

WATER SERVICES DEPARTMENT

BUSINESS PLAN

FY 25/26 - FY 27/28



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Supply High Quality Water
Provide Excellent Customer Services

Operate at the Highest Levels of Efficiency and Cost-Effectiveness

Maintain Financial Viability
Ensure Ample Talent to Safely Do Our Work Today and Tomorrow

Ensure Reliable Infrastructure Performance

Ensure Operational Resiliency

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***Bold** = Strategic Focus



UTILITY OVERVIEW

UPDATED AS OF MAY 2025

The City of Phoenix Water Services Department provides water and wastewater services to the United States' fifth largest city in an area of approximately 540 square miles and for a population of approximately 1,700,000. This is accomplished through the hard work of nearly 1,500 employees, who carefully manage our major assets, including eight water treatment plants, nearly 300 pumps, well, lift, and pressure stations, 7,000 miles of water main, 5,000 miles of sewer main, 56,000 fire hydrants, and 101,000 manholes. We are owned by and accountable to the people of our community through the community's elected officials on the Phoenix City Council.

SIGNIFICANT ACCOMPLISHMENTS

(FY22/23 TO FY24/25)

DROUGHT PIPELINE

On November 7, 2024, Engineering News Record (ENR) recognized the City of Phoenix, Water Services Department for the Drought Pipeline Project (DPP) at their annual awards ceremony for the Southwest Region which includes Arizona, New Mexico, and Nevada with the 2024 Best Project Award in the Water/Environment category. The DPP includes three new 30-90 million gallon per day booster pump stations (BPS), two new pressure-reducing valve (PRV) stations, and twelve miles of new 66-inch pipeline. The DPP was divided into five packages, each assigned an Engineer and Construction Manager at Risk (CMAR), all under a single Program Manager.

NORTHWEST VALLEY WATER & WASTEWATER PROJECT

WSD's Northwest Valley Water & Wastewater Project was featured in the American Public Works Association's Engineering & Public Works Roadshow. The \$125 million construction

project required the installation of the water and wastewater infrastructure under an exceedingly accelerated schedule that allowed less than six months for preconstruction and procurement and only nine months for construction.

Projects included in the Northwest Valley infrastructure project:

- 6.8 miles of 36-inch and 54-inch-diameter water transmission mains,
- Two 108-inch-diameter rib-and-lag boring tunnels, 2,300 feet long, across I-17,
- 3.5 miles of dual 24-inch-diameter high density polyethylene (HDPE) sewer force mains,
- 2.2 miles of 24-inch, 42-inch, and 48-inch diameter gravity sewer lines,
- 52-MGD pressure-reducing station (build-out phase),
- 44-MGD sewer lift station (build-out phase),
- Multiple drainage structures along the corridor; and,

- Numerous concrete structures with highly specialized coatings.

COMMITMENT TO SAFE, RELIABLE WATER

Lead & Copper - WSD submitted a comprehensive service line inventory to comply with the EPA's Lead and Copper Rule, confirming no known lead service lines in our system while strengthening our proactive water safety measures.

NON-RESIDENTIAL GRASS REMOVAL INCENTIVE

The City's first grass removal incentive program was launched this year. Staff have issued a Notice to Proceed to Desert Shores Homeowner's Association for their grass removal to xeriscape landscape conversion project. Desert Shores has submitted to remove 47,824 square feet of grass and staff has allocated an incentive amount of \$95,648 for project completion.



SIGNIFICANT ACCOMPLISHMENTS

[CONTINUED]

THE PHOENIX MAYOR'S SAVE WATER PLEDGE ENGAGED HUNDREDS OF RESIDENTS IN WATER CONSERVATION EFFORTS THROUGH EDUCATION AND COMMUNITY EVENTS.

From January 2024 onward, staff has worked with WSD Public information Office, the City Manager's Office, and the Office of Phoenix Mayor Kate Gallego to design and launch a water conservation pledge on May 1, 2024, the Phoenix Mayor's Save Water Pledge. Staff launched two websites: **Water Services The Phoenix Mayor's Save Water Pledge and Water Services The Phoenix Mayor's Save Water Pledge: Youth.** (phoenix.gov/administration/departments/waterservices.html)

Staff collaborated with the Phoenix Public Library to promote the Pledge, including participation in their Summer Reading Program. Staff have generated awareness of the Pledge through a newsroom article: **Phoenix Mayor Kate Gallego Launches "Save Water Pledge" to Promote Water Conservation** (phoenix.gov/administration/departments/waterservices/supply-conservation/save-water.html). Staff are stewarding a customer

relationship management (CRM) tool for the Pledge to track participation, issue communications related to saving water and draw insights into outcomes. The Pledge has about 469 participants from May through September 2024.

CUSTOMER SERVICE ENHANCEMENTS

In October 2024, the Water Services Department, Customer Service Division successfully launched a new online customer service portal making it easier for residents to manage their water accounts securely and efficiently. Since implementation the new customer portal has had approximately 250,000 customers utilize its services.

FINANCIAL EXCELLENCE AND FUNDING SUCCESS

The Water Services Department (WSD) secured over \$60 million in low-interest loans with \$12.5 million in loan forgiveness and \$400 million in wastewater bonds, ensuring the fiscal health of our department while advancing critical infrastructure projects in 2024.

In collaboration with the Finance Department, Water Services secured \$400,000,000 in wastewater bonds at favorable

rates due to strong financial management that resulted in high bond ratings.

WSD partnered with the Finance Department to establish a drought incentives program and develop, test, and implement a customer request form within myPHX311, allowing customers to submit requests for drought incentives aimed at increasing water conservation. Additionally, WSD collaborated with the Arizona Department of Economic Security to apply Homeowner's Assistance Fund (HAF) payments to customer accounts, resulting in over \$1.6 million in HAF funds being applied to more than 4,700 residential accounts from December 2021 to June 2024.



**City of Phoenix**

WATER SERVICES DEPARTMENT

PHX WATER SMART

VISION

We provide superior water services while perpetuating environmental excellence and focusing on safety.

MISSION

We provide high-quality, reliable, and cost-effective water services that meet public needs and maintains support.

VALUES

- Responsive and effective customer service.
- Honesty and transparency in the conduct of City business.
- Respect for our employees through the provision of a positive and safe work environment and the celebration of successes.
- Fairness and consistency in personnel matters.
- Responsible stewardship of our infrastructure and the environment.
- Employee accountability for achieving the best value for the community.
- Knowledge and technical expertise in the pursuit of excellence.
- Open, honest, and clear communications.
- Participatory decision-making at all levels of the organization.
- Personal accountability for a respectful and inclusive working environment.



STRATEGIC INITIATIVES

BUSINESS PLAN ATTRIBUTE

ENSURE SUSTAINABLE, RESILIENT WATER RESOURCES & MAINTAIN FINANCIAL VIABILITY

PWP

PURE WATER PHOENIX

OPERATE AT THE HIGHEST LEVELS OF EFFICIENCY AND COST-EFFECTIVENESS

UOR

UTILITY OPTIMIZATION ROADMAP

ENSURE RELIABLE INFRASTRUCTURE PERFORMANCE

AM

ASSET MANAGEMENT

Supporting Objectives Indicated in Green.

APPENDIX

C

PURE WATER PHOENIX (PWP) / ENSURE SUSTAINABILITY AND RESILIENCY

PWP will improve the city's ability to meet long-term water supply needs by strategically managing available water resources and alleviating the stress on river and natural sources.

- The development of the Pure Water Phoenix Facilities takes a proactive approach by providing a resilient and drought- proof water supply for Valley residents.

- In addition to purifying the City's water, PWP could provide an opportunity to treat water from other Valley partners and provide regional drought resiliency.
- Through a public engagement effort with the community and stakeholders, the City will deliver facilities that achieve both technical objectives and serve as a community showcase for education and learning opportunities about water reuse management.
- The City is committed to educating residents about PWP and demonstrating its community value.



Supporting Objectives Indicated in Blue.

UTILITY OPTIMIZATION ROADMAP / OPERATE AT THE HIGHEST LEVELS OF EFFICIENCY AND COST-EFFECTIVENESS

APPENDIX

C

The Roadmap is a detailed strategic plan that will provide the framework for intelligent decision making and will increase overall water utility efficiency.

- It builds upon the Phoenix Water Business Plan to assess, prioritize, and implement an integrated work plan for meaningful solutions that will optimize operations and enhance service delivery across all divisions to achieve **Water Utility Excellence!**
- The Roadmap focuses on identifying and tactically implementing the necessary tools and process improvements to achieve a prioritized strategy for a five to ten-year period including annual reviews and updates. This allows Phoenix Water to clearly define short and long-term goals for **Maximized Success!**
- It consists of a visual Optimization Roadmap and a detailed Strategy Report that prioritizes projects into a cohesive plan, emphasizing transformation and effective utility management, and will accomplish the initiatives within the business plan assuring Phoenix Water is **"Fit for Future."**

Supporting Objectives Indicated in Orange.

ASSET MANAGEMENT / ENSURE RELIABLE INFRASTRUCTURE

APPENDIX

C

Asset Management is a transformative initiative aimed at optimizing the lifecycle performance of water utility assets through the integration of cutting-edge technologies, data analytics, and strategic planning.

- By leveraging tools such as condition assessment modeling, predictive maintenance algorithms, and GIS-integrated asset tracking, the project seeks to move beyond reactive maintenance toward a proactive, risk-based approach.
- This ensures that critical infrastructure—such as pipelines, treatment facilities, and pump stations—is maintained and replaced based on real-time performance data and long-term financial planning.
- This initiative also supports the City-wide Enterprise Asset Management initiative, an AM solution that will be procured through an RFP and will utilize a single-vendor platform.

ATTRIBUTES, OBJECTIVES & STRATEGIES

SUPPLY HIGH QUALITY WATER

Support Strategic Initiative:
Pure Water Phoenix

OBJECTIVE 1 / ENSURE DRINKING WATER AND TREATED WASTEWATER QUALITY COMPLIES WITH LOCAL, COUNTY, STATE, AND FEDERAL REGULATIONS.

- Develop a list of potential contaminants and survey, conduct sampling in Wastewater, and implement a plan in preparation for Pure Water Phoenix.

OBJECTIVE 2 / ESTABLISH TIMELY, COST-EFFECTIVE, RELIABLE, AND SUSTAINABLE PERFORMANCE IMPROVEMENTS IN ALL FACETS OF ITS OPERATIONS IN SERVICE TO PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION.

- Optimize energy use to operate treatment facilities.

OBJECTIVE 3 / STRENGTHEN CONTROLS TO CONTINUE TO ENSURE THAT ALL REGULATED INDUSTRIES ARE PERMITTED AND MONITORED.

- Update city policies to strengthen city authority for Pre-Treatment, Update enforcement Response Plan and other business processes.
- Implement and fully utilize the new database to appropriately monitor all discharging permitted facilities for compliance with their permit limits.

CROSSOVER ATTRIBUTES:

- Provide Excellent Customer Services
- Foster Stakeholder Support
- **Operate at the Highest Levels of Efficiency and Cost-Effectiveness**

PROVIDE EXCELLENT CUSTOMER SERVICES

Support Strategic Initiative:
Pure Water Phoenix

OBJECTIVE 1 / PROVIDE PROACTIVE ASSISTANCE TO ENSURE SEAMLESS SERVICE DELIVERY AND EFFECTIVE ISSUE RESOLUTION.

- Develop online resource for public on how to report and/or resolve issues through customer portal.
- Develop a card for public, to be handed out by staff directing where to report and/or resolve issues.
- Develop internal resources for the field to empower them to answer common questions from the public and report city issues through Phoenix ACT.

OBJECTIVE 2 / FURTHER DEVELOP TRAINING PROGRAMS ON CUSTOMER SERVICE SKILLS.

- Develop a customer service training for public facing employees in operating divisions. Periodically review customer service skills with all staff.

CROSSOVER ATTRIBUTES:

- Ensure Ample Talent to Safely Do Our Work Today and Tomorrow
- Foster Stakeholder Support

OPERATE AT THE HIGHEST LEVELS OF EFFICIENCY AND COST-EFFECTIVENESS

Support Strategic Initiative:
[Utility Optimization Roadmap](#)

OBJECTIVE 1 / ESTABLISH TIMELY, COST-EFFECTIVE, RELIABLE, AND SUSTAINABLE PERFORMANCE IMPROVEMENTS IN ALL FACETS OF OUR OPERATIONS IN SERVICE TO PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION.

- Develop a 5-year Utility Optimization Roadmap (The Roadmap) to achieve a prioritized strategy of Phoenix Water initiatives.
- Establish department-wide Organizational Change Management (OCM) program to manage the people side of change.

CROSSOVER ATTRIBUTES:

- Ensure Operational Resiliency
- Ensure Ample Talent to Safely Do Our Work Today and Tomorrow



MAINTAIN FINANCIAL VIABILITY

Support Strategic Initiative:
Pure Water Phoenix

OBJECTIVE 1 / ENSURE THE DAY-TO-DAY FINANCIAL VIABILITY OF THE UTILITY.

- Create dashboard to monitor encumbrances and liquidate funds in a timely manner.
- Create a Budget and Finance Academy to increase financial awareness across the organization.

OBJECTIVE 2 / UNDERSTAND AND COMMUNICATE THE TOTAL COST OF SERVICE.

- Complete cost studies relate to fees and charges.

OBJECTIVE 3 / PLAN FOR THE LONG-TERM FINANCIAL VIABILITY OF THE UTILITY.

- Create financial scenarios to support planning for Pure Water Phoenix.
- Conduct strategic revenue planning model related to major infrastructure projects.
- Develop financial scenarios to address potential revenue reductions due to drought conditions.

CROSSOVER ATTRIBUTES:

- **Ensure Reliable Infrastructure Performance**
- Ensure Ample Talent to Safely Do Our Work Today and Tomorrow
- Foster Stakeholder Support
- Enhance Community Sustainability
- Provide Excellent Customer Services



ENSURE AMPLE TALENT TO SAFELY DO OUR WORK TODAY AND TOMORROW

Support Strategic Initiative:
Pure Water Phoenix

OBJECTIVE 1 / PROVIDE GROWTH OPPORTUNITIES AND DEVELOP STAFF WITH APPROPRIATE KNOWLEDGE, SKILLS, AND ABILITIES.

- Investigate division-specific technical training programs with integration of both classroom and onsite training to three divisions.

OBJECTIVE 2 / IMPLEMENT STRATEGIES TO RETAIN AND ENGAGE TOP TALENT AND COMMUNICATES THE VALUE EMPLOYEES ARE BRINGING TO THE COMMUNITY.

- Allocate resources to support employees' innovative ideas by removing barriers to creative thinking.

CROSSOVER ATTRIBUTES:

- Supply High Quality Water
- Provide Excellent Customer Services
- **Operate at the Highest Levels of Efficiency and Cost-Effectiveness**
- Maintain Financial Viability
- Ensure Ample Talent to Safely Do Our Work Today and Tomorrow
- **Ensure Reliable Infrastructure Performance**
- Ensure Operational Resiliency
- **Ensure Sustainable and Resilient Water Resources**
- Enhance Community Sustainability Foster Stakeholder Support



ENSURE RELIABLE INFRASTRUCTURE PERFORMANCE

Support Strategic Initiative:
Asset Management

OBJECTIVE 1 / ESTABLISH ASSET END OF LIFE AND REHABILITATION CYCLE FORECASTING MODELS.

- Establish an asset end of life model approach that is software agnostic and includes standard equations, maximum potential life, asset condition vs asset life relationships, standard asset acquisition costs, escalation factors, construction cost percentage estimates, and engineering percentage estimates to guide budget planning for asset replacement and rehabilitation.
- Establish rehabilitation cycle costs values based on standard rehabilitation methods, percent of asset life extension.
- Establish list of asset type (and/or sub-types) to prioritize end of life forecasting, and rehabilitation.

OBJECTIVE 2 / PERFORM EFFECTIVE PRO-ACTIVE MAINTENANCE ON ASSETS.

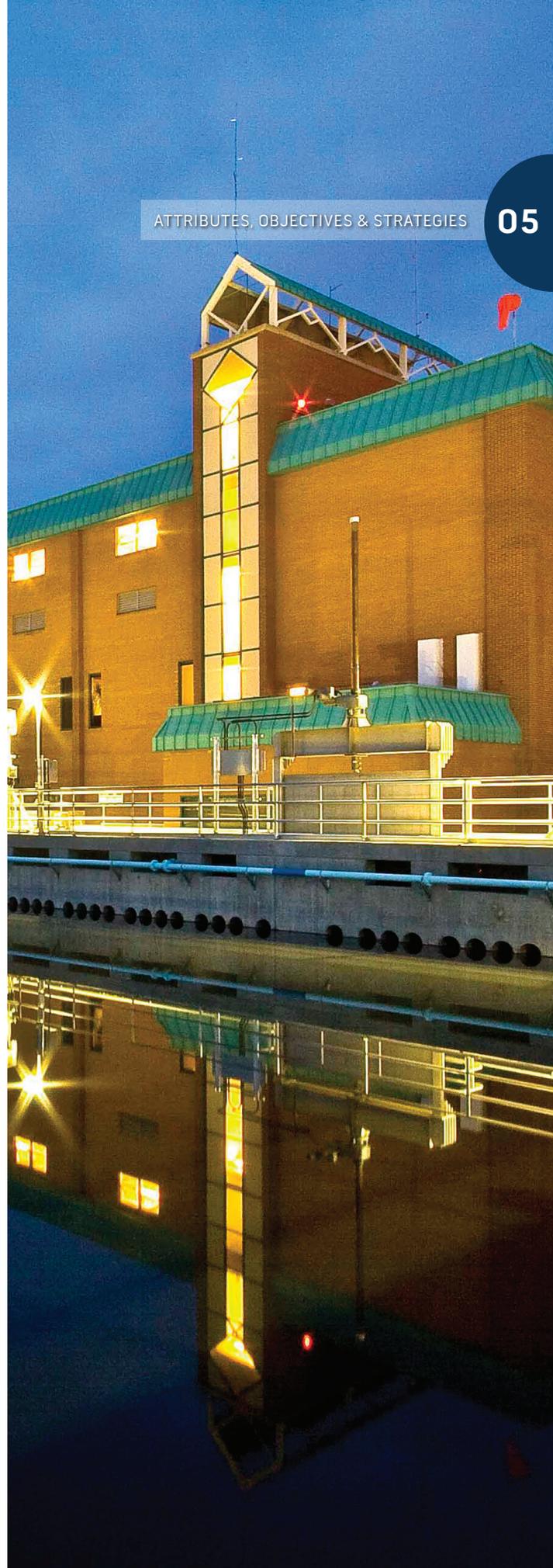
- Establish list of asset type (and/or sub-types) and prioritize the list for standardized pro-active maintenance. Pro-active maintenance includes both preventative maintenance and predictive maintenance.
- To improve maintenance efficiency, establish standard preventative maintenance activities for each asset type (and subtype as applicable) including activity description and achievable frequency.
- To increase maintenance efficiency, establish standard (default) predictive maintenance including specific activity description, description of performance measure monitoring, threshold for intervention, and calibration frequency for the measurement device for a single asset type as proof of concept along with key performance indicators (KPIs).

OBJECTIVE 3 / CONDUCT ASSET CONDITION ASSESSMENTS TO DETERMINE ASSET HEALTH AND REMAINING USEFUL LIFE TO ESTABLISH CAPITAL IMPROVEMENT REPLACEMENT AND REHABILITATION BUDGET.

- Establish a standardized condition scoring system for all assessment projects regardless of asset type to guide budget development for asset replacement and rehabilitation efforts.
- Establish asset risk score based on the asset's probability of failure and consequence of failure rating to guide budget development for asset replacement and rehabilitation efforts.

CROSSOVER ATTRIBUTES:

- Maintain Financial Viability
- Ensure Operational Resiliency



ENSURE OPERATIONAL RESILIENCY

Support Strategic Initiative:
Asset Management

OBJECTIVE 1 / SUSTAIN OPERATIONAL RESILIENCY THROUGH THE IMPLEMENTATION OF ADVANCED DIGITAL SOLUTIONS.

- Implement cybersecurity enhancements Department wide in collaboration with ISO.

OBJECTIVE 2 / ASSURE WATER SERVICES DEPARTMENT (WSD) FACILITY RESILIENCE AND READINESS FOR EFFECTIVE RESPONSE AND RECOVERY TO EMERGENCIES.

- Update Emergency Management Guides including the Continuity of Operations Plan (COOP) and the Threat and Hazard Identification Assessment (THIRA).
- Implement a robust, ongoing Emergency Management exercise program addressing critical scenarios such as, but not limited to, severe weather or fire response, power outages, water supply interruption, or malevolent acts.

CROSSOVER ATTRIBUTES:

- **Ensure Reliable Infrastructure Performance**
- Maintain Financial Viability
- Ensure Ample Talent to Safely Do Our Work Today and Tomorrow

ENSURE SUSTAINABLE AND RESILIENT WATER RESOURCES

Support Strategic Initiative:
Pure Water Phoenix

OBJECTIVE 1 / PREPARE TO INTEGRATE PURE WATER PHOENIX (PWP) INTO PHOENIX WATER OPERATIONS.

- Implement a comprehensive public education plan to improve public awareness and acceptance of PWP.
- Provide training for staff to obtain necessary certifications and enhance operational expertise in PWP.
- Develop an effluent management strategy.
- Enhance partnerships and implement advanced source control to actively manage and minimize contaminant introduction into the wastewater collection system within the sewer shed.

OBJECTIVE 2 / SECURE ALTERNATIVE SURFACE WATER SUPPLIES TO MEET CUSTOMER, COMMUNITY, AND ECOLOGICAL WATER-RELATED NEEDS.

- Advance the expansion of Bartlett Dam project to secure alternative surface water resources.
- Negotiate and secure water leases to diversify water supply sources.
- Enhance partnerships with upstream users to minimize potential sources of contamination in surface water.

OBJECTIVE 3 / OPTIMIZE SUPPLY OF GROUNDWATER RESOURCES.

- Implement enhanced aquifer recharge and recovery techniques to develop operational expertise to ensure sustainable groundwater levels.

OBJECTIVE 4 / ENHANCE CONSERVATION PROGRAMS TO IMPROVE THE RESILIENCY OF PHOENIX'S SURFACE WATER SUPPLIES.

- Update the Phoenix Water Conservation Plan.

CROSSOVER ATTRIBUTES:

- Supply High Quality Water
- Foster Stakeholder Support
- Ensure Ample Talent to Safely Do Our Work Today and Tomorrow
- Enhance Community Sustainability





ENHANCE COMMUNITY SUSTAINABILITY

Support Strategic Initiative:
Pure Water Phoenix

OBJECTIVE 1 / INTEGRATE EFFICIENT AND RESPONSIBLE WATER USE GOALS IN OVERALL WATER QUALITY AND WATER RESOURCE MANAGEMENT METHODS AND OPERATIONS AT CITY FACILITIES, IN COMMUNITY SETTINGS, AND FOR INDIVIDUAL WATER USERS.

- Develop an operations plan to support flexible water resource management.
- Continuously monitor and evaluate current and emerging contaminants and its impacts on the environment and water quality, including the prevalence of those contaminants in water sources and permitted industries.

OBJECTIVE 2 / SUPPORT ENVIRONMENTAL STEWARDSHIP FOR THE DEPARTMENT, THE CITY, AND THE COMMUNITY.

- Develop new and enhance existing water conservation programs to support the community's drought preparedness.
- Participate in the Drought and Shortage Response Team to minimize water loss and maximize efficiency and establish WSD goals and monitoring.
- Improve landscape maintenance practices at WSD facilities, focusing on water conservation and pollution prevention.

CROSSOVER ATTRIBUTES:

- Supply High Quality Water
- **Ensure Sustainable and Resilient Water Resources**
- Foster Stakeholder Support
- **Ensure Reliable Infrastructure Performance**
- Ensure Ample Talent to Safely Do Our Work Today and Tomorrow
- Maintain Financial Viability



FOSTER STAKEHOLDER SUPPORT

Support Strategic Initiative:
Pure Water Phoenix

OBJECTIVE 1 / PROVIDE EDUCATION AND OUTREACH TO THE COMMUNITY ON IMPORTANT WATER TOPICS.

- Engage with stakeholders on Pure Water Phoenix and drought/conservation in a coordinated and consistent way.
- Develop strategic plan for WSD Community Education and Outreach section.
- Work with Community Education and Outreach (CEO) to create educational video modules for the public pertaining to key aspects of the water utility operations including Production, Collection, Treatment, Distribution, Customer Portal and special topics such as conservation and Pure Water Phoenix.

CROSSOVER ATTRIBUTES:

- **Ensure Reliable Infrastructure Performance**
- Foster Stakeholder Support
- Provide Excellent Customer Services



APPENDIX A



Core Strategies (On-going Strategies)

APPENDIX B

PROVIDE EXCELLENT CUSTOMER SERVICES

Objective 3 - FURTHER DEVELOP TRAINING PROGRAMS ON CUSTOMER SERVICE SKILLS.

- Continue to ensure a consistent hybrid on-boarding program.
- Develop a train the trainer program for supervisors including structured curriculum to upskill teams on customer service skills.

ENSURE OPERATIONAL RESILIENCE

Objective 3 - ENSURE THE PHYSICAL SECURITY OF WATER DEPARTMENT FACILITIES.

- Enhance security by implementing a digital solution to replace physical keys across all facilities.
- Finalize security camera standards and implement these solutions department-wide.
- Integrate the new badging system with the current infrastructure to improve security.

ENHANCE COMMUNITY SUSTAINABILITY

Objective 3 - INCREASE PARTICIPATION BY COMMUNITY MEMBERS AND STAKEHOLDER ENTITIES TO ENSURE UTILIZATION OF EXISTING SOLUTIONS AND CO-CREATE FUTURE SOLUTIONS.

- Continue participation in state stakeholder processes for water quality and water resources legislation and rulemaking.

FOSTER STAKEHOLDER SUPPORT

Objective 2 - EDUCATE AND INFORM THE COMMUNITY TO BUILD LONG-TERM SUPPORT FOR WATER AND WASTEWATER PROGRAMS AND SERVICES.

- Hold quarterly Water Smart Ambassador training developed for staff who will be representing WSD at community events such as neighborhood association, village planning, HOA, Council coffee chats, and other meetings and events. Training includes overview of topics on ESD, storm water, conservation, how to engage with public, ROCK customer service, practice presentation skills, etc.

- To expand program, reach Water Wranglers will be relaunched as two connected programs: 1.) A web-based "Water Wranglers Academy" that will cover critical water resources and water conservation components. Moving this portion of Water Wranglers to the cloud will allow the Department to reach more individuals than in person trainings. 2.) An expanded in person "Volunteer" training for Academy graduates. Expanding in person training for potential volunteers will increase the quality of volunteer interactions with the public.
- Incorporate water 101 and aspect of how to interact with the public/customers into the Department training curriculum including Supervisor and New Employee training.
- Pitch targeted topics to local media outlets at least twice a month.

APPENDIX B

[CONTINUES]

Objective 2 - MAINTAIN OUR PRESENCE IN THE COMMUNITY TO FOSTER POSITIVE RELATIONSHIPS AND ENCOURAGE PUBLIC ENGAGEMENT AND INTEREST.

- Participate in Council events and special programs to inform, educate, and engage the public about Phoenix Water projects and initiatives at least 12 times a year.
- Send social media messaging for council to post and meet regularly to discuss topics 4 times a year.
- Monthly updates to the CIP web page allowing customers to easily view the status of capital improvement projects in their neighborhoods with current information.
- Expand the WSD visual storytelling to provide council and customers with updates on major Departmental projects in their districts and neighborhoods at least once a month.

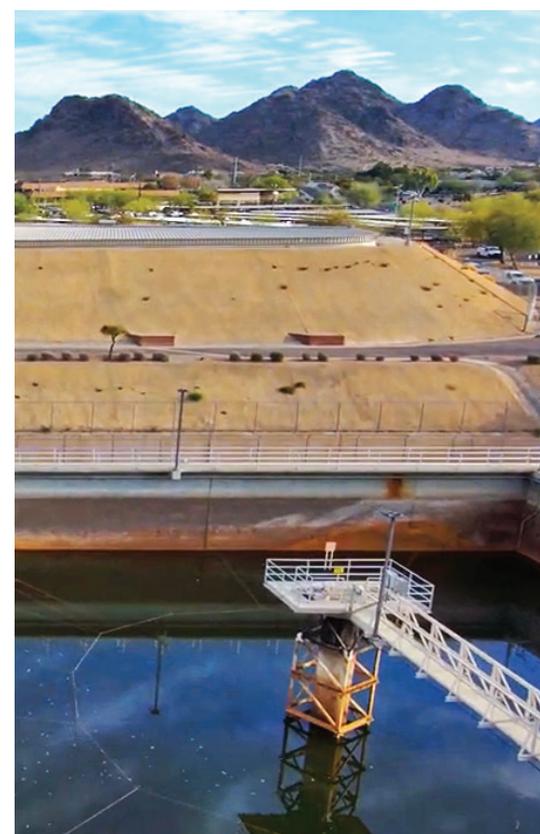
- Participate in key stakeholder groups that propose changes to regulatory agencies to foster relationships with regulatory oversight agencies quarterly.

Objective 3 - CONTINUALLY ASSESS DEPARTMENT-WIDE OUTREACH METHODS USED TO INFORM CUSTOMERS ABOUT MAJOR PROJECTS, PROGRAMS AND ACHIEVEMENTS, AND ENSURE A CONSISTENT BRANDED LOOK AND MESSAGE.

- Daily updates to multiple City-approved social media communications.
- Every 2-3 years hold review and brainstorm session with division heads/ stakeholders to receive input regarding outreach and public information.
- Engage a college journalism class for new ideas, strategies, and messages yearly.
- Coordinate utility messaging and strategic issue management with other Valley utilities, business partners, and industry organizations.

Objective 4 - PROVIDE EDUCATION AND OUTREACH TO THE COMMUNITY ON IMPORTANT WATER TOPICS.

- Review and improve the customer notification procedures and educational materials for water line disturbances, Tier 1 Notifications, and individual tap's Lead Action Level exceedance for the new Lead and Copper Rule.



Strategic Initiatives KPI (Supplemental)

APPENDIX C

SI STRATEGIC INITIATIVES	M MILESTONES
PURE WATER PHOENIX	<ul style="list-style-type: none"> • Successfully complete the Cave Creek development project by the end of 2027. • Finalize the 91st Avenue infrastructure upgrade by December 2033 ensuring all construction phases are completed and on time, while minimizing disruptions to the community. • Conduct regular training and outreach to employees and the public pertaining to Pure Water Phoenix.
UTILITY OPTIMIZATION ROADMAP	<ul style="list-style-type: none"> • Finalize and publish the Roadmap by October 2025. • Develop and finalize project plans with team leads by June 2026. • Conduct and complete the annual review process by the end of each fiscal year.
ASSET MANAGEMENT	<ul style="list-style-type: none"> • Evaluate Current Asset Management Program Improvements by June 2026: • Select and implement a pilot project for the highest-priority improvement by June 2027. • Define and set key performance indicators (KPIs) for the top five priorities by December 2028. • Assist in the EAM Upgrade by December 2028.

PURE WATER PHOENIX

PURE WATER PHOENIX IS COMING TO THE CITY OF PHOENIX

Pure Water Phoenix represents the future of drinking water for the greater Phoenix region.

Trough proven technologies, the City of Phoenix Water Services Department is building the infrastructure needed to create a new and sustainable source of drinking water for residents and businesses.

PROJECT VISION

Pure Water Phoenix will improve the city's ability to meet long-term water supply needs by strategically managing available water resources and alleviating the stress on river and natural sources.

- The development of the PWWFs takes a proactive approach by providing a resilient and drought- proof

water supply for Valley residents

- In addition to purifying the City's water, Pure Water Phoenix could provide an opportunity to treat water from other Valley partners and provide regional drought resiliency
- Through a public engagement effort with the community and stakeholders, the City will deliver facilities that achieve both technical objectives and serve as a community showcase for education and learning opportunities about water reuse management
- The City is committed to educating residents about PWP and demonstrating its community value.

PROJECT PLAN

The City's first facility is under construction at the CCWRP.

Between 2000 and 2008, the plant delivered recycled water to parks and golf courses before closing in 2009 due to a reduction in demand in the area. To support a reliable water future, the CCWRP is being rehabilitated and is expected to begin adding advanced purified water to the City's drinking water system by 2028.

Currently, the City is evaluating an opportunity at the existing 91st Ave. Wastewater Treatment Plant. This area is home to a large regional treatment plant and is a potential location to purify reclaimed water from municipal partners to create a new regional drinking water supply.

The City is exploring the opportunity to co-locate an Pure Water Phoenix at the planned North Gateway Water Reclamation Plant.

PURE WATER PHOENIX FACILITIES TIMELINE



Strategic Initiatives Summaries

APPENDIX C [CONTINUTES]

UTILITY OPTIMIZATION ROADMAP

WHAT IS THE UTILITY OPTIMIZATION ROADMAP?

The Roadmap is a detailed strategic plan that will provide the framework for intelligent decision making and will increase overall water utility efficiency. It builds upon the Phoenix Water Business Plan to assess, prioritize, and implement an integrated work plan for meaningful solutions that will optimize operations and enhance service delivery across all divisions to achieve **Water Utility Excellence!**

HOW DOES THE ROADMAP ALIGN WITH OUR BUSINESS PLAN?

The Business Plan outlines the overall vision, objectives, and strategies for a three-year period. The Roadmap focuses on identifying and tactically implementing the necessary tools and process improvements to achieve a prioritized strategy for a five to ten-year period including annual reviews and updates. This allows Phoenix Water to clearly define short and long-term goals for **Maximized Success!**

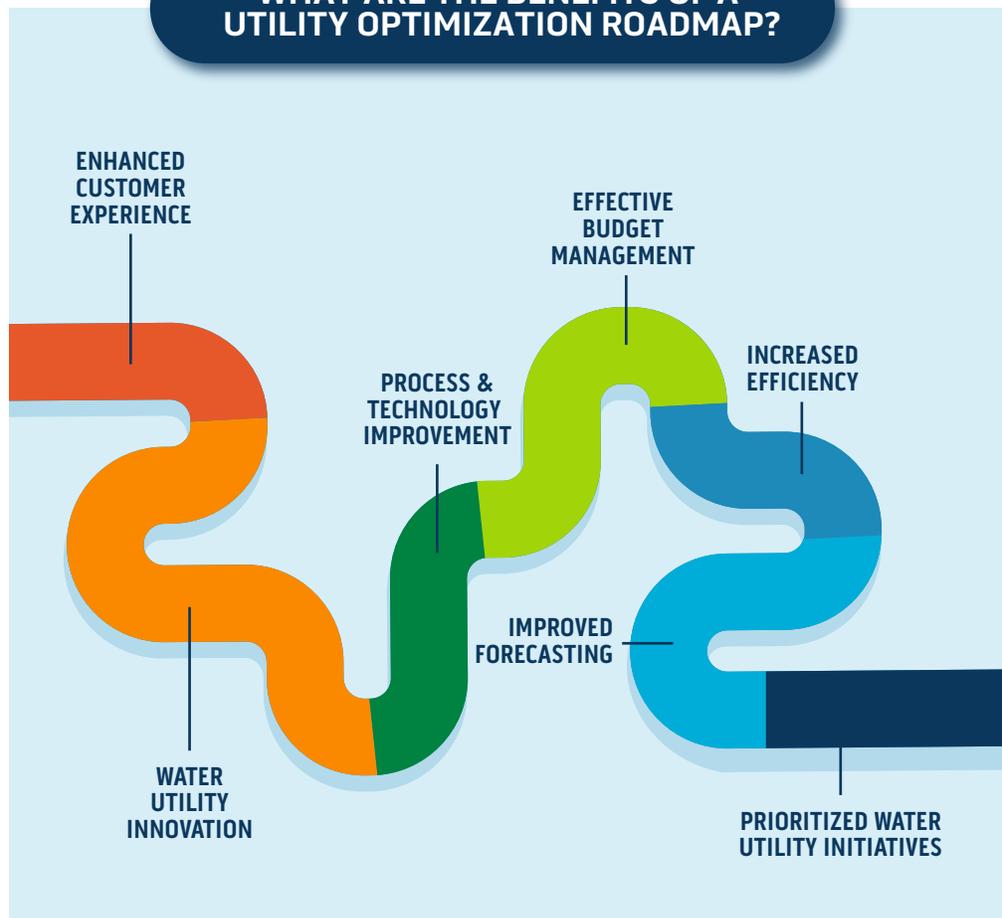
WHAT IS INCLUDED IN THE DEVELOPMENT OF THE ROADMAP?

It consists of a visual Optimization Roadmap and a detailed Strategy Report that prioritizes projects into a cohesive plan, emphasizing transformation and effective utility management, and will

accomplish the initiatives within the business plan assuring Phoenix Water is **"Fit for Future."**

- Current State Assessment
- Gap Analysis
- Financial Analysis
- Risk Assessment
- Future State Recommendations

WHAT ARE THE BENEFITS OF A UTILITY OPTIMIZATION ROADMAP?



ASSET MANAGEMENT

Asset Management is a transformative initiative aimed at optimizing the lifecycle performance of water utility assets through the integration of cutting-edge technologies, data analytics, and strategic planning. This initiative also supports the City-wide Asset Management initiative, an AM solution that will be procured through an RFP and will utilize a single-vendor platform.

ASSET MANAGEMENT

- A smart and reliable integration of user-friendly Technology that streamlines the work order management process to optimize asset life.
- Deliver simplicity, mobility, and a reliable solution to manage our infrastructure while providing superior water services to our community.

ENTERPRISE ASSET MANAGEMENT

- The project aims to implement a data driven EAM solution to track assets, maximize asset lifecycles, reduce critical system failures, lower the cost of ownership, streamline workflow, and enable reporting dashboards for potential citywide use.

- The initial rollout will service five departments: Aviation, Finance, Public Works, Street and Water Services.

KEY ELEMENTS

- By leveraging tools such as condition assessment modeling, predictive maintenance algorithms, and GIS-integrated asset tracking, the project seeks to move beyond reactive maintenance toward a proactive, risk-based approach. This ensures that critical infrastructure—such as pipelines, treatment facilities, and pump stations—is maintained and replaced based on real-time performance data and long-term financial planning.
- Using advanced forecasting tools and cost-benefit analyses, the project enables smarter budgeting and more transparent decision-making. Ultimately, the Asset Management Project positions the utility as a leader in infrastructure stewardship, ensuring reliability, regulatory compliance, and environmental responsibility while delivering best-in-class service to customers.

WHY CHANGE?

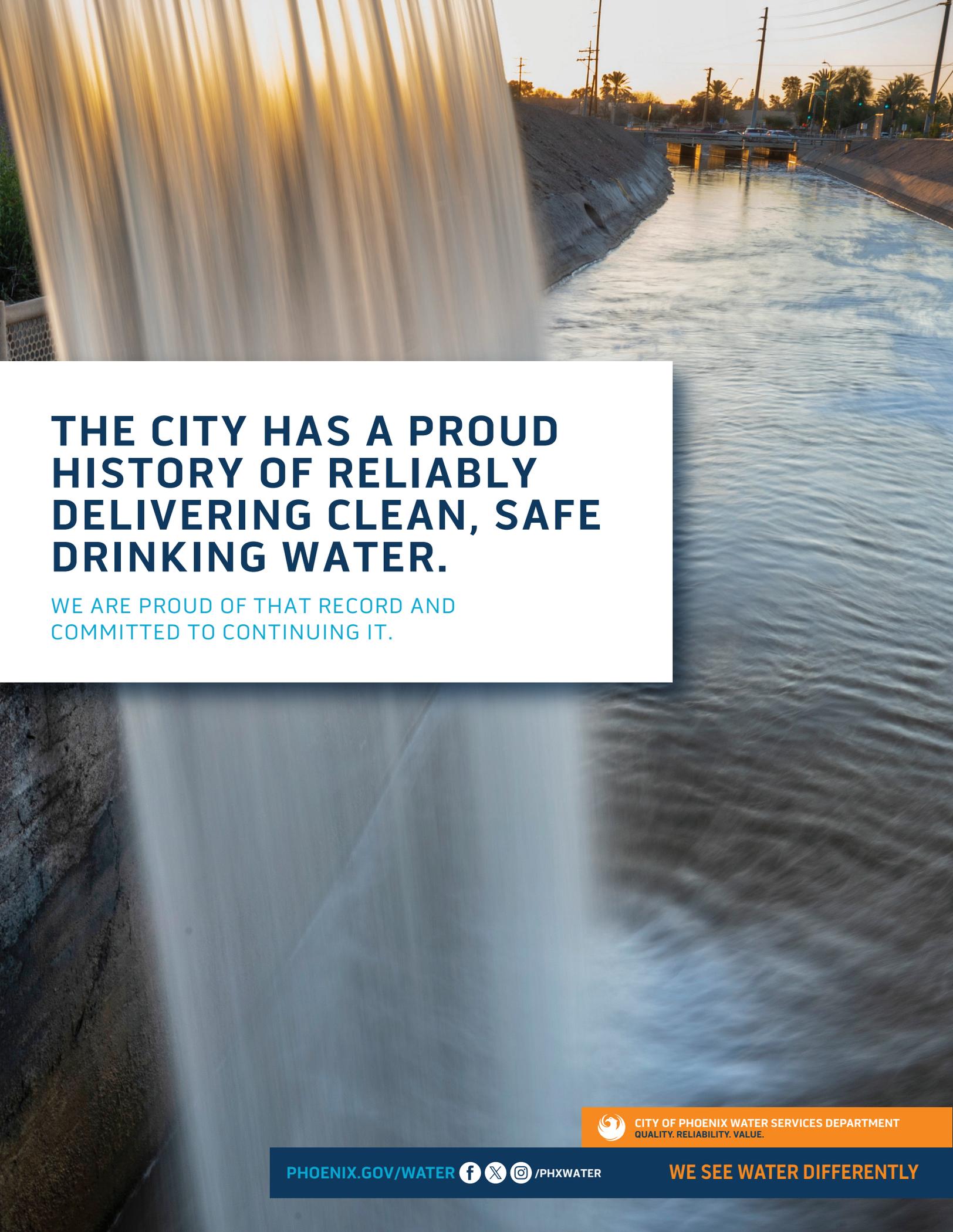
- Consistent data to assess areas for more efficiency and productivity.
- Leverage technology to improve work management.
- Better tool, better user experience, less frustration, less time wasted.
- Less demand on City staff to train and support system.
- Better and more accurate data for work and asset management activities.
- Changing mindset to “Do the right work on the right asset at the right time!”
- Establish industry best practice for planning, scheduling, and supervising.



DOING THE RIGHT THING,
IN THE RIGHT PLACE,
AT THE RIGHT TIME.

ATTRIBUTE	METRIC
SUPPLY HIGH-QUALITY WATER	<ul style="list-style-type: none"> • Effluent Nitrates – 91st Avenue • Effluent Nitrates – 23rd Avenue • Effluent Turbidity – 91st Avenue • Effluent Turbidity – 23rd Avenue • Continuously meet or exceed Safe Drinking Water Act standards for water quality • Total Trihalomethanes (TTHM) per quarter, by site. • Number of new IPP permits and the number of IPP determinations issued, biannually • Effluent Turbidity – 24th Street • Effluent Turbidity – Val Vista • Effluent Turbidity – Deer Valley • Effluent Turbidity – Union Hills • Haloacetic Acids (HAA) per Quarter, by site.
PROVIDE EXCELLENT CUSTOMER SERVICE	<ul style="list-style-type: none"> • Utility Billing Center – Total call volumes • Utility Billing Center – Percent of calls answered within two minutes • Utility Billing Center – Average hold times • Utility Billing Center – Maximum call wait time in queue (minutes) • Complete 90% of Policy 51s and 21s within 30 days of acceptance. • Utility Billing Center – Average call handle • Monthly site visits to the MyPhoenix 311 web site
OPERATE AT THE HIGHEST LEVELS OF EFFICIENCY & COST-EFFECTIVENESS	<ul style="list-style-type: none"> • Water Production by Source • Energy Usage Rates in Operations (kWh / MGD), by Fiscal Year • Solicitation cycle times (start to end), by quarter.
MAINTAIN FINANCIAL VIABILITY	<ul style="list-style-type: none"> • Percent of Audit Recommendations Implemented by Original Target Date, biannually • Net Operating Revenue to Debt Payments Ratio • Operations & Maintenance Spend as a Percentage of Budget, by Fiscal Year • Capital Improvement Program (CIP) Spend as a Percentage of Budget, by Fiscal Year • Revenue to expenditure ratio > 1 • Percent of variance between actuals and proforma forecast

ATTRIBUTE	METRIC
ENSURE AMPLE TALENT TO SAFELY DO OUR WORK TODAY AND TOMORROW	<ul style="list-style-type: none"> • Department Injury Claim Rate Per 100 Employee by Calendar Year • Health and Safety Training Completion • Total Arizona Department of Environmental Quality (ADEQ) exams taken and exams passed, per Quarter • Total Intra-departmental Promotions per Quarter
ENSURE RELIABLE INFRASTRUCTURE PERFORMANCE	<ul style="list-style-type: none"> • Number of Main leaks and breaks responded to per 100 miles • Water Valve Preventative Maintenance • Fire Hydrant Preventative Maintenance • Fire Hydrant Repairs • Large Diameter Mains Cleaned • Total Small Mains Cleaned (miles) • Manhole Structure Inspections • Wastewater Lift Stations - Trending PM activities, by year • Wastewater Treatment - Trending PM activities, by year • Water Production - Trending PM activities, by year • Water Remote Facilities - Trending PM activities, by year
ENSURE OPERATIONAL RESILIENCY	<ul style="list-style-type: none"> • Total Fire Drills Held, biannually • Total Chlorine Drills Held per Quarter
ENSURE SUSTAINABLE AND RESILIENT WATER RESOURCES	<ul style="list-style-type: none"> • Wastewater Influent and Reclaimed Water Deliveries • Number of Homeowners' Association audits completed • Number of cooling tower audits completed • Number of smart irrigation controllers provided • Percentage of Potable Supplies Lost & Unaccounted, by Calendar Year • Drought Pipeline completion rate • Achieve or Exceed Water Conservation and Efficiency Target (GPCD)
ENHANCE COMMUNITY SUSTAINABILITY	<ul style="list-style-type: none"> • Community Education Events Attended & Presentations Made • Total School Events Held per Month • Total Attendees for Annual Stormwater Workshop by Year
FOSTER STAKEHOLDER SUPPORT	<ul style="list-style-type: none"> • Water/Wastewater Advisory Committee (WWRAC) meetings per calendar year



THE CITY HAS A PROUD HISTORY OF RELIABLY DELIVERING CLEAN, SAFE DRINKING WATER.

WE ARE PROUD OF THAT RECORD AND COMMITTED TO CONTINUING IT.



CITY OF PHOENIX WATER SERVICES DEPARTMENT
QUALITY. RELIABILITY. VALUE.

PHOENIX.GOV/WATER    /PHXWATER

WE SEE WATER DIFFERENTLY