



On the Water Front

January 2019 | **A Message from John Balliew, P.E., President/CEO**

EPWater infrastructure, projects merit rate increase

Aging infrastructure carries risk, and it's a key concern challenging many utilities across the U.S.

On Jan. 9, the Public Service Board approved El Paso Water's 2019-20 fiscal year \$436.1 million budget for water, wastewater and stormwater systems – nearly half of which is dedicated to aging pipes, pump stations and facilities across the city.



Public Service Board

What this means to EPWater customers is a 4 percent rise in water rates and an 8 percent rise in wastewater rates, all resulting in an average increase of \$3 per month for the typical homeowner beginning March 1. Stormwater rates will not change, but progress will continue on flood-control projects already underway as well as ongoing maintenance to the system.

Our priorities

Let me tell you more about why this modest increase is necessary. With an average pipe age at over 40 years old, our infrastructure warrants reinvestment to improve the reliability of our systems.

Other priorities include new water and wastewater pipes to support city growth and water supply projects to meet future demand, such as the Advanced Purification Facility.

Major upgrades at three of our wastewater facilities will improve performance, reliability, efficiency and odor control. Providing water for future generations also figures into our budget priorities. We will continue our land acquisition efforts and pipeline design for water importation from Dell City, which is estimated to begin in 2050.

EPWater must also keep up with city growth requirements – especially in the Northeast and East El Paso – to accommodate new homes and businesses. Projects include extending water and wastewater pipelines as well as building new water tanks and wastewater collection systems – all needed to support growth.

To lessen the impact on ratepayers, our staff actively pursues state and federal funding opportunities to help with capital costs for major new projects. Last year, we secured about \$12.8 million in state funding and \$6.2 million in federal grants and other funding.

Affordability matters

We should note that although our overall budget was down slightly, a small rate increase was still adopted to spread out costs for ratepayers. The Public Service Board directed the utility to build in a series of smaller increases rather than stay flat for 2019 with the knowledge that it could result in double-digit increases to homes and businesses in years ahead.

It's always important to put rate increases in context. El Paso recently ranked No. 1 in a Forbes magazine report as the most affordable city. Of the 13 cities where Americans can live comfortable on less than \$60,000, El Paso has the lowest water rates.

Water conservation remains a priority at EPWater, and we encourage customers to use it as a tool to reduce their water bills. Our rate structure offers relief for low water users while charging a premium to high-volume users. Customers using less than 4 cfs* (2,992 gallons) of water will continue to receive a waiver of the Water Supply Replacement Charge. Since the initiative's inception in fiscal year 2015-2016, customers with low water use have saved more than \$12 million.

Also, EPWater launched the AguaCares affordability program – in partnership with non-profit Amistad – to help low-income seniors who are at risk of disconnection.

Our location in the Chihuahuan Desert drives the necessity to diversify our water resources beyond river and fresh groundwater. With investment and responsible water management, we can move toward a continued path of long-term sustainability and ensure that El Paso has safe, reliable and high-quality water for years to come.



On the Water Front is a publication of El Paso Water.
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