January 2022 | A Message from John Balliew, P.E., President/CEO

Rate, fee increase will help build system reliability

With the Public Service Board’s approval of our FY2022-23 budget, El Paso Water is reinvesting in our water, wastewater and stormwater systems to build resilience.

Last year’s one-two punch of record rainfall events and the Frontera wastewater emergency left us at a critical juncture. The intense rain events hobbled our infrastructure, but the unprecedented Frontera wastewater emergency that immediately followed delivered a mightier blow. Two steel pipelines in West El Paso – which carried an average of about 10 million gallons of wastewater from the area daily – were suspected to have broken from internal corrosion.

Infrastructure challenges

The aftermath, particularly the Frontera wastewater emergency, forced us to take a hard look at our systems, perform condition assessments, and prioritize our capital improvements program in the FY2022-23 budget. Additional investment is critical to address expensive and urgent infrastructure issues.

As a result, the majority of the $538 million capital budget for water and wastewater focuses on improving system reliability. The PSB, my staff and I acknowledged the lessons learned and know we must conduct business differently in engineering, contracts and legal terms to see these projects through completion.

Along with many utilities across the U.S., EPWater has wrestled with an aging water infrastructure built in a post-World War II boom that is well overdue for replacement.

In water and wastewater, our system assessments point to major rehabilitation needs. Our budget for capital improvements will grow from $242 million last year to $538 million this year.

In stormwater, we will accelerate the implementation of our Stormwater Master Plan over the next 10 years instead of steady progress over 20 years. The budget for stormwater capital improvements will jump from $30 million last year to $70 million this year.

Where we are going

All decisions involving budgets are tough, and we have been mindful of past requests to keep rates low for our customers who are also coping with inflation and higher energy bills. These impact us as well. However, we have arrived at a watershed moment where projects can no longer wait. Our customers and City Council want to see progress quicker, and we intend to deliver.

As we transition from the Frontera wastewater emergency to remediation efforts and cleanup, EPWater is shifting its focus to proactive infrastructure improvements.

The FY2022-23 budget reflects a sizable increase in water, wastewater and stormwater capital projects to meet the demands of a growing community, and we have much work to do.

Other budget funding priorities include:

- securing the city’s future water supplies, to include progress on our Aquifer Storage and Recovery project, the Advanced Water Purification Facility and an expansion of the Kay Bailey Hutchison Desalination Plant.
- boosting modernization efforts to upgrade technology to improve efficiency and increase customer satisfaction. For example, 20,000 smart meters will be installed in the first of a multi-year effort.
- improving resiliency to manage extreme weather events in compliance with new state standards. To meet Texas Senate Bill 3 requirements, EPWater added $50 million to the budget this year with another $50 million likely required next year.

We are confident that the combined $877 million budget will put us on a firm path to long-term sustainability and ensure that El Paso will have safe, reliable and high-quality water services for years to come.

Please bear with us as we address critical projects to improve our water, wastewater and stormwater systems. With the increase, the average resident will only pay a little more than $2 a day for our services. Rest assured that we will put ratepayers’ money to maximum use.

On the Water Front is a publication of El Paso Water.
Contact Christina Montoya at 915.594.5596 or cmontoya@epwater.org with any comments or questions.