

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.

In 2014, EPWU along with other stakeholders in the Far West Texas Regional Plan attended meetings to begin work on the 2016 State Water Plan. The Region E State Water Plan is included as part of the State Water Plan that will be



submitted to the Texas Legislature. The Plan will provide an evaluation of current and future water demands for all water-use categories, and water supplies available during drought-of-record conditions to meet those demands. Where future water demands exceed an entity's ability to supply that need, alternative strategies are considered to meet the potential water shortages. State water planning is updated every 5 years and covers a 50 year time period. The 2016 Plan will include new water management strategies for EPWU including purified water project at the Bustamante Plant, brackish groundwater at the Rogers Plant, expansion of the Jonathan Rogers Water Treatment plant. EPWU will continue to use diversified water supply portfolio to meet the water supply needs of the future. The major components of the EPWU water supply portfolio include the Rio Grande, groundwater from Mesilla and Hueco Bolsons, desalination of brackish groundwater, water reuse, conservation and importation. 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 2014 EPWU's water resources manager advanced the knowledge of the city's three water sources (Rio Grande, Hueco Bolson groundwater and Mesilla Bolson groundwater) as well as potential future sources of water. Data collection continued in the Mesilla and Hueco Bolsons as part of an ongoing effort to update groundwater models. Groundwater models simulate potential future groundwater management scenarios, which can be helpful in evaluating the feasibility of proposed projects.

Climate change can affect the allotment of 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 demonstrates 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 and beyond.

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.

CHARTER

The El Paso Water Utilities – Public Service Board 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 our employees 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 community, 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

To provide our customers a sustainable water supply and the highest quality water services at a reasonable cost with excellent customer service.

VISION STATEMENT

To sustain the future of the community through proper planning and implementation of diverse and alternative strategies.

STRATEGIC PLAN FY 2015-16

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.

The EPWU continued to follow the strategic plan that was revamped in 2013. The Utility focused on developing a new strategic plan by looking at the strengths, weaknesses, opportunities and threats. Section managers play an active role in the strategic planning process, where strategic initiatives along with key goals and objectives are developed in an effort to identify problem areas, define plans for addressing various issues within each section, and establish priorities. This year, the Utility invited key stakeholders, entities, private companies, consultants, environmental groups and political leaders to participate and share their views and experiences with the Utility. This process allows key section managers an opportunity to provide policy recommendations that are considered by the Public Service Board. Furthermore, the approved Strategic Plan is monitored by staff on an ongoing basis to ensure execution and implementation of the plan.

The updated plan identifies the key functional areas the Utility will focus on and addresses how the Utility should proactively deal with these driving forces on a prioritized basis:

- ❑ Operations
- ❑ Sustainability and Innovation
- ❑ Finance
- ❑ Employee Development and Succession Planning
- ❑ Customers/Stakeholders

STRATEGIC OBJECTIVES, INITIATIVES, AND GOALS



I. OPERATIONS – EPWU will provide reliable and high quality service to its customers.

- Enhance planning efforts through the implementation of capital budgeting methodologies to ensure projects are completed on time and on budget.
- Improve rehabilitation of current infrastructure to ensure a reliable and resilient system.
- Employ operational excellence program to reduce operational costs and energy utilization.
- Proactively monitor changes in water quality regulation to ensure providing the highest quality service to customers.

GOALS:

1. Over the next year, implement a new capital budget methodology that prioritizes projects based on need and financial impact and ensures that 100% of planned capital projects are completed.
2. Reduce water main breaks by 10%.
3. Reduce operation budget and electricity costs by 2% over the next 3 years.
4. Annually report on any government water quality policies that may impact the Utility

II. SUSTAINABILITY & INNOVATION – EPWU will use the latest technological advances and alternative resources to provide a sustainable water supply for the community.

- Plan and implement alternative water resource projects to augment current water supplies and ensure a drought proof water supply.
- Evaluate resource recovery projects to increase water capacity, decrease costs and energy consumption.
- Plan and secure additional water resources.
- Employ innovative technologies to improve efficiencies throughout the Utility.

GOALS:

1. Increase well capacity to 185 MGD over the next 3-years. Produce 10 MGD of advanced purified water by 2016.
2. Reduce energy consumption by 1% and increase water capacity by 3 MGD through resource recovery by 2015.
3. Secure a sustainable supply of an additional 30,000 AF of water by 2019.
4. Reduce operational costs by 2% over the next 3-years.

III. EMPLOYEE DEVELOPMENT & SUCCESSION PLANNING – EPWU will identify candidates, provide training and mentoring, and create opportunities to ensure a well prepared workforce.

- Employ a succession planning strategy that will identify and develop employees to prepare them for leadership positions in the future.
- Craft a cross exposure program for employees to introduce them to other areas of the Utility and develop their management and leadership skills.
- Implement and train all employees on the principles of continuous improvement.
- Create a project management program that provides training, coaching and mentoring to project managers to ensure the successful execution of capital projects.

GOALS:

1. Complete a succession plan within the next year.
2. Over the next year, develop and implement a cross exposure program in operations and engineering
3. Train 100% of employees over the next three years on continuous improvement.
4. Train 100% of engineers on project management over the next three years and have 50% of engineers certified in project management.

IV. FINANCE - EPWU will depend on proper financial planning to minimize customer impacts.

- Evaluate and implement different strategies to prioritize future projects as the needs of the Utility change.
- Analyze different rate structures to remain financially stable while improving cash reserves and debt service coverage to increase bond rating outlook.
- Evaluate the financial framework for future planning and growth.
- Develop new revenue sources.

GOALS:

1. Over the next year, Finance and Engineering will use a new capital budgeting methodology that ensures proper capital planning and 100% of planned projects get completed.
2. Within the next year, evaluate the current rate structure and implement changes.
3. Over the next year, integrate major projects or initiatives into the financial plan to analyze potential impacts to customers.
4. Create one new revenue source each year for the next five years.

V. CUSTOMER & STAKEHOLDERS – EPWU will improve internal and external communications and improve the quality of life of the community.

- Employ an internal communications strategy to improve the dissemination of information between diverse areas of the Utility.
- Employ a marketing strategy to educate customers on current and future projects.
- Improve the customer service experience for our customers.
- Improve the aesthetics of the Utility's facilities and streamline process to serve customers more efficiently.

GOALS:

1. Over the next year, every functional area will conduct monthly strategic brainstorming sessions.
2. Within the next year, develop a strategic marketing plan to educate customers and stakeholders on EPWU's new initiatives.
3. Accurately measure and reduce the call wait time by 25%.
4. Improve the image of visible EPWU facilities by 2019.