

Strategic Planning

Long-term water and wastewater planning continues to be a critical component in managing the region's water resources. EPWU continues to take a leadership role in working with various entities from throughout the region that are all devoted to regional planning efforts.

Regional leadership is and has been an important consideration as the Utility implements long-term planning strategies aimed at ensuring a sustainable supply of water.



In 2009, EPWU's water resources managers advanced the knowledge of the city's three water sources (Rio Grande Diversion, Hueco Bolson groundwater and Mesilla Bolson groundwater) as well as potential future sources of water. Future variations in Rio Grande supply were studied in relation to potential climate change scenarios. The staff extended the climate change analysis to evaluate the impacts of increased pumping from the Hueco Bolson due to reduced surface water supplies under climate change scenarios. Data collection continued in the Mesilla and Hueco Bolsons as part of an ongoing effort to update the groundwater models. Groundwater models simulate potential future groundwater management scenarios, which can be helpful in evaluating the feasibility of proposed projects. The Utility also completed an extensive evaluation of the groundwater resources of the Dell City area to guide future strategic decisions regarding a potential groundwater importation project that is currently scheduled for 2050.

In cooperation with the Texas Water Development Board, EPWU staff completed an analysis of climate change impacts to El Paso's water supply. Many sources of research indicate that climate change will occur in the future. Increased greenhouse gas emissions have raised concern as a potential contributor to climate change.

Both natural and man-made climate change can affect local water supplies, most notably water from the Rio Grande. However, as an effective steward of El Paso's water resources, the Public Service Board incorporates possible climate change scenarios into the Utility's adaptive management water resources policies. The analysis demonstrated that the historic variability and predicted changes associated with climate change are insignificant with respect to meeting municipal water demands in El Paso County. Thanks to proactive planning and sound management, El Paso is prepared for the extreme weather patterns that could occur.

The analysis also confirms that because of EPWU's water resource management policies, fresh groundwater storage in the El Paso portion of the Hueco Bolson will remain above 75 percent of 2002 fresh groundwater storage. This means that over the next 50 years, there will not be less than 7.05 million acre-feet of fresh water available in the Hueco Bolson, even under the worst case scenario.

The current management approach and infrastructure ensure that El Paso County's groundwater supply will not be significantly impacted by the worst-case climate change scenario. Future water demands will be met through the year 2060.

The continued implementation of the County Water and Wastewater Master Plan previously developed by the Utility and El Paso County continues to serve as a guide for working with communities located outside the City limits of El Paso that require assistance in receiving water. In addition, efforts to adhere and consider smart growth principles within land use Master Plans developed for property owned by the Public Service Board are well underway. Such planning efforts are to be completed before development occurs and will ensure that the necessary infrastructure and quality of life amenities are in place before development occurs.

EL PASO WATER UTILITIES - PUBLIC SERVICE BOARD

CHARTER

The El Paso Public Service Board - El Paso Water Utilities exists to serve the water resource needs of the population of the El Paso geographical area. Its strategic and operational impetus is on delivering quality services in an affordable manner to all who demand it. These services include water for all uses, wastewater services, and related services as demanded and as deemed feasible.

As a growing Utility in a rapidly growing region, El Paso Water Utilities strives to anticipate, plan for, and react to the changing environment in which it operates. Through diligence in all of its functions, the Utility seeks to deliver ever-increasing value to its customers while promoting orderly growth in its service area. We encourage the involvement and participation of the public through open and honest communication at all levels with all our stakeholders.

To be as effective as we can be, we use all our resources to continuously create an enterprise for leadership. That leadership is reflected in our technology, our management style, our critical business practices, and in our vision. Most importantly, it is reflected in the people whose diligence is the cornerstone of the success of the Utility. To that end, we continually work to develop the capabilities and initiative of our employees and our leadership. We believe it is primarily through their efforts that the Utility will continue to excel.

We recognize the criticality of the mission with which we are entrusted. Through a consistently high level of attention to the needs of the public, the Utility demonstrates an ongoing commitment to supporting the lifestyle demands of the El Paso Southwest. In all of our actions we seek to balance those demands with attention to conservation and restraint in our use of water resources. With our stakeholders as partners, we envision a bright future of water availability, technological innovation, and support of economic growth for the personal, commercial, and industrial benefit of El Paso.

MISSION STATEMENT

The Public Service Board is the trustee for the water and sewer system of the City of El Paso with complete authority and control of the management and operation of the Utility, in accordance with Ordinance 752 and subsequent bond ordinances. The Board provides management and financial stability to the Utility through the establishment of sound rules, regulations, and policies for directing its operation.

The mission of the El Paso Water Utilities/Public Service Board is to furnish at fair and reasonable costs to our customers:

- ❖ High quality potable water in sufficient quantities and at adequate pressures to satisfy domestic, industrial, and fire protection requirements, and in accordance with the Board's Water Conservation Plan.*
- ❖ Collection of liquid waste from individual customers for treatment and disposal without hazard to the health of the community in a manner that will protect the environment.*
- ❖ Planning and management of all Stormwater related functions within the City of El Paso and El Paso County, as contracted by the Public Service Board and the County.*

STRATEGIC PLAN FY 2010-11

In FY 1997-1998, the Public Service Board developed a strategic plan to guide the Utility. This "Ten-Year Strategic Plan" is updated annually and specifies a comprehensive prioritized set of initiatives and ongoing activities to enhance the present and future delivery of quality water and wastewater services for our current and future customers.

Section managers play an active role in the strategic planning process by identifying problem areas, defining plans for addressing various issues within each section, and establishing priorities. Internal and external issues in the technical, finance, operations and maintenance, communications & government affairs, legal, human resources, and policy and administrative related areas are considered and addressed. The internal process includes the development of critical success factors along with key goals and objectives. This process allows key section managers an opportunity to provide policy recommendations that are considered by the Public Service Board. The approved

Strategic Plan is monitored by staff on an ongoing basis to ensure compliance and implementation.

During the planning process for 2010, the PSB determined that the most significant issues centered on rehabilitation and replacement of aging infrastructure, rapid growth throughout the City and County, State and Federal regulations, and energy issues related to changes in climate. The updated plan identifies the driving forces that have an impact on the Utility, and addresses how the Utility should proactively deal with these driving forces on a prioritized basis:

- ❑ Increased regulations
- ❑ Rehabilitation/replacement
- ❑ Legislative and funding issues
- ❑ Communications and marketing
- ❑ New facilities coming online
- ❑ Continued implementation of technology
- ❑ Improving and developing energy sources
- ❑ Land Management

The PSB also identified factors that contribute most critically to the future success of the organization and create an environment of understanding of what needs to be done. The critical success factors fall into six major categories: quality, government affairs/communications & marketing, resource management, organization & management, financial, security and stormwater. These categories are then used to address key water issues and how each issue is to be implemented:

I. QUALITY

- Maintain high quality and reliable service.
- Maintain a high level of community support and customer satisfaction
- Apply technology and innovative management techniques to sustain competitiveness with comparable service providers.
- Use available technology to enhance the Utility's ability to provide superior industry service.

Goal:

1. Empower employees to help achieve best practices through the consistent application of **Total Quality Management (TQM)** principles.

Measured by:

- a. Continuing training so that remaining 30% of water division employees obtain necessary training by 2011. Wastewater division has met Total Quality Management goals.
2. Be acknowledged as the leader in providing quality water and wastewater services.

Measured by:

- a. Sustaining a 95% customer satisfaction rating measured through a periodic survey of customers.
3. Continue to implement best operation, management, and maintenance practices throughout the Utility.

Measured by:

- a. Using a computerized water distribution maintenance management system to its full potential.
- b. Developing a comprehensive pilot program as an automated cathodic protection system monitoring for all large diameter steel pipe segments.
- c. Implementing Strategic Information Technology Plan 2014.
4. Optimize best use practices in planning, engineering and management to protect and gain a high yield on its investments.

Measured by:

- a. Continue the integration of econometric models and economic considerations into the Capital Improvement Project (CIP) planning efforts to optimize quality infrastructure investments.
- b. Implement a priority system for the CIP that includes costs, benefits, environmental, and political considerations.
- c. Assess the cost-effectiveness and timeliness of the 10-year CIP (comparison of plan vs. history) on an annual basis.
5. Operate and maintain a bi-national regional water quality laboratory and a water quality data management system for the regional Rio Grande Watershed, and be instrumental in directing future Watershed Management activities.

Measured by:

- a. Update cost analysis for all tests in the laboratory.

II. GOVERNMENT AFFAIRS, COMMUNICATIONS & MARKETING

- Continue to educate political constituents on policy issues.
- Gain public support for EPWU issues and maintain key alliances.
- Deliver effective and consistent messages concerning EPWU's plans, policies and programs.
- Participate in the formulation of water, wastewater and stormwater legislation and policy issues that will further the interests of the Utility.
- Continue to foster an environment of cooperation, coordination, and support with the City and County of El Paso, as well as other regional stakeholders.
- Brand EPWU as an industry leader, its facilities as state of the art, and its services as superior.

Goal:

1. Clearly and consistently communicate priorities, goals, and objectives to all stakeholders.

Measured by:

- a. Monitor the Strategic Plan to ensure compliance, and updating the plan as external conditions warrant.
- b. Continue to increase the amount of stakeholder involvement and public support for EPWU initiatives; including private/public partnerships with stakeholders on land management initiatives, stormwater construction, water and wastewater infrastructure, and support for Fort Bliss.
 - Continue communication with Stormwater Community Advisory Committee.
 - Conduct surveys to measure customer acceptance of EPWU's goals and objectives.
- c. Meet with major boards and stakeholders of utilities, Chamber(s) of Commerce, Regional Economic Development Corporation, Paso Del Norte Group, etc., to emphasize various key messages.
- d. Inform customers about key messages.
- e. Provide representation and leadership in appropriate "think-tank" organizations and meetings to demonstrate the Utility's interest in forming partnerships with organizations seeking to improve the quality of life in El Paso.

- f. Foster good working relationships with various media outlets, using new techniques to pitch stories, and create more awareness about utility achievements in an effort to increase coverage of important EPWU issues.
2. Successfully market all EPWU programs, services and facilities.

Measured by:

- a. Develop and disseminate messages and materials, in English and Spanish, about the Utility's plans, policies, and programs.
 - b. Create public awareness of events, conferences, and public use at the Carlos M. Ramirez Tech₂O Water Resources Learning Center, El Paso Zoo Discovery Center, and Keystone Botanical Gardens.
 - c. Use facilities to educate the public about EPWU's successes in water resource management.
3. Nurture regional and international partnerships (both public and private) that recognize, value, and support joint regional water initiatives beneficial to our international border reality.

Measured by:

- a. Identify and obtain support to ensure planning projects address the region's groundwater issues.
 - b. Continue to identify and meet with local, state, and federal (water-related) entities in Mexico in an effort to ensure dialogue and the exchange of information, resulting in the development of a bi-national and/or regional project(s).
 - c. Work with the Consortium for High Tech Investigations in Water and Wastewater (CHIWAWA) in regard to obtaining funding for projects to include salinity management and groundwater modeling.
 - d. Continue to work closely with the University of Texas at El Paso (UTEP) to establish a program of exchange and collaboration in areas of interest and benefit to both institutions and that support UTEP's Center for Inland Desalination Systems (CIDS).
4. Work with the state and federal lobbyists to promote and implement the utility's state and federal agendas.

Measured by:

- a. Balance legal and lobbying expenditures vs. strategic goals attained.

- b. Evaluate lobbyists based on an established performance plan and their ability to comply with the Utility's State and Federal agendas.
- c. Identify the lobbying investment versus the payback expectation of lobbying efforts tied to strategic planning.
- d. Continue to emphasize the need for water resource flexibility through the combination of desalination, importation, surface water purchases, and land acquisition for groundwater rights in order to provide varied approaches in maintaining a sustainable water supply.
- e. Expand current lobbying efforts through increased interaction and cooperation with key legislators, political and community leaders, state and bi-national entities, local and international service providers.

III. RESOURCE MANAGEMENT

- Secure the financing to construct the necessary infrastructure to ensure a long-term water supply and continue rehabilitation of infrastructure.
- Continue to demonstrate leadership, expertise and excellence, in planning, engineering and operations management, and continue as the regional water, wastewater, and stormwater utility planner and provider.
- Complete and execute the Land Master Plans to promote economic development commensurate with sound water policies.
- Develop opportunities to maximize land assets.
- Continue to work in updating the Region E Far West Texas Region Plan 2010.
- Repackage the Northeast Master Plan and sell when economically feasible.
- Continue to seek funding for stormwater projects to minimize costs for rate payers.

Goal:

1. Implement the 10-year Capital Improvements Program to meet water supply needs, replacement of infrastructure, growth, system maintenance, and regulatory compliance demands, and do so in a cost-effective manner.

Measured by:

- a. Meet or exceed 70% of annual CIP spending goal.
- b. Complete 95% of projects, including change orders, within the contracted schedule.

- c. Maintain an overall change order level of less than 2% of the original construction contract amount.
 - d. Place emphasis on increased funding for replacement of critical water/sewer lines identified by EPWU Technical Services Department.
 - e. Accelerate the current lift station renovation program to complete the 30 renovations identified in the original plan that was prepared 15 years ago and develop a second program to include renovation of an additional 30 lift stations.
2. Create strong and flexible in-house project management capability and offer training and information assistance to other El Paso area public works managers.

Measured by:

- a. Continue to provide planning for city-wide developments including Master Plan areas.
 - b. Continue the improvements made to the Utility's project management procedures.
 - c. Continue work with colonias and outside city utility staff in execution of project management and service objectives.
 - d. Meet with the Consulting Engineers Council periodically regarding the performance of Utility projects.
 - e. Develop uniform design standards for EPWU facilities and provide access of design standards through internet.
3. Increase contractor awareness of and capability to execute PSB work, with emphasis on developing local project management and business resources.

Measured by:

- a. Continue to invite and meet on an annual basis with local and out-of-town prime contractors, local subs and material/equipment suppliers to convey information, emphasize local participation, encourage teaming, and discuss other creative approaches regarding Utility contracts.
 - b. Assure the Utility continues to successfully attain small, locally owned, minority- and women-owned (MBE/WBE) business goals.
4. Secure water resources and finance/build infrastructure in order to ensure an adequate and affordable 50-year water supply.

Measured by:

- a. Continue with regional water resource planning to further evaluate the importation of groundwater from West Texas counties, the sharing of

- international data and technology where possible with Mexico, and the evaluation of the cost of desalinating additional water in El Paso County.
- b. Incorporate the Mesilla Modeling to include the state of New Mexico and the country of Mexico.
 - c. Renegotiate with EPCWID#1, the Rio Grande Project third party contract regarding effluent discharge.
5. Maintain overall per capita water consumption at or below 140 gallons per person per day.

Measured by:

- a. Analyze cost benefit analysis to reduce water consumption and consider further reductions in per capita consumption (water savings vs. population growth).
 - b. Encourage and promote the availability of Xeriscape plant materials in El Paso and evaluate and promote the use of new water efficient turf grasses.
 - c. Continue to promote Xeriscape plant materials.
 - d. Monitor the impact of the rate structure on water demand and make recommendations for improvement.
 - e. Expand the reclaimed water “purple pipe” program to reduce the amount of potable water used for irrigation and industrial purposes.
 - f. Measure success by increasing water reuse usage from 10% of total wastewater to 15% over the next 10 years.
6. Promote supply-side conservation and minimize the impact, costs, and effect of drought conditions by carefully managing surface water and balancing available water resources in the Mesilla and Hueco Bolsons.

Measured by:

- a. Encourage supply-side entities to cooperate in conservation initiatives and promote supply-side conservation at every opportunity.
 - b. Obtain additional data regarding supply and demand on both sides of the border.
 - c. Develop a plan to ensure that effluent discharge quantities are addressed with EPCWID#1.
7. Develop a range of scenarios and strategies on energy issues to provide the optimum benefit to the Utility and its customers and to obtain a reliable power supply.

Measured by:

- a. Calculate energy efficiency of large energy using equipment. Rank by efficiency and prioritize use according to efficiency.
 - b. Use SCADA system to monitor energy efficiency.
 - c. Install more energy efficient lighting and energy saving controls.
 - d. Perform energy audits to identify energy saving opportunities, quantify potential savings and promote projects with short payback periods.
 - e. Promote specification of more energy efficient products in utility projects by revising utility standards. Enforce its adoption on new projects and project upgrades.
 - f. Implement the selected strategies in a timely and cost-effective manner.
 - g. Extend favorable energy contracts.
8. Identify and obtain needed funding in order to expand the provision of reclaimed water to those areas where feasible to do so.

Measured by:

- a. Continue to expand the provision of reclaimed water to the El Paso Independent School District.
 - b. Design and start construction of reclaimed water facilities for the North Central, central El Paso and Fort Bliss areas by fall 2010.
 - c. Continue the leadership role on developing a consolidated maintenance program for turf management with an emphasis on municipal property, i.e.; golf courses, parks, and right of ways.
9. Provide service to out-of-city areas and participate in cost sharing of projects based on cost of service, grant funding, and water availability in accordance with “smart growth” principles.

Measured by:

- a. Provide service to the newly annexed areas as per the City’s Master Plan, along with those areas outside the City where it is feasible and cost-effective to extend service.
 - b. Provide service to areas located both in and outside the city limits and within the City’s impact fee service areas.
10. Develop opportunities to maximize PSB-owned land assets.

Measured by:

- a. Continue to develop opportunities for maximizing lease revenues.

- b. Implement the Utility's master plan to allow for sale and development of land in Northeast El Paso.
 - c. Identify and budget required infrastructure to make land available for development in northeast and northwest El Paso.
 - d. Conduct an inventory and develop a marketing strategy to sell excess PSB property, primarily within the developed area of the City that is no longer needed for water and wastewater infrastructure.
11. Acquire new water rights as a means to ensure the availability of water resources, especially during times of drought.

Measured by:

- a. Initiate new acquisitions as required in the future. Surface water rights are currently sufficient.

IV. ORGANIZATION/MANAGEMENT

- Recognize, plan and implement succession planning.
- Keep the focus on our core business practices.
- Optimize the use of limited resources.
- Monitor, measure, and evaluate performance constantly and update strategies as necessary.
- Evaluate staffing needs for meeting growing demands for service, operation, and maintenance of new facilities.
- Expand the leadership development plan into the trades to ensure EPWU has adequate trained staff to continue field and plant operations.

Goal:

- 1. Implement a leadership development program to sustain internal leadership and minimize the impact resulting from the departure of key leadership.

Measured by:

- a. Continue to build a leadership development plan for all the Utility's key areas and continue implementation of consultant's recommendation re: organization structure, training, recruitment, succession planning, etc.
- b. Identify any licensing/professional registrations that may be required for the positions and enter the training and licensing requirements for in-house interim replacements under the goals sections of the performance evaluation reports.

- c. Inform in-house interim replacements of the progress achieved during the rating period.
 - d. Continue review of job class specifications for managers and professionals to determine whether minimum qualifications need to be adjusted based on market availability.
2. Retain and attract talented employees by implementing a competency management system that facilitates extending the careers of managers and professionals beyond normal retirement.

Measured by:

- a. Use turnover ratios to determine effectiveness.
 - b. Provide salaries commensurate with the market value of the position and recruits.
 - c. Take a direct role in the recruitment process by setting Utility parameters for the selection process.
 - d. Continue to provide initiatives and benefits designed to attract and retain high level managers that report to the Utility's President and CEO and Vice-Presidents of the Utility.
3. Evaluate staffing needs for meeting growing demands for service, operation, and maintenance of new facilities.

Measured by:

- a. Ensure needed staff are budgeted and accounted for during the budget process.
- b. Evaluate the Utility's current organizational structure and modify as appropriate in an effort to meet current and future Utility needs.
- c. Prepare an audit of operations within the Utility to ensure best management practices are being adhered to and that the Utility is operating efficiently.
- d. Develop an appropriate executive coaching program and succession plan for certain key management employees.
- e. Continue to provide salaries to key employees that are commensurate with the market value of recruits.
- f. Continue to reduce employee injuries and minimize lost time.
- g. Improve basic supervision/management training
- h. Update new employee orientation on a regular basis.

V. FINANCIAL

- Fully price water as a precious resource and allocate expenses accordingly.
- Optimize supply and demand planning and modeling to support the Utility's Capital Improvement Program.

Goal:

1. Deliver the best-valued product by continuing to fully price water as a precious resource, and allocate expenses in order to deliver the best-valued product.

Measured by:

- a. Size Capital Infrastructure bond issues for FY 2010-11 and incorporate into the Utility's Financial Plan.
- b. Continue annual update and use of the Utility's comprehensive water, wastewater, and reuse rate models based on AWWA's rate methodology.
- c. Maintain competitive water and wastewater rates as compared to other utilities that reside in an arid climate and also those that utilize both ground and surface water supplies.
- d. Develop models for every major project that analyzes socioeconomic, environmental, political, engineering, planning and financial data in order to provide the Public Service Board and management with the best available information to make informed decisions regarding proposed capital improvement projects and its financial impacts on the community on a project-by-project basis, annually.
- e. Develop financing scenarios, including the evaluation of restructuring debt, lowering the debt service coverage requirement, accessing low-interest loans and grants and other financing alternatives to mitigate rate impacts and ensure the Utility receives the best available costs.
- f. Maintain the Utility's bond rating of AA from Fitch and Standard and Poor's.
- g. Maintain the Utility's commercial paper rating of A1+ from Standard and Poor's.
- h. Maintain debt service coverage at or above the 1.5 times bond covenant requirement. However, evaluate the pros and cons of reducing Bond Reserve Requirements on all new bond issues to 1.25 times the coverage.

- i. Utilize the \$40 million commercial paper program to finance interim construction costs at a rate of 125 basis points below a fixed 20-year municipal revenue bond.
- j. Maintain a 45-day operating reserve fund balance and a 45-day capital reserve fund balance based on the current adopted annual operating and capital budget.
- k. Maintain a debt ratio (outstanding debt/total assets) of not more than 50%.

VI. SECURITY

- Keep abreast of security issues, identify vulnerabilities, and implement the measures necessary to protect the Utility's services, personnel, property, plant and equipment.
- Continue to update and coordinate the Utility's Emergency Management Plan, test, and evaluate the updated security strategies.
- Obtain the necessary funding to build the required and necessary security.

Goal:

1. Mitigate/minimize security threats that endanger Utility assets or that might prevent the Utility from being able to provide water and wastewater service to its customers.

Measured by:

- a. Prepare for Pandemic Flu by establishing a committee to begin to prepare recommendations for developing a plan.
2. Explore opportunities for federal funds as a means to implement and construct needed security measures.

Measured by:

- a. Identify funding needs and work with Federal lobbyists as a means to identify federal funding opportunities.

VI. STORMWATER

- Implement the stormwater master plan.
- Continue regional stormwater planning working with other governmental agencies.
- Continue improvements in stormwater operations and maintenance.

Goal:

1. Implement Stormwater Management Plan.

Measured by:

- a. Work with the city to start design and construction of identified park/ponds.
 - b. Bid and construct \$67 million in stormwater projects during the next two years.
 - c. Reduce localized flooding in identified areas.
2. Improve Stormwater Operations and Maintenance
- a. Increase preventive maintenance program.
 - b. Reduce blockages and overflows.
 - c. Reduce number of customer complaints and improve customer responsiveness.
3. Develop Regional Stormwater Management Plan.
- a. Hold stakeholder meetings to obtain input in regard to County needs.
 - b. Complete Regional Stormwater by December 2010.

ACHIEVEMENTS FY 2009-10

The approved Strategic Plan is monitored on an ongoing basis to ensure compliance and implementation. The following are a few of the achievements resulting from the established goals and critical success factors for FY 2009-10.

QUALITY GOALS

- Maintain high quality and reliable service
- Maintain a high level of community support and customer satisfaction
- Apply technology and innovative management techniques to sustain competitiveness with comparable service providers.
- Use available technology to enhance the Utility's ability to provide superior industry service.

QUALITY ACHIEVEMENTS

1. Continued to implement best practices based on the results of the QualServe Program.
2. Maintained "Superior Water System" designation by TCEQ.
3. Earned the "NACWA Platinum Award" for eligible wastewater treatment plants.

4. Provided uninterrupted service 99.99% of the time as measured by customer hours of service.
5. Complied with all government regulations applicable to water and wastewater systems.
6. Continued to use the GIS to optimize infrastructure management using the proper vulnerability/risk assessment, technical, planning, and engineering criteria.
7. Continued to achieve an overall system availability benchmark consistent with the industry.
8. Continued to monitor the automated chemical feed system at the Canal Plant to optimize usage.
9. Continued to achieve best in class benchmarks against leaders in the industry.
10. Maximized the use of new Hansen Facilities Maintenance Management Plan to its full potential.
11. Prevented plant shutdowns due to the lack of preventive maintenance.
12. Maintained a 70% to 30% ratio of preventive to corrective maintenance.
13. Continued to work with the Laboratory Information Management System (LIMS).
14. Continued to use the latest technology to locate distribution system leaks and keep unbilled water at less than 10% of the total production.
15. Took a leadership role in working with the City's Development Services Department to address the need for having the City approve an impact fee for all new development.

GOVERNMENT AFFAIRS, COMMUNICATIONS & MARKETING GOALS

- Continue to educate political constituents on policy issues.
- Gain public support for EPWU issues and maintain key alliances.
- Communicate and deliver an effective and consistent message concerning the availability of a sustainable water supply, the need for conservation, etc.
- Deliver effective and consistent messages concerning EPWU's plans, policies and programs.
- Participate in the formulation of water and wastewater legislation and policy issues that will further the interests of the Utility.
- Continue to foster an environment of cooperation, coordination, and support with the City and County of El Paso, as well as other regional stakeholders.

- Brand EPWU as an industry leader, its facilities as state of the art, and its services as superior.

GOVERNMENT AFFAIRS, COMMUNICATIONS & MARKETING ACHIEVEMENTS

1. Continued to increase the amount of stakeholder involvement and public support for EPWU initiatives, including private/public partnerships with stakeholders on land management initiatives including, the Corps of Engineers, TXDOT, Fort Bliss, school districts and the El Paso Association of Builders.
2. Met with major Boards and utility stakeholders, Chamber(s) of Commerce, Economic Development Council, PDN Foundation, etc., to emphasize the availability of a sustainable water supply and support efforts to promote economic development.
3. Continued to emphasize the availability of a sustainable water supply through appropriate water management that includes reclamation, desalination, conservation and eventual importation.
4. Continued to inform customers about various key water-related issues.
5. Continued to provide representation and leadership in pertinent and appropriate “think-tank” organizations and meetings to demonstrate the Utility’s interest in promoting economic development and improving the quality of life in El Paso.
6. Worked with state and federal lobbyists to support favorable legislation and rules that would benefit the Utility.
7. Continued to work with and identified key stakeholders and presented them with a clear message of the Utility’s needs.
8. Expanded current lobbying efforts through increased interaction/cooperation with key legislators, political and community leaders, state and bi-national entities, local and international service providers.
 - a. Considered legal and lobbying expenditures vs. strategic goals attained.
 - b. Evaluated lobbyists based on an established performance plan and their ability to comply with the Utility’s State and Federal agendas.
 - c. Identified the lobbying investment versus the payback expectation of our lobbying efforts tied to the strategic plan
9. Continued to emphasize the need for water resource flexibility through the combination of desalination, importation, surface water purchases, and land

- acquisition for groundwater rights in order to provide varied approaches in maintaining a sustainable water supply.
10. Promoted key messages and obtained the Public Service Board's support in disseminating EPWU message to include the Utility's priorities and key objectives.
 11. Distributed messages and materials about the Utility's plans and programs, particularly stormwater.

RESOURCE MANAGEMENT GOALS

- Secure the financing to construct the necessary infrastructure to ensure a long-term water supply and continue rehabilitation of infrastructure.
- Continue to demonstrate leadership, expertise and excellence, in planning, engineering and operations management, and continue as the regional water and wastewater utility planner and provider.
- Complete and execute the Land Master Plans to promote economic development commensurate with sound water policies.
- Utilize energy management strategies.
- Take a leadership role in working with the City Planning Department to address annexation issues on the east side of the El Paso City limits.
- Develop opportunities to maximize land assets.
- Work with the City to plan and analyze the feasibility of an area-wide impact fee for water, wastewater and stormwater.
- Acquire new water rights set forth in 2005 in the Far West Texas Regional Plan, a component part of the State Water Plan, as a means to ensure the availability of water resources, especially during times of drought.
- Implement the Northeast Master Plan and begin developing the Northwest Master Plan.

RESOURCE MANAGEMENT ACHIEVEMENTS

1. Finalized water contract and land lease agreements with Fort Bliss for the desalination facilities projects.
2. Continued to pursue additional water rights and improvements along with other operating agreements with EPCWID#1.
3. Assisted the City's Park and Recreation Department in best management practices related to turf management.

4. Coordinated with EPCWID#1 to optimize use of surface water.
5. Reduced employee injuries to seven injuries, the lowest amount in the last 30 years.

ORGANIZATION/MANAGEMENT GOALS

- Recognize, plan and implement succession planning.
- Keep the focus on our core business practices.
- Optimize the use of limited resources.
- Monitor, measure, and evaluate performance constantly and update strategies as necessary.
- Evaluate staffing needs for meeting growing demands for service, operation and maintenance of new facilities.
- Initiate and continue discussions with other city departments for completing a stormwater utility analysis.

ORGANIZATION & MANAGEMENT ACHIEVEMENTS

1. Monitored a list of high-level professionals that may be leaving the utility within 5-10 years. Considered in-house/interim replacements for those positions. Determined and began to identify what technical, management and supervisory skills are required to fill vacant positions.
2. Provided in-house training for each professional interim replacement. (Water Utilities Management and TQM training is a prerequisite for all professional managers).
3. Provided salaries to key employees that are commensurate with the market value of recruits.
4. Reduced employee injuries from 14 to 7 injuries per year for the second consecutive year, resulting in significant savings to the Utility.

FINANCIAL MANAGEMENT GOALS

- Fully price water as a precious resource and allocate expenses accordingly.
- Optimize supply and demand planning and econometric modeling to support the Utility's Capital Improvement Program.

FINANCIAL MANAGEMENT ACHIEVEMENTS

1. Developed financing scenarios, including evaluating the restructuring of debt, lowering the debt service coverage requirement, accessing low-interest loans and grants and other financing alternatives that will mitigate rate impacts to our customers and ensure that the Utility is receiving the best available costs.
2. Maintained the Water & Sewer Utility's bond rating of AA from Fitch and AA from Standard and Poor's. Debt service coverage for 2008-09 was 1.95.
3. Received an AA rating from Fitch for the first Municipal Drainage Utility bond issue.
4. Issued \$53 million in Municipal Drainage Utility Build America bonds to NADBank to finance stormwater projects.
5. Utilized the \$50 million commercial paper program to finance interim construction costs at a rate of 125 basis points below a fixed 20-year municipal revenue bond. Issued \$30 million in commercial paper notes during the 2008-09 fiscal year.
6. Debt ratio for FY 2008-09 was .42.
7. Sized Capital Infrastructure bond issues for FY 2008-09 and incorporated into the Utility's Financial Plan.
8. Continued annual update and use of the Utility's comprehensive water, wastewater and reuse rate models based on AWWA's rate methodology.
9. Maintained competitive water and wastewater rates as compared to other utilities that reside in an arid climate and also those that utilize both ground and surface water supplies.
10. Developed models for every major project that analyzes socioeconomic, environmental, political, engineering, planning and financial data in order to provide the Public Service Board and management with the best available information to make informed decisions regarding proposed capital improvement projects and its financial impacts on the community on a project-by-project basis, annually.
11. Developed financing scenarios, including the evaluation of restructuring debt, lowering the debt service coverage requirement, accessing low-interest loans and grants and other financing alternatives to mitigate rate impacts and ensure the Utility receives the best available costs.
12. Maintained the Utility's commercial paper rating of A1+ from Standard and Poor's and P-1 from Moody's.

SECURITY GOALS

- Keep abreast of security issues, identify vulnerabilities, and implement the measures necessary to protect the Utility's services, personnel, property, plant and equipment.
- Continue to update and coordinate the Utility's Emergency Management Plan, test and evaluate the updated security strategies.
- Obtain the necessary funding to build the required and necessary security.

SECURITY ACHIEVEMENTS

1. Implemented security recommendations and measures as identified in a planned and phased approach to protect the Utility's facilities and water supply from terrorists and vandals. This includes, but is not limited to the following measures:
 - a. Physical hardening of identified facilities including increased monitoring capabilities.
 - b. Providing for critical backup facilities as identified and designated.
 - c. Coordinated and participated with the Department of Homeland Security along with identified local, state and other federal agencies in monitoring, assessing and reacting to possible terrorists' threats or attacks.

STORMWATER GOALS

- Adopt budget, rates, and rules and regulations for stormwater utility.
- Implement the Stormwater Utility Plan.
- Continue to evaluate existing stormwater facilities and construct new ones as needed.
- Consider needed stormwater facilities located outside the city and discuss providing assistance to County residents.

STORMWATER ACHIEVEMENTS

1. Implemented a preventive maintenance program.
2. Started compiling stormwater infrastructure assets into comprehensive database and GIS system.
3. Completed and adopted the City Stormwater Master Plan
4. Completed a Drainage Design Manual (DDM).
5. Obtained Texas Water Development Board Funding for various stormwater projects.

