



Quarterly Presentation to El Paso City Council

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April 25, 2022

Topics of today's presentation

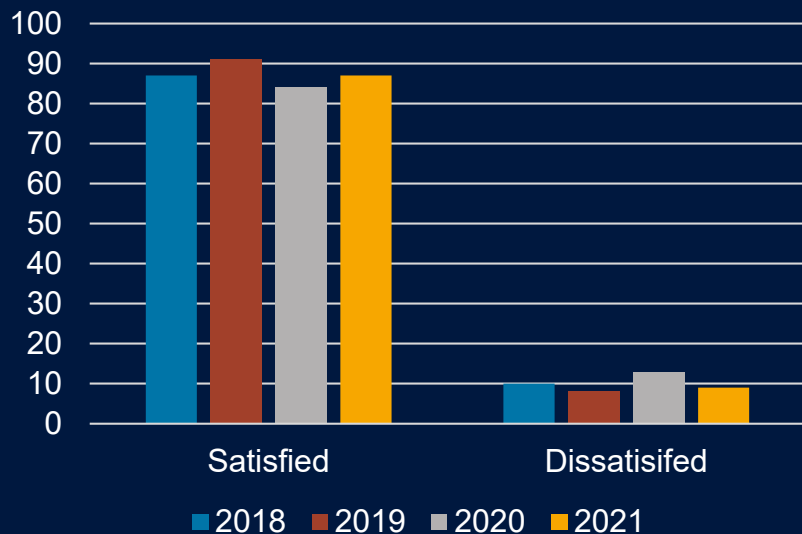
- Results of annual customer survey
- Implementation of new customer information system
- Recent improvements to the stormwater system
- Update on Frontera remediation
- Water supply outlook
- Preserving Northeast open space
- Real estate sales awaiting approval
- Destination El Paso partnerships
- Major investments in construction projects
- EPWater economic impact
- Waterways exhibit

Annual customer survey

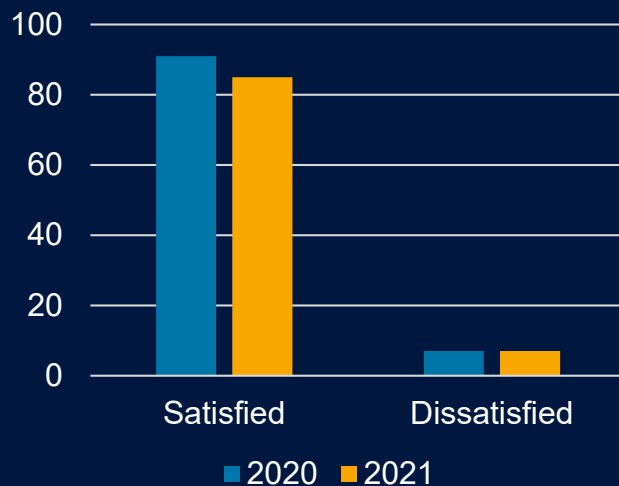
- Conducted in November 2021 by Research & Polling, Inc.
- English/Spanish phone survey generated from customer list
- Proportional representation from zip codes
- Sample size of 501 = 95% confidence level

Overall satisfaction with utility is mostly stable

Overall Satisfaction with El Paso Water



Overall Satisfaction with Water Services **During the Pandemic**



Customer priorities

- 90% of respondents said replacing older water pipes are very high/high priority
- 86% of respondents said priority should be placed on developing new water supply projects for the future
- 84% of respondents said building new flood control structures is very high/high priority

Main source of information about services and programs offered by El Paso Water

(Unaided)

Communication Product	Current	Preferred
Bill Inserts	41%	30%
Mailings	18%	20%
Television	17%	12%
EPWater Website	17%	11%
Newspaper	6%	2%
Email	6%	23%
Friends/Family/Word-of-Mouth	4%	
Internet	2%	
Text		5%

Internet usage via smart phone, tablet or other mobile device is up to 86%.



While customers did not mention social media in responses, when asked:

- 59% use Facebook,
- 30% use Instagram
- 11% use Twitter

New Customer Information System

New customer information system

After a 3-year development cycle, the new customer information system went live in March 2022.

- Customers now have easy access to detailed billing, payment and usage history
- Customers can pay by phone with no fees
- Easy, online payment arrangements or requests to start or stop service



Resolving a series of issues that emerged as a result of the CIS rollout

- Surge of calls resulted at a time when we had significant customer service staffing shortages (10 out of 30 representatives)
- Proration error on EPWater charges led to error on ESD charges
- Affected customers will receive a credit on their upcoming bill

Improving Our Stormwater System

Preparing for the next monsoon season

EPWater crews have continued to work to repair and improve stormwater infrastructure damaged during the extreme rain events of the 2021 Monsoon season. Some highlighted projects include:

- Memphis Dam 1 & 2
- New York Channel
- Van Buren Dam repairs

Memphis Dam 1 & 2 Improvements

- Project was unplanned, not in the Stormwater Master Plan.
- Memphis Dam 1 to be completed by end of April
 - Large portion of dam was formerly on private property
 - Project has resulted in stormwater protection that neighbors are happy with.
- Memphis Dam 2 improvements set to begin in May



Upper Memphis Dam

Before



After



New York Channel Campbell St. to Stanton St.

Before



After



Debris removal within channel and erosion repairs

Van Buren Dam (Alabama & Harrison)

Before



After



Stevens Street Alley Drain Improvements

Stormwater project provides urban renewal benefits from formerly blighted drain

Before



After

















Frontera Update

Environmental remediation

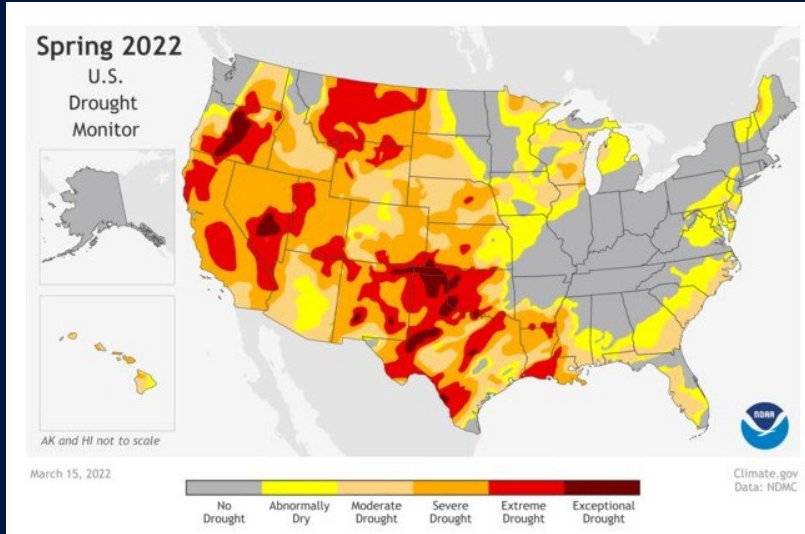
- EPWater coordinated with IBWC to obtain necessary authorizations for cleanup and sediment removal
- Arcadis performed environmental assessments and is leading remediation efforts of the river channel
- El Paso County Water Improvement District #1 cleaned cement-lined canals
- Multiple contractors helping to expedite the cleanup so work is completed in time for irrigation season
- **Remediation on schedule and will be complete before release of river water**

Water quality sampling shows improvements

Sampling for:	Pre-discharge – Site 1	Site 1 Findings During Discharge	Site 1 Findings – February 2022
Arsenic (ppb)	9.19	5.79-8.84	9.43
Chromium (ppm)	<0.005	<0.005	<0.0005
Copper (ppm)	<0.005	<0.005 – 0.013	<0.0005 – 0.013
Mercury (ppm)	<0.0002	<0.0002	<0.0002
Lead (ppb)	<0.781	<0.09 – 2.03	<0.781
E-Coli (MPN/100ml)	136	 >2420	 107.6
Fecal Coliform (CFU/100ml)	246	 24,000	 288
pH	8.3	 6.9 – 7.7	 8.1
Dissolved Oxygen (ppm)	6.6	 0.28 – 7.4	 8.9
BOD (ppm)	3.32	 25.5 - 109	 3.12
COD (ppm)	19	 24.7 – 438	 38.9
Ammonia (ppm)	0.427	 9.19 – 16.6	 1.38

Water Supply Outlook

Water supply outlook – short season



- Elephant Butte is at 12.5% capacity (as of April 12)
- El Paso County Water Improvement District #1 expects a June 1st start to the 2022 irrigation season with 4-6 weeks of river water.
- Despite the regional drought, EPWater planning and construction of needed projects has allowed us to meet customer demand without implementing our drought emergency plan.

Two new projects will add to water supply

Both projects will be completed in the 2025-2026 timeframe



KBH expansion project has begun.
Production will increase by 6 MGD.



Advanced Water Purification Facility
will enter construction in 2023 and
provide 10 MGD.

Northeast Land Preservation

Progress on Preservation

July 7, 2021

- EPWater and City enter MOU to transfer 300 acres of land for police-fire training facility and preserve 1,052 acres as open space within 180 days.

Dec. 21, 2021

- EPWater records conservation covenant on land, meeting the 180-day deadline set in the MOU.

Jan. 4, 2022

- Council directs city staff to continue to pursue a conservation easement

Jan. 7, 2022

- EPWater and city staff meet to discuss preservation options

Jan. 12, 2022

- PSB considers land preservation options, votes to offer land transfer to City under terms of joint resolution contingent upon full compensation to the system.

Jan. 21, 2022

- EPWater and city staff meet for second time to discuss preservation options

Jan. 24, 2022

- EPWater President sends letter to Council outlining actions taken by the utility to preserve the land and possible future options

Jan. 25, 2022

- EPWater and city staff meet with Frontera Land Alliance to discuss conservation easement

Jan. 28, 2022

- EPWater and city staff consult with TWPD to discuss possible land transfer to state

Northeast open space – status report

- Per the request of City staff, EPWater has stepped back while City staff explores the best path forward for preservation.
- EPWater remains open to exploring any option for preservation of the land
- Whatever option is chosen must be done in a manner that addresses the existing mineral rights interests on the land and legally protects the land from exploration and extraction.

Northeast open space – status report

EPWater is willing to transfer the land to the City should City staff wish to pursue the conservation easement on an expedited time schedule

- At Rep. Svarzbein's request, EPWater obtained a new appraisal that took place after the Conservation Covenant was put in place.
- Based on the appraisal and terms of the joint resolution, the purchase price would be **\$255,781**.
- If the City acquires the land, EPWater will use proceeds to make trail or parking improvements for the benefit of users.
- EPWater remains committed to preserving the land regardless of whether the City chooses to acquire the land or not.

Real Estate

Pending real estate sales

Sales of \$60 million in real estate are pending city approval

- Includes six properties in New Mexico and 17 in El Paso County
- PSB declared parcels inexpedient to the system in December 2020
- Most of these parcels were declared inexpedient by the PSB in December 2020 and January 2021.
- Sales packages were sent to City staff in December 2020 and February 2021
- No progress has been made since

Revenue generated from land sales helps to increase the number of capital projects the utility can construct.

Water Efficiency Collaborations with the City

Destination El Paso Conservation Initiative

- Destination El Paso approached EPWater last year because they saw the City Council check presentation for water efficiency upgrades at 20 municipal facilities (libraries, rec centers, more).
- EPWater performed site surveys at three locations with water savings potential:
 - Abraham Chavez Theater
 - Plaza Theater
 - McKelligon Canyon Amphitheater

Abraham Chavez Theater

Fixtures to replace:	Estimated cost per fixture:	Estimated total cost all fixtures:	Gallons per year savings:
44 Toilets	\$100 - \$ 250	\$ 4,400 - \$ 11,000	308,273
45 Aerators	\$ 1 - \$2.50	\$ 45 - \$ 112.50	73,500
8 Showerheads	\$ 3 - \$ 4	\$ 24 - \$ 32	5,797
Total:		\$ 4,469 - \$ 11,145	387,570 gallons

Plaza Theater

Fixtures to replace:	Estimated cost per fixture:	Estimated total cost all fixtures:	Gallons per year savings:
79 Toilets	\$100 - \$ 250	\$ 7,900 - \$ 19,750	753,716
86 Aerators	\$ 1 - \$2.50	\$ 86 - \$ 215.00	62,577
15 Showerheads	\$ 3 - \$ 4	\$ 45 - \$ 60	5,026
Total:		\$ 8,031 - \$ 20,025	821,319 gallons

McKelligon Canyon Amphitheater

Fixtures to replace:	Estimated cost per fixture:	Estimated total cost all fixtures:	Gallons per year savings:
25 Toilets	\$100 - \$ 250	\$ 2,500 - \$ 6,250	98,590
22 Aerators	\$ 1 - \$2.50	\$ 22 - \$ 55.00	70,804
6 Showerheads	\$ 3 - \$ 4	\$ 18 - \$ 24	9,027
Total:		\$ 2,540 - \$ 6,329	178,421 gallons

Water savings, cost estimates and grant

Combined Savings and Costs for all 3 Sites:	
Potential savings in gallons per year	1,387,310 gallons
Estimated cost to replace fixtures and/or components	\$~ \$38,000
(Note: Actual fixture pricing will depend on plumbing already in place. Amount does not include labor, which Destination El Paso would provide)	

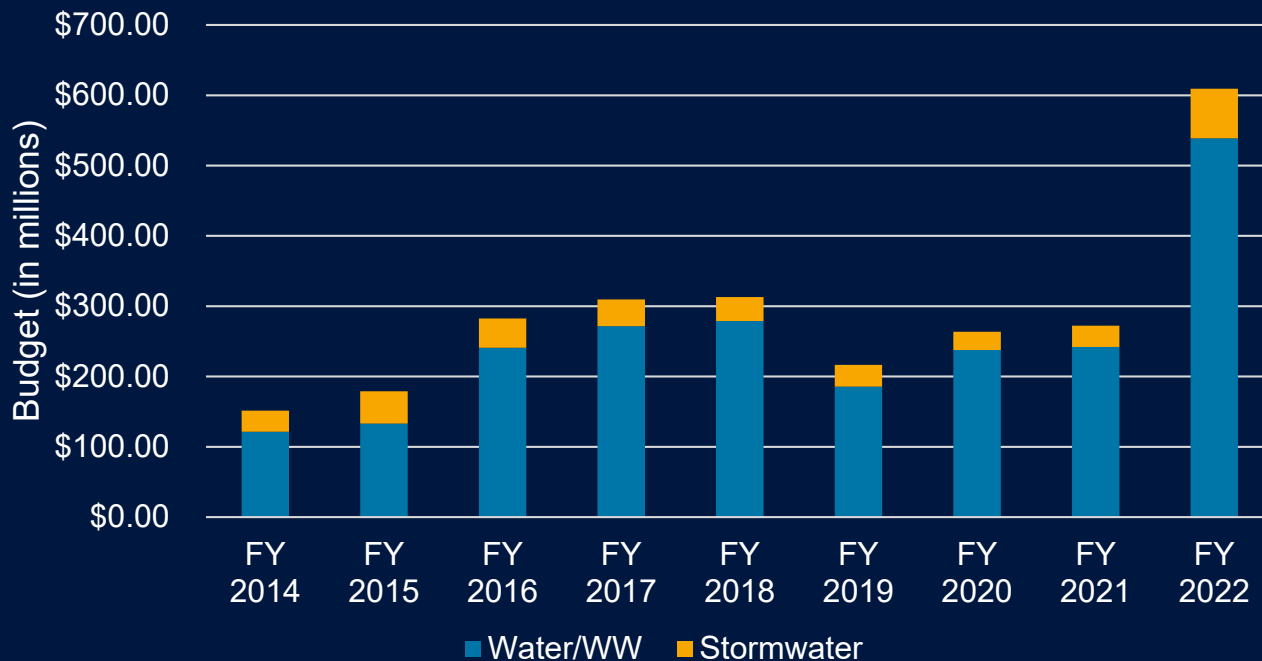
Grant for \$38,000 approved

The EPWater Conservation team continued to offer site surveys and assistance for the City to improve water efficiency. EPWater has provided \$200K in conservation assistance to Parks with a standing offer to collaborate on additional projects.

Capital Investments & Key Construction Highlights

Capital investment growth trend

Capital Budgets FY14 – FY22



System integrity is a high priority

This fiscal year we are moving forward on a \$10.1 million project to replace water transmission lines near gas lines.

- Corrosion found in areas where water lines cross high-pressure gas lines
- Water lines will be replaced with new corrosion-resistant pipe
- Projects will improve system reliability and resiliency

Projects
Airway & Viscount
Yarbrough & Kinross
Lee Trevino & Pebble Hills
Yarbrough & Vista del Sol
Lee Trevino & Vista del Sol

Major stormwater projects

Project	Cost
Will Ruth Pond & Drainage Improvements	\$20,000,000
Arroyo 1 Dam Detention Improvements	\$ 6,600,000
Palisades Stormwater Drainage & Natural Open Space	\$ 5,640,000
Fort Bliss Diversion Access Boxes	\$ 2,900,000
Coors Channel Improvements	\$ 2,200,000
St. Mark's Drainage System (Saul Kleinfeld localized flooding)	\$ 1,680,000
Clardy Fox Pump Station Improvements	\$ 1,275,000
Canterbury Channel Repairs (with City Capital Improvements)	\$ 600,000
Carolina Drive Retention Pond	\$ 350,000

EPWater Adds to El Paso's Economy

EPWater Economic Impact

A study recently published by the Hunt Institute for Global Competitiveness found that EPWater generates the following economic impact:

- **4,079 jobs supported** (direct, indirect, induced impact)
 - \$171.4 million in labor income comes into the El Paso economy through these jobs
 - Every 10 jobs created by EPWater brings 6 additional jobs to the El Paso economy.
- **\$461.7 million in annual economic output** created as a result of EPWater's spending (direct, indirect, induced)
 - \$194.3 million of value is added to El Paso's economy by EPWater activities
 - Every \$1 EPWater spends adds \$1 to El Paso economic output.

Water Ways traveling exhibit at UTEP

The UTEP Centennial Museum is hosting a Smithsonian Museum traveling exhibit on water through June. EPWater collaborated to provide local context on water sources and conservation information and is helping host Family Days with activities.





Thank You!