**U.S. Environmental Protection Agency's
2008 National Clean Water Act Recognition Award**
Northwest Wastewater Treatment Plant

American Membrane Technology Association
2008 Membrane Facility Excellence Award

Texas Council of Engineering Companies
2008 Eminent Conceptor Award

American Council of Engineering Companies
2008 Honor Award

Award from the American Academy of Environmental Engineers
2008 Superior Achievement

2008 Desalination Project of the Year
Water Reuse Association

2008 Innovative or Proactive Water System Award
Texas Commission on Environmental Quality

2008 Cross-Connection Control Program Award
Texas Commission on Environmental Quality

National Association of Clean Water Agencies (NACWA)
Roberto Bustamante Wastewater Treatment Plant
Gold Award 2003, 2004, 2005, 2007, 2008 Silver Award 2006
Haskell R. Street Wastewater Treatment Plant
Gold Award 2003, 2005, Platinum Award 2004, 2006, 2007, 2008
Northwest Wastewater Treatment Plant
Gold Award 2004, 2005, Platinum Award 2003, 2006, 2007, 2008
Fred Hervey Reclamation Plant
Gold Award 2006, 2007, 2008
Excellence in Management 2003, 2006

Municipal Wastewater Treatment Plant of the Year
Roberto Bustamante Wastewater Treatment Plant 2005

Partnership for Safe Water – Director's Award
Jonathan W. Rogers Water Treatment Plant 2008, 2007, 2006, 2005, 2004
Robertson/Umbenhauer Water Treatment Plant 2008, 2007, 2006, 2005, 2004

TCEQ Environmental Management System

Wastewater Division, 2004

TCEQ Bronze Level Award

Wastewater Division 2007

2004 Association of Metropolitan Water Agencies Platinum Award for Sustained Competitiveness Achievement

Government Finance Officers Association Distinguished Budget Presentation Award

2008, 2007, 2006, 2005, 2004, 2003

Government Finance Officers Association Award of Financial Reporting Achievement

2008, 2007, 2006, 2005, 2004, 2003

Bureau of Reclamation Rio Grande Project Centennial Award 2005

WaterReuse Award of Merit

Haskell R. Street Reclaimed Water Project 2006

WaterReuse Public Education Program of the Year Award

El Paso & City of Juarez's Recovered/Reclaimed Water Program 2007

Texas Council of Engineering Companies

Engineering Excellence Gold Medal Award for the Lower Valley Well Desalination Project 2006

Universities Council on Water Resources

2006 Education & Public Service Award

Water Environmental Federation George W. Burke, Jr. Award (*Safety Award*)

Wastewater Lift Stations 2007

Medal of Honor for Heroism by the Water Environmental Association of Texas (WEAT)

Wastewater Collection System Maintenance 2007

2005 Texas Water Utilities Association (TWUA)

Public Education Award

Exemplary Service Award in Education and Training

E. Bibliography

1. Ordinance No. 752, \$2,940,000 Water and Sewer Bonds of the City of El Paso Public Service Board, March 22, 1952.
2. Ordinance No. 017009, Authorizing the Issuance of City of El Paso, Texas Water and Sewer Revenue Refunding Bonds, Series 2008 C, adopted October 7, 2008.
3. Vernon's Texas Civil Statutes, Chapter 10, Public Utilities, Article 1115
4. 2008 Annual Report, El Paso Water Utilities Public Service Board (epwu.org/tech20.org)
5. Ten Year Strategic Plan, El Paso Water Utilities Public Service Board, January 2009.
6. Water Issues Survey, Industrial Research Corporation, Gwinn Company, December 2001
7. Water Issues Survey, Gwinn Company, Advertising Inc., December 2002
8. Customer Satisfaction Survey, Industrial Research, Gwinn Company, December 2005
9. Customer Satisfaction Survey, Gwinn Company/Advertising Inc., December 2006
10. El Paso Water Utilities Master Plan Community Advisory Committee Final Report, February 2009
11. El Paso Water Utilities 2007 Public Working Committee Final Report (Topic: Stormwater), October 10, 2007



PHASE 2 REPORT SUMMARY

April 7, 2009



PSB GOVERNANCE PRACTICES REVIEW



PRESENTATION OVERVIEW...



INTRODUCTION / BACKGROUND

SCOPE OF WORK (Phase 1 & 2)

PHASE 1 SUMMARY

PHASE 2 TASKS

RESEARCH / ANALYSIS

OBSERVATIONS

RECOMMENDATIONS

OTHER OBSERVATIONS

Q & As





BACKGROUND / SCOPE OF WORK





STUDY REVIEW PREMISE...

Sponsored by the City of El Paso Working with the Public Service Board

“To undergo a comprehensive review of the Public Service Board’s governance practices driven by detailed:

- ❑ input from major community stakeholders***
- ❑ research regarding other utility practices where board members are appointed***

Recommendations to be presented to the City Council

and the Public Service Board



“Current Ordinances and Legislation Governing PSB”

- PSB Created by City Ordinance in 1952; latest ordinance defining Board Governance adopted October 7, 2008.
- City ordinance defines Board appointment process, terms of office, member qualifications, compensation, meeting requirements, etc.
- There have been five Board members since inception.
- Texas law governing the size of the PSB originally enacted in 1911; law was recodified in 1999 in Texas Government Code.
- Texas statute has always called for 5 members.



PSB GOVERNANCE PRACTICES REVIEW

SCOPE OF WORK

PHASE 1 – Recommendation of 7 Member Board approved by City Council on March 10, 2009

TASK 1

Gather Information Other Utilities

TASK 2

*Size of Board Research, Analysis
& Recommendation*

PHASE 2

TASK 3

Board Appointment Process

TASK 4

Board Makeup

TASK 5

*Best Management Practices For
Training And Communications*

TASK 6

Use of Advisory Groups



OVERALL STUDY ASSUMPTIONS

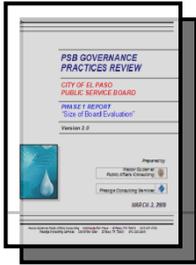
- Phase 1 "Size of Board" recommendation ultimately decided by City Council for legislative recommendation. Changes in legislation to be pursued by City lobby team in Austin.
- Phase 2 recommendations to City Council on April 7, 2009 will need requisite City Ordinance changes, if adopted.
- All interviews and completed survey questionnaires are confidential and proprietary.





PHASE 1 SUMMARY





PHASE 1 RECAP...

- ❑ Survey feedback resulted in the average mean size of 6.65 board members.
- ❑ The research of other cities where Board members are appointed was 6.46.
- ❑ 8 of 13 (62%) of the entities had at least 6 board members.
- ❑ Most entities' areas of responsibility beyond water and waste water services had more than five (5) board members except for Memphis (water, electric, and natural gas).
- ❑ The mayor does not sit on the board in 9 of 13 (69%) of the utilities, but is involved in the appointment process in 8 of 13 (62%) of the utilities.
- ❑ Several comments highlighted the relative importance of focusing on who is serving on the board versus the number of board members.
- ❑ There is no correlation between the population served and the size of the board serving it.
- ❑ *Legislation approving two new EPWU PSB members introduced by Senator Shapleigh/Representative Pickett in Texas Legislature (HB 4004).*





PHASE 2 TASKS



PHASE 2 STUDY ASSUMPTIONS

- Phase 2 recommendations as related to Task 3 and 4 will be ultimately decided by the City Council for incorporation in a future City Ordinance, as appropriate and coincident with the next issuance of the City of El Paso water, wastewater, or stormwater revenue bonds.
- Phase 2 recommendations for Tasks 5 and 6 will be direct recommendations for the PSB Board to consider immediately.
- All interviews and completed survey questionnaires are considered confidential and proprietary



Research / Analysis For Tasks 3 & 4 – Board Appointment Process and Board Makeup

Current Public Service Board Profile:

Mayor's Role	Serves as ex-officio – Mayor and PSB Chair provide three nominees for Council approval after obtaining a majority vote of PSB
Board Member Term Limits	Two Four Year Terms
Board Orientation/ Training	Provided
Board Selection	PSB propose three names to the City Council. City Council makes final selection from the three names proposed.

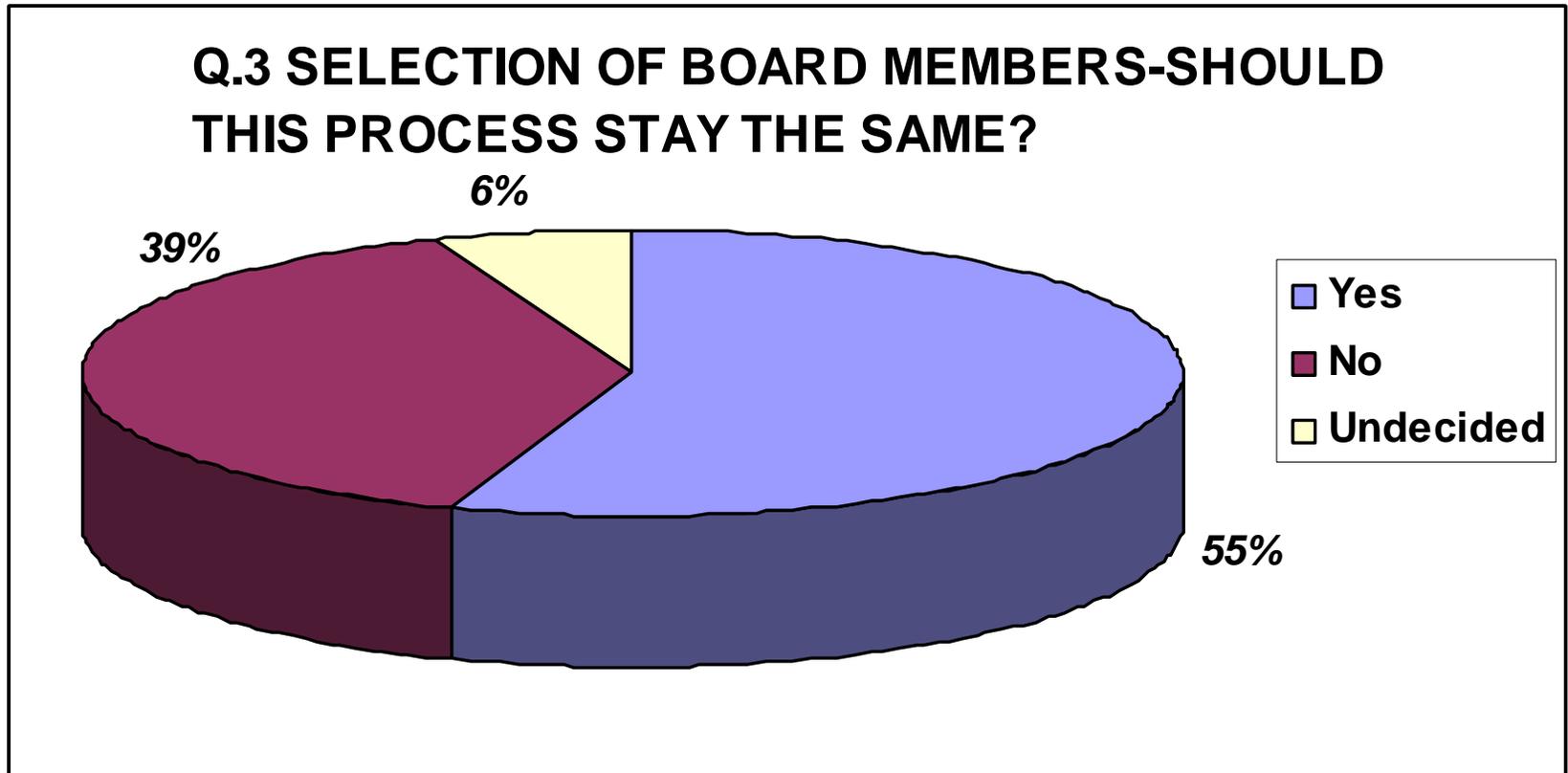


OTHER CITIES ' BOARD PROFILE

CITY	POP' LTN, SERVED	MAYOR'S ROLE	BOARD TERM		BOARD TRAINING PGM?	BOARD SELECTION	
			LENGTH	# OF		NOMINATION PROCESS	SELECTION PROCESS
Birmingham, AL	600,000	None	6 YRS	2	NO	City Committee	City Council
Montgomery, AL	225,000	None	6 YRS	NO LIMIT	NO	City Council	City Council
Denver, CO	1,300,000	Appoints Board	6 YRS	NO LIMIT	NO	Mayor	Mayor
Columbus, GA	227,600	Ex- Officio Member	4 YRS	2	NO	City Council	City Council
Honolulu, HI	1,000,000	Appoints Board With Council Approval	5 YRS	STAGGERED	NO	Mayor	City Council
Des Moines, IA	400,000	Appoints Board	6 YRS	1	NO	Mayor	City Council
Louisville, KY	830,000	Ex- Officio & Appoints Board (Local Approval)	2, 3, 4 YRS	1	NO	Mayor	City Council
Portland, OR	800,000+	Appoints Chair of Board	2 YRS	3	NO	Mayor	City Council
Providence, RI	600,000+	Appoints 4 Board Members	4 YRS	NO LIMIT	NO	Mayor/ City Council	Mayor/ City Council
Knoxville, TN	366,000+	Selects Members Not on Board	7 YRS	2	NO	Mayor	Mayor
Memphis, TN	986,000+	Appoints Board With Council Approval	3 YRS	NO LIMIT	NO	Mayor	Mayor
Brownsville, TX	167,000	Ex- Officio Member	4 YRS	2	NO	City Commission	City Commission
San Antonio, TX	1,200,000	Ex- Officio Member	4 YRS	2	YES	City Council	City Council

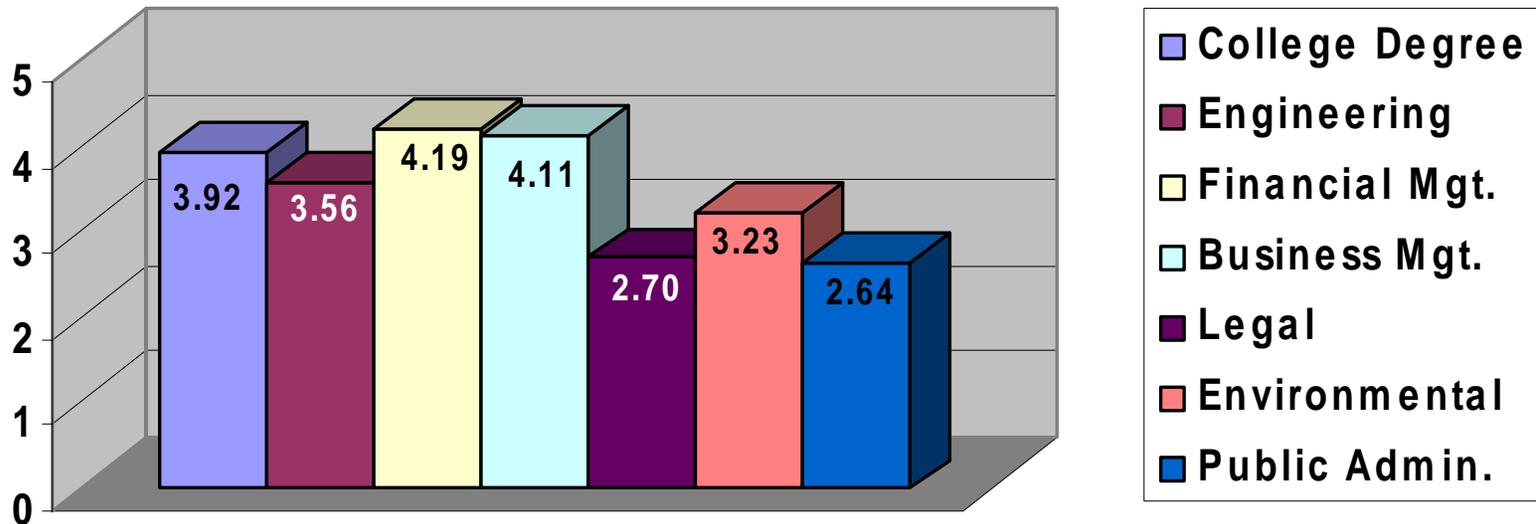


Research / Analysis For Tasks 3 & 4 – Board Selection Process – Stay The Same?



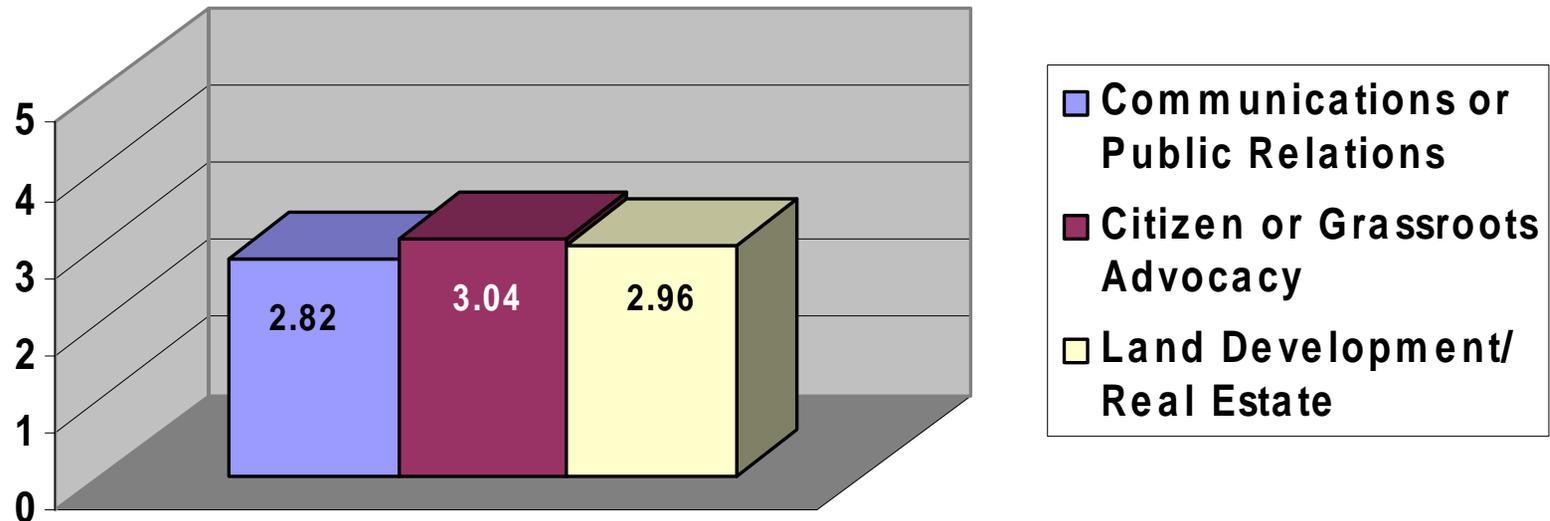
Research / Analysis For Tasks 3 & 4 – Essential Qualifications?

**Q.4a&b TO WHAT EXTENT ARE THE FOLLOWING
QUALIFICATIONS OF BOARD MEMBERS
ESSENTIAL?** (1= no extent 2 =very little 3 =to some extent 4 =to large extent 5 =to great extent)



Research / Analysis For Tasks 3 & 4 – Essential Experience and Knowledge?

Q.4c HAVE EXPERIENCE AND KNOWLEDGE IN ONE OF THE FOLLOWING KEY AREAS:



Board Member Qualification

Recommendations

Current Requirement Per City Ordinance 017009:

- Citizen of the United States
- El Paso County Resident

Recommendation:

- ***College degree preferable***
- ***Community involvement experience that accents demonstrated leadership related to other key organizations***
- ***No conflicts of interest (i.e., real estate, land development, other utilities)***
- ***Abide by the City Code of Ethics***
- ***No previous political office held (exception: Current Mayor will continue to serve on Board)***



Term Limits and # of Terms

Recommendation

63% of respondents felt no change to current PSB limit of two four year terms

Summary of Research of Other Cities:

- ***Average term was 3.83 years (for utilities with no term limits)***
- ***Terms ranged from 2-7 years***
- ***Four utilities had six year terms***

- ***Number of terms***
 - 2 - Five Utilities***
 - 3 - One Utility***
 - 1 - Two Utilities***
 - No term limits - Four Utilities***

Recommendation: No change and continue staggered terms

Research / Analysis For Tasks 3 & 4 – Board Appointment Process?

Survey Questionnaire:

- *55% of respondents agree with current process*
- *45% felt that more input is required by City Hall*
- *Majority of respondents agree that City Hall should continue to make ultimate decision on new appointments*

Survey of Other 13 Utilities:

Initiation of Nomination Process:

- *Mayor -7*
- *City Council - 3*
- *City Committee or City Commission - 2*
- *Hybrid—Some appointments by Mayor; others by Council - 1*

Selection Process

City Council - 8

Mayor - 3

Hybrid - 1

City Commission - 1



Board Appointment Process

Recommendations

Currently:

- **Mayor and PSB Chair jointly nominate three names to the PSB Board**
- **PSB majority forwards three names to City Council for action within 30 days**
- **City Council selects final name**
- **If no selection, process starts again at PSB for selection of three new candidate names**

Recommendation:

- **New PSB Nominating Committee (NC) to be created**
- **Eight City Representatives appoint one individual to NC**
- **All PSB members serve on NC**
- **Mayor to Chair Nominating Committee**
- **PSB CEO to advise committee, as appropriate**
- **Committee goal is to agree on three candidate names to recommend to City Council**
- **City Council interviews all candidates**
- **City Council selects final name**
- **Teamwork assured between PSB and City Council on this vital process**



New Board Recommendations If Legislation Passes

Two additional members' terms should be staggered:

- *One serves two year term*
- *Other serves four year term*

Result:

- *One PSB member considered in 2010*
- *Two PSB members considered in 2011—includes new Board member added in 2009*
- *One PSB member considered in 2012*
- *Two PSB members considered in 2013—includes the other new Board member added in 2009*
- *One PSB member considered in 2014*

New Board members should be appointed four months before incumbent term ends to maximize initiation and orientation

Ideal Future Board Makeup – “Balanced Expertise”

Quality of Board Member is Key Criteria: Community Orientation and Integrity

- *At least one Board member having expertise/experience in the following areas:*
 1. *Financial management*
 2. *General Business*
 3. *Engineering*
 4. *Environmental or Health*
 5. *Consumer or Citizen Advocacy*
 6. *Communications, Public Administration, or Education*
 7. *City Government— Mayor represents this constituency*
- *May consider members from outside the City — 68% said “no / undecided”*
- *Nominating Committee will assure improved, focused, and expedited consideration for Board member nominations and vacancies*
- *Vacancies in each of the six expertise categories will be filled by individuals having that same expertise when a NEW Board member is selected*
- *All Board members are required to assure best practices in every fiscal, operational, customer service, and public affairs disciplines.*

Research / Analysis For Task 5 – Getting “Up to Speed” and Formal Training?

- 69% Survey Respondents felt that continuous, formal Board training is important***

- Survey Respondents felt that it takes 1.02 years to “get up to speed”***

- Current Orientation Tools***
 - ***General Orientation List (Attachment E)***
 - ***Legal Orientation List (Attachment F)***



Training

Recommendations

- ***Revalidation of General and Legal Orientation Checklist for Board members***
- ***New orientation guide/planning document should clearly state what training / orientation will occur in Month 1, Month 2, Month 3 etc.***
- ***Ethics seminar/training prior to PSB member's first meeting (signed City Code of Ethics; exposure to requirements of Texas Open Records Act and Texas Open Meetings Act)***
- ***Current Board and management jointly agree on what additional formal training programs should be introduced in addition to current offerings***

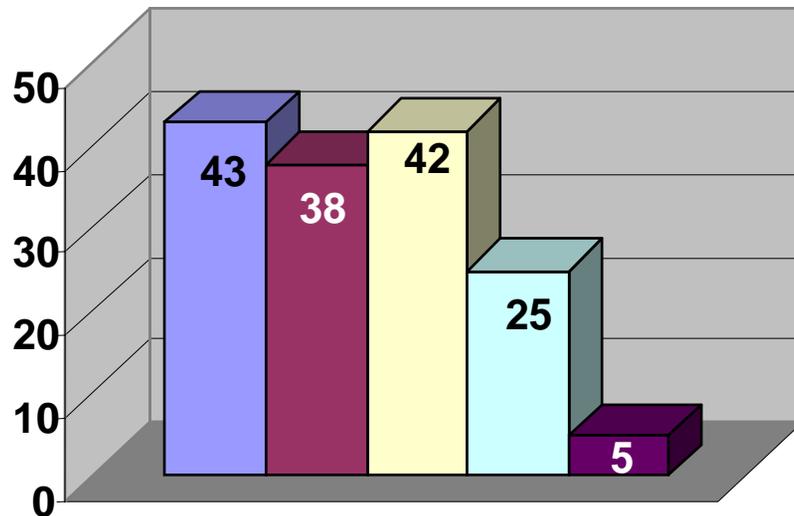


OTHER CITIES' COMMUNICATIONS PROFILE

CITY	MEETING LOCATION	TELEVISED MEETINGS?	VIDEO STREAMING?	ADVISORY GROUPS?
Birmingham, AL	Main Offices	N	N	N
Montgomery, AL	Main Offices	No Response	No Response	No Response
Denver, CO	Main Offices	N	N	Y (City Advisory Group)
Columbus, GA	Main Offices	N	N	Y (Annual Focus Group)
Honolulu, HI	Main Offices	N	N	N
Des Moines, IA	Main Offices	Y (Replay)	N	N
Louisville, KY	Main Offices	N	N	N
Portland, OR	City Hall	N	N	N
Providence, RI	Main Offices	N	N	N
Knoxville, TN	Main Offices	N	N	Y (Waste Water Oversight Cmte .)
Memphis, TN	Main Offices	N	N	Y (Community Advisory Council)
Brownsville, TX	Main Offices	Y (Replay)	N	Y (Consumer Advisory Panel)
San Antonio, TX	Main Offices	N	N	Y (City Advisory Panel)
El Paso, TX	Main Offices	Y (Replay)	Y	Y (Public Working Cmte . + Other Groups)

Research / Analysis For Task 5 – Communication Improvements?

Q.10 WHAT COMMUNICATION IMPROVEMENT ITEMS WOULD YOU SUGGEST?



- Live television
- Live video streaming
- Expanded community notice of PSB meetings
- Periodic changes in meeting venues
- Other

More PR and outreach, PSAs, etc.)	5
Public meetings	5
Accessible PSB meetings/ reasonable times	3
Expanded tools/ open communications	2
Onsite quarterly newsletter	2



Research / Analysis For Task 5 – Communication Observations

- ***Generally, the call from all stakeholders is for more frequent and open dialogue regarding key initiatives and issues.***
- ***Neighborhood associations and community groups expressed a desire for more ongoing contact with the PSB, not only when there is a crisis or problem.***
- ***“Maintenance communications” or ongoing exposure is what the public is demanding.***
- ***Of the 13 other entities researched:***
 - ***None had live television.***
 - ***Three had delayed television airing their meeting, including El Paso.***
 - ***El Paso was the only entity that had video streaming***
- ***All the entities conduct their meetings at their utility location except Portland which convenes their meetings at City Hall.***



Communication Recommendations

- *More focus should be directed to marketing and promoting the PSB on a constant basis. Marketing: fully understanding what the public needs and expects.*
- *Get direct feedback from external stakeholders—conduct annual customer satisfaction survey to measure:*
 - *Perceptions of cost and value of service*
 - *Evaluation of service and reliability*
 - *Assessment of management reputation*
 - *Communications effectiveness*
 - *Awareness and employment of conservation practices*
 - *Overall qualitative report card*

*Last survey was conducted in 2006 (See Attachment I)
Trendline -- % Excellent or Good:*

1997	56%
2000	54%
2001	81%
2002	61%
2006	61%

- *Executive performance review should include achieving customer satisfaction goals.*

Other Communication Recommendations

- *Formalize an ongoing “community engagement” process*
- *Commend the PSB for Live Streaming (only benefits those with computers); should investigate Live Television on Channel 15*
- *Capitalize on Annual State of the Water—deliver message directly to City Hall and State Legislature*
- *Monthly key summary update to all major stakeholders*
- *Two Board meetings should occur outside of the PSB building each year, especially those that relate to the setting of rates*



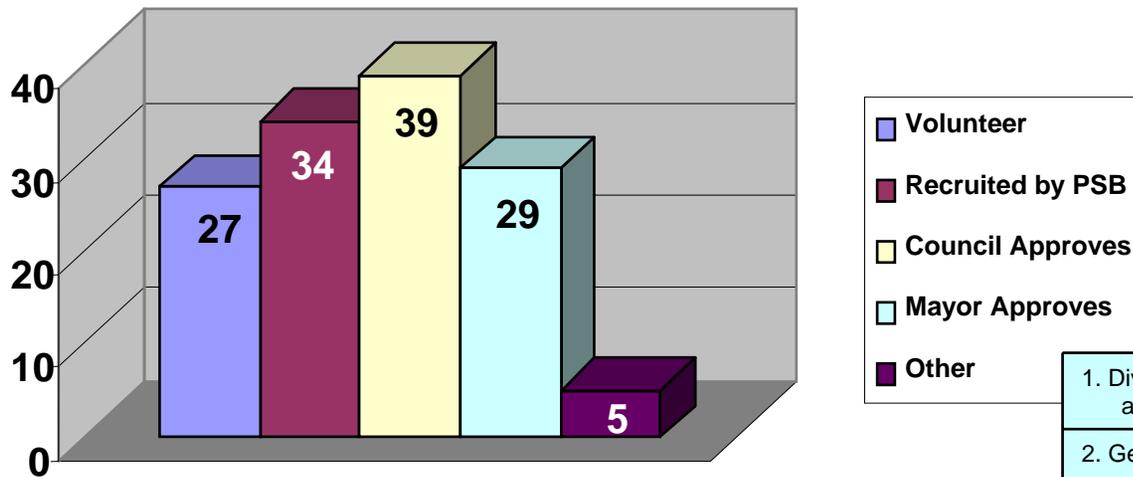
Research / Analysis For Task 6 – Use of Advisory Groups

- 89% of survey respondents saw great benefit to the use of Advisory Groups***
- Analysis from the research of the 13 other utilities indicates that over 50% have advisory groups***
- Current Stormwater Master Plan Advisory Group has proven very effective***
 - ***Had direct appointments from City Hall***
 - ***Has involved other key stakeholders identified by PSB***
- Public Working Committee first met in the late 1990's addressing key issues such as:***
 - ***Development of Drought Management Plan***
 - ***Conservation Programs including rebate programs***
 - ***Providing recommendations on water, wastewater, reclaimed water and stormwater rate structures***
 - ***Other***



Research / Analysis For Task 6 – Use of Advisory Groups?

Q.9B HOW SHOULD ADVISORY MEMBERS BE SELECTED?



1. Diverse mixture of community members affected by water issues	5
2. General Public can apply/ community referrals	4
3. Appointed by the PSB Board	4
4. Members independent of the PSB or Political Interests	2



Advisory Group Recommendations

- **Public Working Committee needs to be revalidated and reconstituted.**
 - *It should serve as the umbrella community advisory committee to the PSB Board.*
 - *Ideally, this committee can form subcommittees, as appropriate, to concentrate on items such as:*
 1. *Rate/fee “issues”*
 2. *Communications/Public Relations*
 3. *Land Use/Open Space (Real Estate issues)*
 4. *Conservation Programs*
 - *Utilize Advisory Groups where the scope of work and mission are truly warranted.*

- **Appointments to these advisory groups should come from a combination of sources.**
 - *At least 50% should be City Council appointments*
 - *PSB Board should also select a broad range of interested stakeholders*
 - *City and PSB should develop a volunteer application form that clearly identifies scope of work for each committee.*
 - *The more options for nominations, the greater the potential to attract a strong, qualified talent pool.*

- **Strive for geographic diversity and for qualified individuals that have sincere interest in subject being addressed and studied.**



“Top Five” PSB Strengths

<i>STRENGTHS</i>	<i>Number of Comments</i>
1. STRONG, COMPETENT UTILITY MANAGEMENT LEADERSHIP	20
2. DEDICATED, CAPABLE PROFESSIONAL STAFF	16
3. STRONG VISIONARY STRATEGIC THINKING AND PLANNING FOR THE FUTURE	15
4. INDEPENDENT, POLITICALLY AUTONOMOUS	15
5. TECHNICAL ENGINEERING EXCELLENCE MANAGING LARGE PROJECTS	14



“Top Five” PSB Opportunities For Improvements

<i>OPPORTUNITIES</i>	<i>Number of Comments</i>
1. ENHANCE THE PUBLIC RELATIONS OUTREACH TO THE COMMUNITY, PARTNERS, AND CUSTOMER BASE	36
2. EXPAND PUBLIC EDUCATION AND INPUT REGARDING WATER ISSUES, RATE CHANGES, AND COSTS	20
3. IMPROVE EXECUTIVE MANAGEMENT LEADERSHIP STYLE AND SENSITIVITY TO THE PUBLIC	18
4. IMPROVE THE RESEARCH AND MANAGEMENT OF CUSTOMER OPINION	17
5. IMPROVE THE COLLABORATION WITH CITY HALL TO PLAN GROWTH & INFRASTRUCTURE NEEDS	12



“Top Five” Final Comments Regarding the PSB Governance

<i>FINAL COMMENT THEMES</i>	<i>Number of Comments</i>
1. PSB MUST CONTINUE TO MANAGE THE STORMWATER UTILITY AND PROVIDE MORE PUBLIC EDUCATION	15
2. KEEP POLITICS OUT OF THE WATER BUSINESS	9
3. OBJECTIVELY, THE PSB IS NOT BROKE – IT IS A COMMUNITY ASSET AND MODEL IN WATER UTILITY MANAGEMENT	9
4. PSB SHOULD TRULY SERVE THE NEEDS OF EL PASO CITIZENRY WORKING WITH CITY GOVERNMENT	9
5. MUST SELL THE VALUE OF PSB’S PROVEN SUCCESSES AND MANAGEMENT	6

PSB GOVERNANCE PRACTICES REVIEW

SUMMARY OF KEY RECOMMENDATIONS

CITY COUNCIL

- Change PSB Membership from five to seven members*
- Apply criteria of requisite qualifications and experience in six areas*
- Initiate new PSB appointment process with newly formed Nominating Committee (NC)*
- Appoint new Board members 3-4 months prior to term initiation to facilitate transition*

O&A?

EPWU - PSB

- Refine Board job description, orientation, and training program*
- Expand communications and public outreach*
- Conduct an annual customer satisfaction survey*
- Implement a formal “customer engagement” program*
- Name one “umbrella citizen advisory entity”*
- Expand advisory group appointments to City Reps, PSB Board, and qualified volunteers*



Back-Up Material...



Current Legislation Changing Size Of El Paso Water Utilities PSB

By: Pickett

H.B. No. 4004

**A BILL TO BE ENTITLED AN ACT relating to the management and control of utility system.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:**

SECTION 1. Section 1502.070(a), Government Code, is amended to read as follows:

(a) Management and control of a utility system may be vested in:

(1) the municipality's governing body; or

(2) a board of trustees named in the proceedings adopted by the municipality and consisting of not more than five members, one of whom must be the mayor of the municipality; or

(3) in a county with a population of at least 600,000 and located on the international border, a board of trustees names in the proceedings adopted by the municipality and consisting of not more than seven members, one of whom must be the mayor of the municipality.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

Current EPWU PSB Member Orientation List

- ***Biographies of Board Members***
- ***Biography of President/CEO***
- ***PSB Meeting Schedule***
- ***Executive Summary of Annual Budget***
- ***Annual Report***
- ***Revenue and Expense Summary***
- ***Investment Report***
- ***CARE System Brochure***
- ***Drinking Water Report***
- ***Latest issue of “In the Works”***
- ***Latest issue of “Water Biz”***
- ***Latest issue of “On the Water Front”***
- ***Legal Orientation Guide***
- ***Summary of Items to be considered on Consent Agenda***
- ***HUB Report***
- ***Customer Survey***
- ***Utility Jacket***
- ***Brochures on Treatment Plants***
- ***Water. Nothing Can Replace It***
- ***Strategic Plan***
- ***Comprehensive Annual Fiscal Report***



Current EPWU PSB Legal Orientation List

- 1. A short introduction to the Public Service Board and Local Government***
- 2. PSB Organization Chart***
- 3. Administrative Delegation***
- 4. Texas Civil Statutes, Article 1115***
- 5. Ordinance 752 (The Ordinance which created the Public Service Board)***
- 6. 2008 Bond Ordinance***
- 7. The PSB By-Laws***
- 8. The PSB Rules and Regulations***
- 9. Water and Sewer System Provisions, Chapter 15.12 of the El Paso Municipal Code***
- 10. Water Conservation Provisions, Chapter 15.13 of the El Paso Municipal Code***
- 11. Resolution on Large Water Users***
- 12. Resolution on Land Use Policy of the Public Service Board***
- 13. Land Management Policies***
- 14. The Texas Open Meetings Act***
- 15. The Texas Open Records Act***
- 16. The Texas Public Officials Conflict of Interest Act***
- 17. Texas Nepotism Laws***
- 18. Ethics Ordinance and Related Affidavit***



Customer Satisfaction Survey Overview: 1997-2006

Question	1997	2000	2001	2002	2006
Are you and members of your household doing more to conserve water than you did a year ago? YES	78%	70%	83%	75%	79%
Have you made changes in your landscape in order to conserve water? YES	43%	42%	23%	43%	50%
The cost of water in El Paso is reasonable. AGREE	51%	82%	81%	70%	53%
Our drinking water is safe and of good quality. AGREE	70%	86%	56%	75%	75%
We get good service. AGREE	69%	95%	96%	94%	89%
In the future, the cost of water in El Paso will be significantly higher. AGREE	81%	69%	90%	88%	68%
Do you think EPWU does a good job of informing consumers of future plans and other water issues? YES	54%	81%	73%	67%	72%

How would you rate EPWU in managing our water resources?	1997	2000	2001	2003	2006
Excellent	12%	7%	4%	12%	14%
Good	44%	47%	77%	49%	47%
Average	34%	39%	17%	27%	28%
Below Average	6%	4%	5%	4%	4%
Poor	1%	5%	5%	2%	3%
Don't Know	2%	2%	1%	6%	3%

Recent El Paso Water Utility Awards

**U.S. Environmental Protection Agency's
2008 National Clean Water Act Recognition Award**
Northwest Wastewater Treatment Plant

American Membrane Technology Association
2008 Membrane Facility Excellence Award

Texas Council of Engineering Companies
2008 Eminent Conceptor Award

American Council of Engineering Companies
2008 Honor Award

**Award from the American Academy of Environmental
Engineers**
2008 Superior Achievement

2008 Desalination Project of the Year
Water Reuse Association

2008 Innovative or Proactive Water System Award
Texas Commission on Environmental Quality

2008 Cross-Connection Control Program Award
Texas Commission on Environmental Quality

TCEQ Bronze Level Award
Wastewater Division 2007

**Water Environmental Federation George W. Burke, Jr.
Award (Safety Award)**
Wastewater Lift Stations 2007

**Medal of Honor for Heroism by the Water Environmental
Association of Texas (WEAT)**
Wastewater Collection System Maintenance 2007

