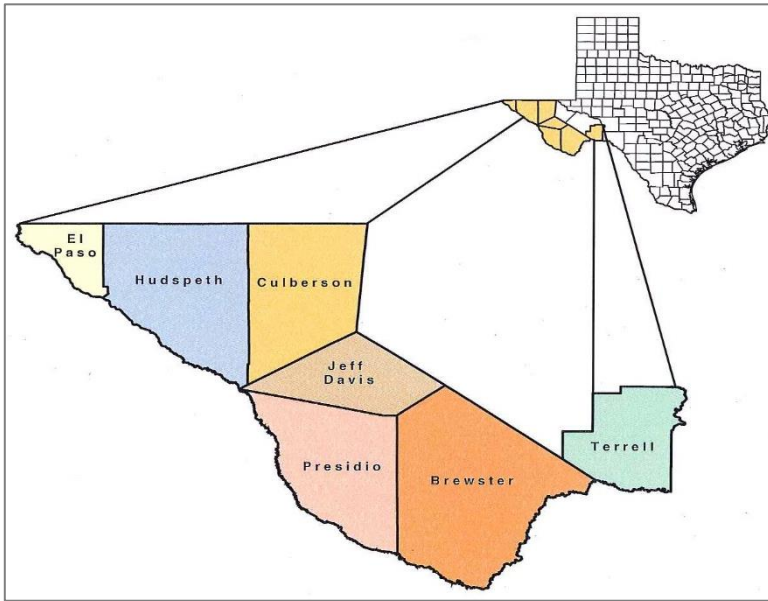


STRATEGIC PLANNING



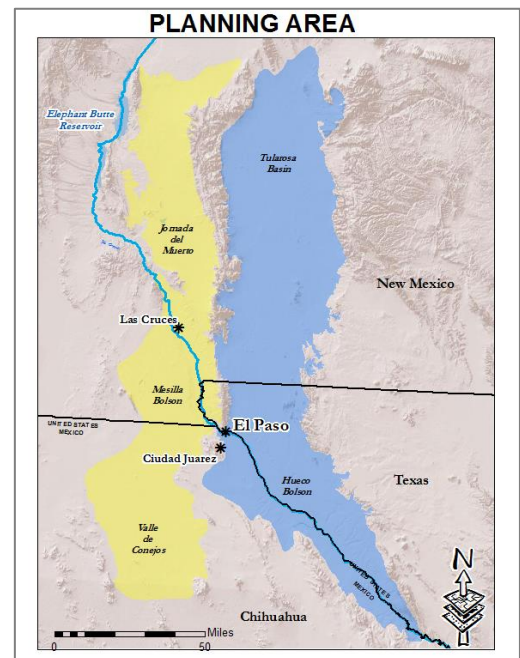
Long-term water and wastewater planning continues to be a critical component in managing the region's water resources. EPWater continues to take a leadership role in working with various entities from throughout the region that are all devoted to regional planning efforts.

This past year, EPWater along with other stakeholders in the Far West Texas Regional Water Planning Group attended meetings to finalize the 2016 Far West Texas Water Plan (Region E). 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 provides 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 includes new water management strategies for EPWater, including purified water project at the Bustamante Plant, brackish groundwater at the Rogers Plant, expansion of the Jonathan Rogers Water Treatment plant and Riverside Regulating Reservoir. Also included in the 2016 Plan are two projects in Hudspeth County, where EPWater is proposing to develop new supplies of groundwater as drought contingency. EPWater will continue to use diversified water supply portfolio to meet the water supply needs of the future. The major components of the EPWater 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 2016, EPWater's Water Resources Section advanced the knowledge of the city's three water sources (Rio Grande, Hueco Bolson groundwater



EPWater

