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Community Meeting
October 2026

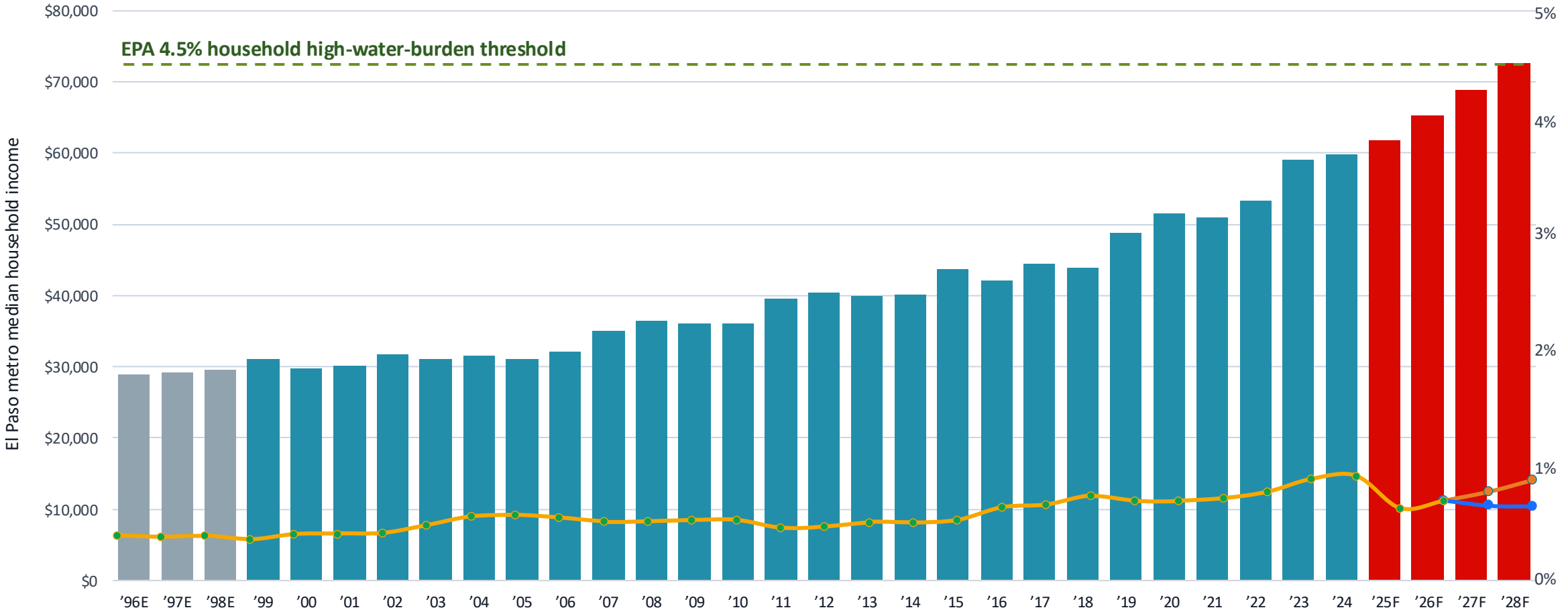


"El Paso is one of the driest cities in the country, but it manages to sustain its area population of nearly 900,000 with one of the most advanced and efficient utilities in the world."

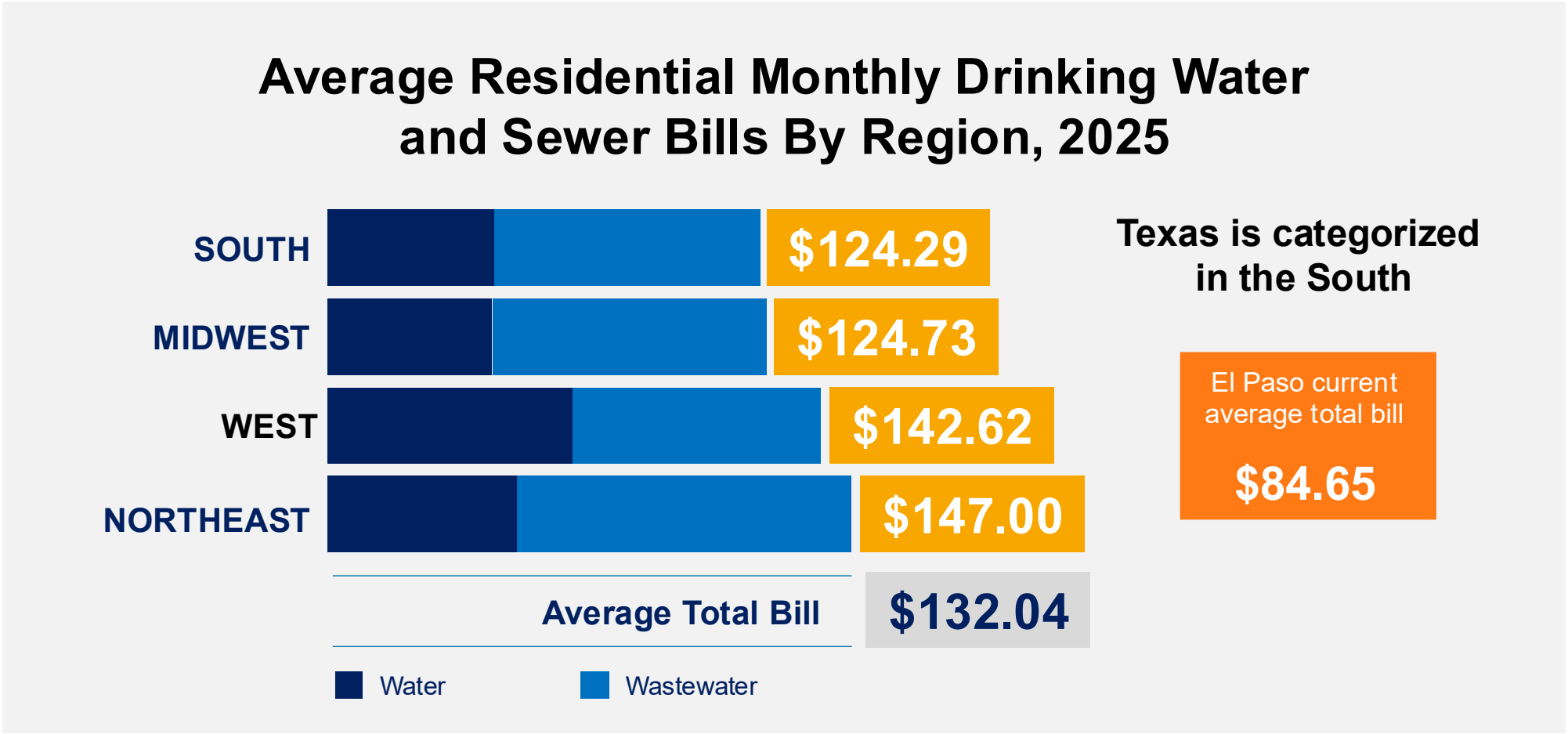
Jack Herrera

Texas Monthly
"The War for the Rio Grande"
September 2026

Projected typical bill remains below 1.1% of Median Household Income (MHI) through 2028



All FY27 rate options are less than regional average



Note: Values based on variable regional consumption rates
Source: Bluefield 2025

EPWater sustains a large, interconnected system

Core system scale

$3.1B
CAPITAL ASSETS

~800,000
PEOPLE SERVED

5,200+
MILES OF PIPE

Operating assets

153
WELLS

8
TREATMENT PLANTS

531
PONDS, DAMS AND BASINS

Challenges



Aging infrastructure
more replacement needs



Higher Construction Costs
projects cost more over time



New Water Supply Needs
new water sources are expensive



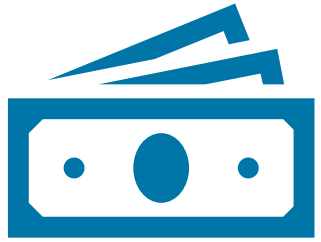
Regulatory requirements
more compliance obligations



Greater reliability expectations
more redundancy required

+ Affordability

Three components of the budget



Capital investment
Build and replace infrastructure



Operations and maintenance
Run and maintain the system every day

24/7 Operations



Debt service
Repay money borrowed for major projects

Major projects protect service and reduce flood risk









Future water supply

Pure Water Center, KBH Desalination Plant expansion, well improvements

Treatment plants

Bustamante expansion and rehabilitation, Haskell plant expansion, Hervey plant upgrades

System reliability

Replace aging large diameter water and wastewater pipelines

Flood protection

Ponds, channels and drainage improvements

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Four Scenarios: Impact on Capital Investment, Service Reliability, and Customer Service

Four ways to move forward

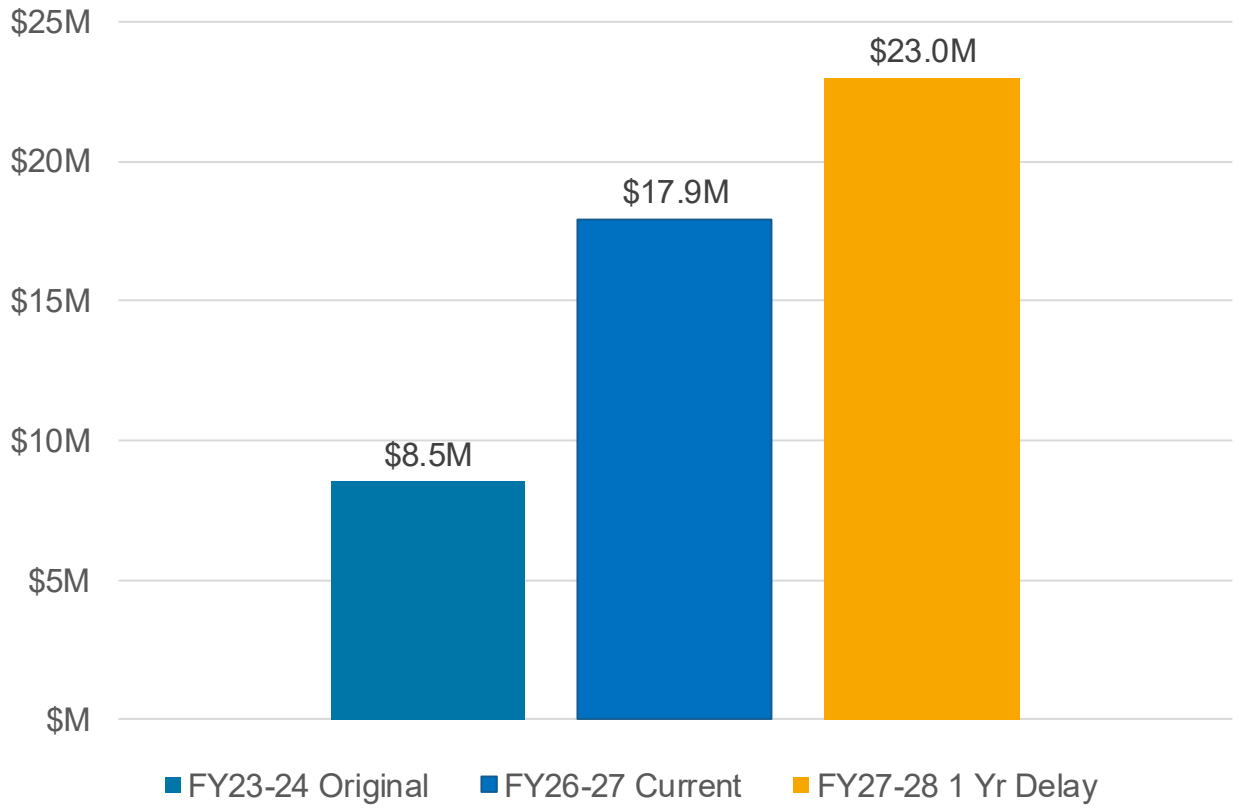


What scenarios mean for customers

HIGH RISK	LEAN	ACCELERATED	STRATEGIC
▪ More than 300 positions cut ▪ Dozens of projects delayed ▪ 6 major project contracts canceled, including the Pure Water Center and second phase of Bustamante ▪ $31 million in grants at risk ▪ Potential regulatory violations and contractual risk	▪ About 140 positions cut or frozen ▪ 21 projects delayed ▪ Less staffing and maintenance ▪ Slower response ▪ $8 million in grants at risk	▪ More large-pipeline replacements ▪ More flood-control work completed sooner ▪ Highest near-term investment	▪ Funding allows progress on planned priority projects ▪ Maintains service and maintenance ▪ Maintain financial stability

Cost of Waiting – Project Example

KBH 6th Treatment Unit

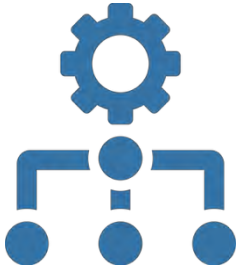


Cost increase to Date
$9.4M

+111% since FY23/24
28.2% implied annual escalation

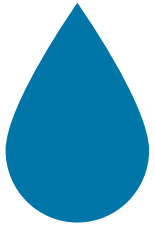
If Delayed one more year
$23M

Potential Impacts of High Risk and Lean Options



OPERATIONAL

Emergency repairs, capacity limits, lower reliability and additional aquifer pumping.



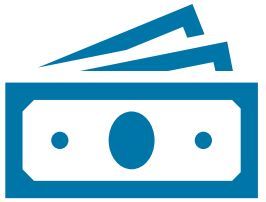
WATER SUPPLY

Potential drought restrictions with delay of KBH expansion, cancellation of Pure Water Center



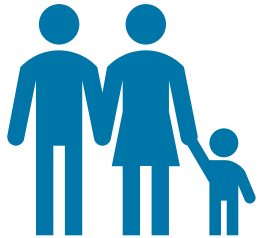
LEGAL AND REGULATORY

Termination claims, liability, permit consequences and possible TCEQ enforcement exposure.



FINANCIAL

Cost escalation, remobilization, new procurement, financing implications.



CUSTOMER RATE IMPACT

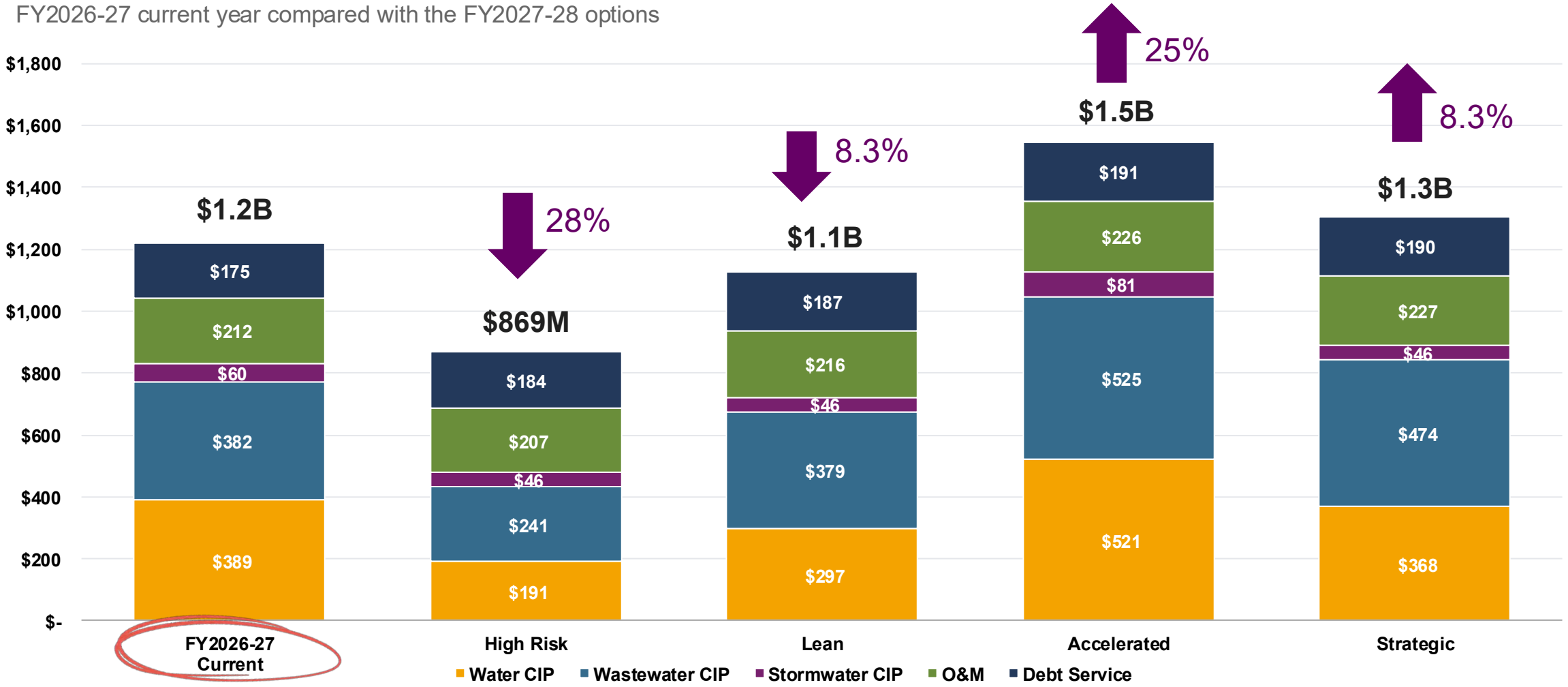
Short-term relief but a larger future obligation and longer exposure to service constraints.

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Budgets and Rates

CIP, O&M and Debt Service by Scenario

FY2026-27 current year compared with the FY2027-28 options



Amounts shown in millions. O&M and debt service include W/WW and Stormwater.

Monthly bill under each option – Typical 4 CCF customer

Typical household using **4 CCF, about 3,000 gallons per month**. Amounts include water, wastewater and stormwater.



Rate Adjustments:	**+$1.74**	**+$3.83**	**+$6.76**	**+$5.46**

Total Bill - FY 2027-28 Water, Wastewater and Stormwater Scenarios

	Monthly water use	*Current*	High Risk	Lean	Accelerated	Strategic
Very Low -	1CCF 748 gallons	$40	$40	$42	$44	$43
Low -	4 CCF 2992 gallons	$54	$56	$58	$61	$59
Moderate -	5CCF 3740 gallons	$76	$78	$81	$85	$83
High -	9 CCF 6732 gallons	$92	$94	$96	$101	$99

Note: Rates rounded to nearest dollar

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Opportunities to Lower Your Bill

Menu of Affordability Options

Implemented in FY 2025-26

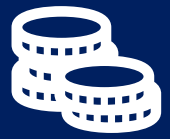


Very low water use *1 CCF Rate*
748 gallons/month

$2.7M

On average, 16,000 customers *were able to receive the water minimum discount*

Implemented in FY 2025-26



Low water use
4 CCFs Rate
2,992 gallons/month

$16.8M

On average 67,000 customers benefit from the WSRC

Implemented in FY 2026-27



Stormwater low-impact fee
Lower rate for smallest properties

$75K

On average 9,000 customers benefit from the extra small stormwater rate

Estimated Annual Savings

Customer programs to lower your bill

AguaCares
Customer assistance program

Agua Repairs
Leak repair assistance program

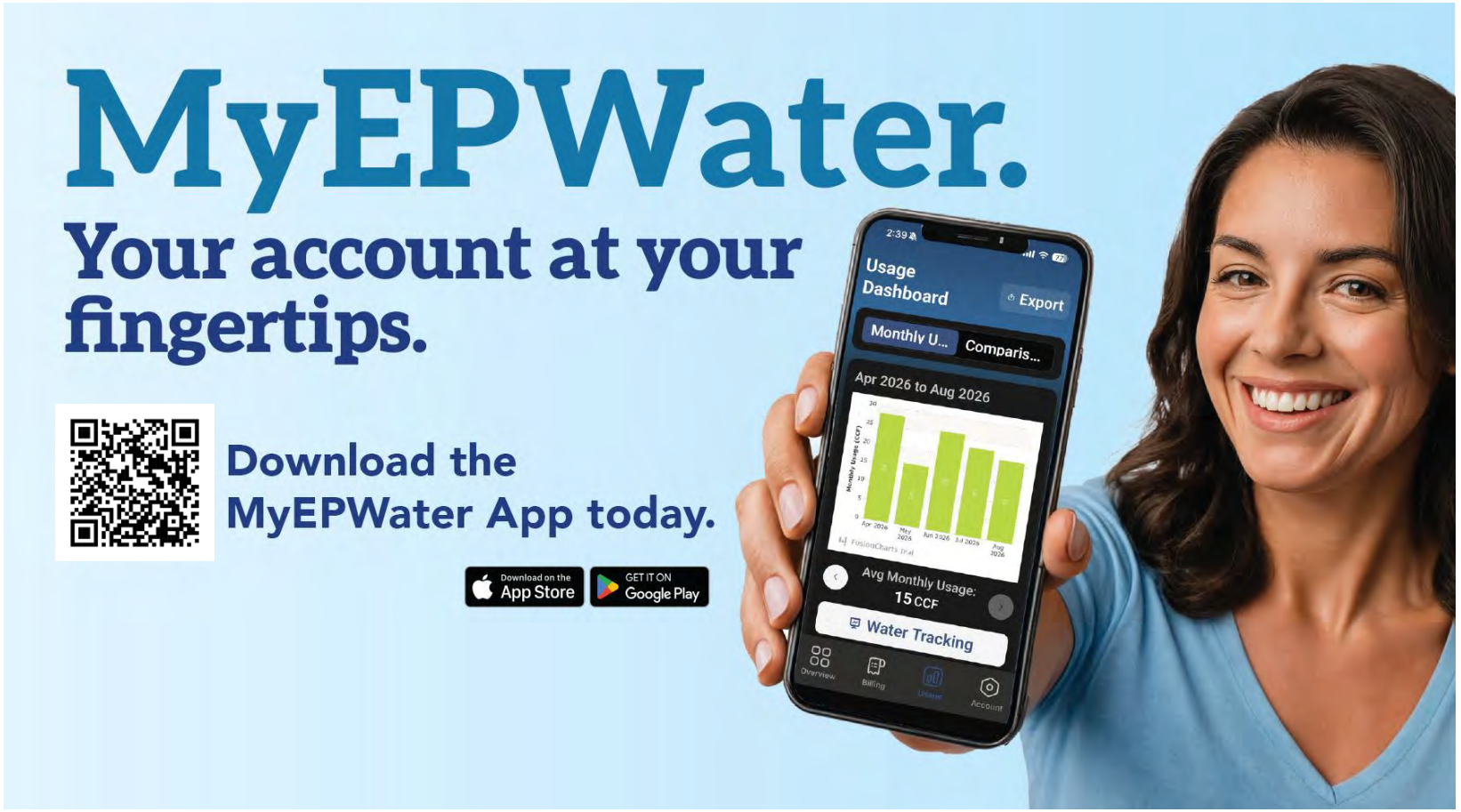
Residential and business rebate programs

NEW



Senior Discount
For 70+ low water users

New mobile app: another tool for bill savings



We want your feedback – take the survey!

English

Español

PSB meetings with opportunity for public comment

- **Budget Workshop #2** 6:00 p.m.
  Wednesday, November 04, 2026
- **Regular PSB Meeting** 8:30 a.m.
  Tuesday, November 10, 2026
- **Regular PSB Meeting** 8:30 a.m.
  Wednesday, December 9, 2026
- **Regular PSB Meeting** 8:30 a.m.
  Wednesday, January 13, 2027
  - Approve and adopt: budgets | rate adjustments | Rules and Regulations

Other community meetings listed at epwater.org



On your way out, please share your feedback on today's meeting and presentation.

Today for Tomorrow | Hoy para el Mañana

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