



**PUBLIC SERVICE BOARD MEETING
AGENDA ITEM
REGULAR MEETING**

Wednesday, July 09, 2025

SUBJECT

2025 Drought Resolution

BACKGROUND

In recent years, water deliveries from the Rio Grande have been highly variable because of the record drought conditions in the region and the Rio Grande Basin. The water delivered from the Rio Grande in 2025 has decreased as compared to recent years. The scheduled releases from the reservoir for the remainder of this irrigation season are expected to reduce the volume of water held in storage to 1.5% of the reservoir capacity. By the current irrigation season's end, reservoir storage is estimated to be lower than in previous drought years (2012, 2014, 2018, and 2020-2024). Limited reservoir storage indicates that EPWater will receive a limited annual allocation of surface water in 2026, comparable to the 2013 irrigation season, greatly reducing the duration of the irrigation season in El Paso County.

As a result of this drought condition, the Utility will need to produce more groundwater to meet peak summer demands. The Texas Local Government Code Section 252.022(a) provides exemptions to the competitive bidding statutes for procurements, including Section 252.022(a)(2) of the Texas Local Government Code for procurements necessary to preserve and protect the health or safety of residents. An approved drought resolution will allow for expedited procurement of contracted consultants and construction services under this exemption to the general bidding statutes related to drought relief projects, including but not limited to drilling and equipping new wells, reconditioning existing wells, optimizing reclaimed and surface water production, purchase and installation of pumps and optimizing production of the Kay Bailey Hutchison Desalination Plant. The goal of this resolution is to allow drought relief projects to be completed before the peak demands of next summer by reducing procurement durations.

PRIOR PSB ACTION

- On July 10, 2024, the Public Service Board considered and adopted a Drought Resolution.

UTILITY KPI ALIGNMENT

Total Water Supply

EVALUATION PROCESS

Based on the projected potable water availability issues for 2026, it is advisable to position the Utility to exercise an exemption to the State's bidding statutes under Texas Local Government Code Section 252.022(a), including Section 252.022(a)(2) of the Texas Local Government Code, exempting procurements made to preserve and protect the health or safety of the residents.

FINANCIAL IMPLICATIONS

Sufficient funds are available in various accounts.

PROPOSED ACTION REQUESTED

Presentation and discussion on the expected limited Rio Grande water deliveries for 2026 and consider and adopt a Drought Resolution authorizing the President/CEO or designee to contract and purchase without further action of the Public Service Board, pursuant to any and all applicable exemptions to the bid statute under Texas Local Government Code Section 252.022(a), including Texas Local Government Code Section 252.022(a)(2), an exemption to the competitive bidding requirements, for procurements necessary to preserve or protect the health and safety of the residents.

SUPPORTING DOCUMENTATION PROVIDED

- Resolution

RESOLUTION

A RESOLUTION OF THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD ACCEPTING A REPORT BY THE PRESIDENT/CEO REGARDING RIO GRANDE WATER DELIVERIES EXPECTED IN 2026 AND AUTHORIZING CONTRACTING AND PURCHASING WITHOUT FURTHER ACTION OF THE PUBLIC SERVICE BOARD, PURSUANT TO ALLOWABLE EXEMPTIONS TO THE BID STATUTE UNDER SECTION 252.022(a) OF THE TEXAS LOCAL GOVERNMENT CODE, INCLUDING TEXAS LOCAL GOVERNMENT CODE SECTIONS 252.022(a)(2) PROCUREMENTS MADE TO PRESERVE AND PROTECT THE PUBLIC HEALTH AND SAFETY OF THE CUSTOMERS OF THE EL PASO WATER UTILITIES.

WHEREAS, the droughts of 2012-2014, 2018, 2020-2025 marked new droughts for the State of Texas, since the 1950s Drought of Record, and the El Paso region and the City of El Paso, Texas itself experienced greatly reduced surface water availability from the Federal Rio Grande Reclamation Project (Rio Grande Project) during these periods; and

WHEREAS, the El Paso Water Utilities Public Service Board (El Paso Water Utilities) adopted a Drought Resolution in previous years (2012, 2014, 2018, 2020, 2021, 2022, 2023, 2024), authorizing contracting and purchasing under applicable exemptions to the bid statute under Texas Local Government Code, Section 252.022(a), which includes Section 252.022(a)(2), due to drought conditions existing during those years; and

WHEREAS, due to the drought conditions as noted in the Management Report provided on July 9, 2025 to the Public Service Board by the President/CEO, an urgent public necessity exists to take action for certain procurements in order to assure adequate drinking water supplies for its customers for the 2026 irrigation watering season; and

WHEREAS, due to the continuing low storage volumes at the Rio Grande Project Elephant Butte Dam, similar to the storage levels of the Droughts of 2012, 2013, 2014, 2018, and 2020 there is a strong likelihood and probability that very limited surface water allocations may be available to Rio Grande Project users in 2026, which includes El Paso County Water Improvement District Number 1 (District #1); and

WHEREAS, El Paso Water Utilities obtains surface water from the Rio Grande in accordance with a series of contracts with District #1, the U.S. Bureau of Reclamation, and the Lower Valley Water District; and

WHEREAS, the El Paso Water Utilities finds that an urgent public necessity exists to take action for certain drinking water facilities purchases and contracts to preserve and protect the public health and safety of the El Paso Water Utilities customers during 2026.

NOW, THEREFORE, BE IT RESOLVED by the El Paso Water Utilities Public Service Board of the City of El Paso, Texas:

Section 1. That the findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the Public Service Board (PSB) and made a part of this Resolution for all purposes.

Section 2. That, pursuant to this Resolution, the President/CEO is hereby authorized to take such action and make such procurements related to drought relief, both in facilities and contracts, to preserve and protect the health and safety of the customers and ratepayers of the El Paso Water Utilities, without further PSB action, so as to assure adequate drinking water supplies for 2026. The President/CEO is directed to take whatever action in his judgement is necessary, to include, but not by way of limitation:

- drilling and equipping additional supply wells;
- reconditioning existing potable water supply wells;
- water treatment and storage infrastructure to include unforeseen rehabilitation or repairs of reservoirs, tanks pipelines, equipment and electrical components;
- reclaimed water infrastructure including but not limited to pipelines, pumping stations, and storage tanks;
- constructing new water transmission lines and mains, pump stations, storage tanks;
- securing alternative sources of water and related infrastructure, including reclaimed water infrastructure needed to prevent an unnecessary increase in demand of potable water; and
- making full use of the Kay Bailey Hutchison Desalination Plant.

Because of the drought situation, the President/CEO is further authorized to enter into contracts and make purchases in accordance with the exemption to the State competitive bidding statutes as allowed under Texas Local Government Code Section 252.022(a), including Sections 252.022(a)(2), 252.022(a)(4) and 252.022(a)(7). This authorization also includes the President/CEO or designee's authority to take any related actions to contracts entered pursuant to this Resolution without further PSB action, which includes approval of contract amendments, change orders, and termination of such contracts.

Section 3. That, pursuant to this Resolution, the President/CEO is authorized to enter into contracts for professional engineering services, without further PSB action, with the most qualified professional service provider pursuant to Chapter 2254 Texas Government Code, without a need to follow EPWater's Architect and Engineer Selection Policy procedures.

Section 4. That, this Resolution and its authorization shall continue in full force and effect until amended or revoked by the PSB, based on a determination that the El Paso region is no longer under significant drought conditions. Any and all other available actions, to include the implementation of the EPWater Drought Contingency Plan, are hereby authorized.

Section 5. That, the President/CEO will report to the PSB periodically on the progress made and actions taken.

Section 6. This Resolution shall become effective immediately upon its adoption and passage. A copy of this Resolution shall be forwarded to the Mayor of the City of El Paso, Texas upon its passage.

PASSED AND APPROVED at the regular meeting of the El Paso Water Utilities Public Service Board of the City of El Paso, Texas, this 9th day of July, 2025, at which meeting a quorum was present and which was held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. Seq.

EL PASO WATER UTILITIES PUBLIC SERVICE BOARD

Bryan Morris, Chair

ATTEST:

Stefanie Block Uribarri, Secretary/Treasurer

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Daniel Ortiz, General Counsel

Scott Reinert, Water Resources Manager