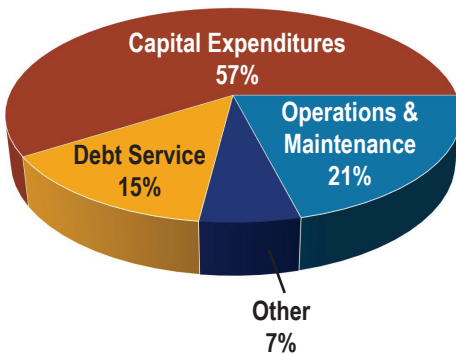




## Water & Wastewater Budget Uses \$490,288,000



## Increasing Customer Satisfaction



**\$16.6M**  
(over three years)  
New customer  
information system



**\$350K**  
Contract to assist  
with surge capacity

El Paso Water proposes a \$490 million fiscal year 2018-2019 budget for the utility's water, wastewater and reclaimed water systems. Staff proposes an 8 percent rate increase to cover rising operations, maintenance, and capital costs, which is keeping in line with the projected increases under the 5-year plan. The rate increase will raise the average monthly residential water and wastewater bill by \$3.98 to \$53.70.

The proposed Capital Improvement Project budget is \$279 million, and the proposed Operations & Maintenance budget is \$105 million. The Public Service Board will consider the staff proposal and make a final determination at the PSB monthly meeting on Jan. 10. The fiscal year begins March 1, 2018.



### Top priority: Securing our current and future water supply

- Land and water rights acquisitions east of El Paso County in Dell City will continue with purchases estimated at \$73.5 million
- We anticipate a full river allocation in 2018-19, which means increased costs for purchase of raw water, electricity and water treatment chemicals - \$3 million
- Design will continue on the utility's Advanced Water Purification Facility - \$1.8 million
- Initial work will begin on the desalination plant expansion project, which will eventually increase the plant's water production capacity by up to 15 million gallons per day - \$2.8 million



### Increasing Customer Satisfaction

- Improvements to customer service through capital projects and operational investments will help deliver on customer satisfaction.
  - New Customer Information System - \$16.6 million over three years
  - Self-help options, payment extension requests, updating phone numbers, surveys – \$250K
  - Ready-One service contract to help with surge capacity for Customer Service Center - 350K
  - Affordability program - \$300K



### Improving Efficiency, Reliability and Resilience

- We will improve and modernize equipment, technologies and facilities necessary to efficiently and effectively meet demand without interruption of service.
  - Modernization of Field Operations Yard - \$8.3 million with an expenditure of \$15.6 million over 2 years
  - Energy Management System Wide - \$3.3 million
  - Wastewater Process Automation - \$3.8 million

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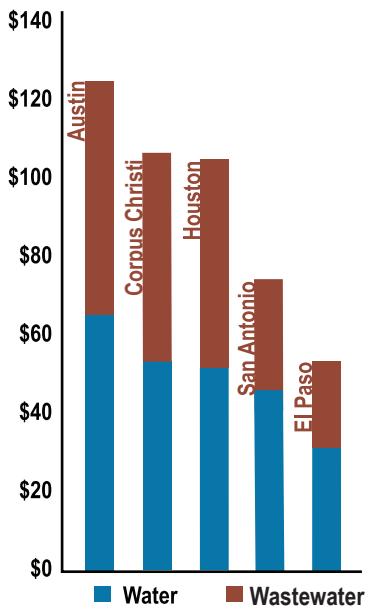
## Extending Service



**\$13.3M**

in extensions to existing water and wastewater lines

## Water & Sewer Rate Comparison



## Rehabilitating Aging Infrastructure

- We will continue to replace aging infrastructure, including pipes, wells, pumps and wastewater lift stations.
  - Replace aging water and wastewater lines - \$38 million
  - Well Rehabilitation Repair and Improvements - \$5.8 million
  - Reservoir Rehabilitation - \$3.1 million
  - Rehabilitation of Pumping Facilities - \$4.8 million
- We will increase the use of technology to detect pipes that are degrading and replace them before they break.
- \$24 million is planned for facility upgrades, odor control and improved processes at all wastewater treatment plants.



## Extending service for our growing city

- We will contribute to the vitality of the City through extensions of service to new home and business developments.
  - \$11.8 million for two new water storage tanks in east El Paso
  - \$13.3 million in extensions to existing water lines, wastewater collector lines and wastewater force mains.
  - \$4.7 million for Northwest Development.

## Rate Increases in Context

This year's rate increase and even projected future rate increases will keep El Paso's rates well below other large Texas cities and other Western desert cities. El Paso's rates are less than half of the national average for water/wastewater services of \$140 per month.

## What can customer do to keep costs down?

Conservation is the key to reducing water bills for residential and business customers. The rate structure is designed to provide relief for low water users while charging a premium for high water users.

Customers using less than 4 ccfs\* (2,992 gallons) of water in any given month will receive a waiver of the Water Supply Replacement Charge. Last year, this charge was waived on an average of 38,000 monthly customer accounts. If the average residential customer could cut their home water use to under 2,992 gallons per month, the residential customer would see a decrease of almost \$22.00 per month rather than an increase.

Monthly Water & Wastewater Bill			
	Current	Proposed	Change
Residential (3/4-inch meter) 3 ccf, AWC 8*	\$25.96	\$28.03	\$2.07
Residential (3/4-inch meter) 11 ccf, AWC 8*	\$49.72	\$53.70	\$3.98
Commercial (3/4-inch meter) 40 ccf, AWC 21	\$61.00	\$82.12	\$21.12

\*One ccf equals 748 gallons. Average Winter Consumption (AWC) is the average amount of water used during the most recent December, January and February billing periods.