

MINUTES
PUBLIC SERVICE BOARD
CITY OF EL PASO
November 20, 2025

The special meeting of the Public Service Board for the Budget Workshop was held in person on Thursday, November 20, 2025.

PSB MEMBERS PRESENT

Bryan Morris – Chair
Stefanie Block – Treasurer
Dr. Hector Ocaranza – Member
Charlie Intebi – Member
Lane Gaddy – Member
Mayor Renard U. Johnson

PSB MEMBERS NOT PRESENT

Dr. Anna Gitter – Vice Chair

PSB EMPLOYEES PRESENT

John E. Balliew, P.E., President and Chief Executive Officer
Sol Cortez, Deputy General Counsel

EPWATER EMPLOYEES PRESENT

Ana Sanchez, Vice President of Financial and Management Services
Gilbert Trejo, Vice President of Operations and Technical Services
Adam Wickersham, Vice President of IT
Jeff Tepsick, Chief Financial Officer
Claudia Duran, Chief of Staff
Edith Lara, Executive Assistant to the President/CEO
Stephanie Chacon, Executive Assistant
Alberto Gomez, Utility Video Production Manager
Alessa Contreras, Multimedia Design Specialist
Elmer Beeler, Chief Support & Logistics Officer
Felipe Lopez, Utility Chief Engineering Officer
Luz Elena Holguin, Utility Assistant Chief Financial Officer
Lisa Rosendorf, Chief Communications and Government Affairs Officer
Irazema Rojas, Utility Chief Engineering Officer
Martin Noriega, Utility Chief Operations Officer
Gisela Dagnino, Utility Chief Operations Officer
Ruben Rodriguez, Chief Water Quality Compliance Officer
Rene Leon, Legislative Liaison
Ivan Ibarra, Utility Support Operations Superintendent
Ivana Clark, Support Services Specialist I
Ceci Bertolli, Capital Improvements Program Manager
Adam Holguin, Utility Public Information Coordinator
Cinthya Dominguez, Budget Analyst
Denise Parra, Public Affairs Officer
Ozzie Muniz, Interim Chief of Safety, Security, & Emergency Response
Rafael Velazquez, Capital Improvement Project Manager
Elsa Ochoa, Capital Improvement Project Manager
Daniel Cortes, Business and Financial Manager

Gustavo Hurtado, Fiscal Operations Manager
Megan Parekh, Budget & Services Coordinator
David Rodriguez, Support Services Specialist I
Jaime Arriola, Capital Improvement Project Manager
Adriana Castillo, Utility Engineering Division Manager
Renata Renova, Capital Projects Manager

GUESTS

Deanna Maldonado-Rocha, City Council Member
Cesar Ortiz, El Paso SLA
KC Griffin, Integrity Asset Management

MEDIA

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Ms. Block moved, and Dr. Ocaranza seconded, to elect Mr. Gaddy as Chair. Upon approval of the motion, the Public Service Board meeting was called to order by Chair Gaddy at 6:08 p.m., with a quorum present. Those in attendance then joined in the recitation of the Pledge of Allegiance.

REGULAR AGENDA

1. PRESENTATION AND DISCUSSION REGARDING THE BUDGET WORKSHOP – FY2026-2027 BUDGET OVERVIEW; FY2026-2027 WATER, WASTEWATER & RECLAIMED WATER OPERATING AND CAPITAL IMPROVEMENT BUDGET; FY2026-2027 STORMWATER OPERATING AND CAPITAL IMPROVEMENT BUDGET; PROPOSED RULES AND REGULATIONS CHANGES, INCLUDING RATE AND FEE ADJUSTMENTS.

John Balliew, President/CEO provided a presentation to the Board regarding this item (copy on file in Central Files.) Presentation on the FY2026–2027 Budget. The presentation highlighted EPWater’s continued focus on infrastructure reliability, operational readiness, and long-term water sustainability. He began with an overview of the annual budget development process, explaining that EPWater’s financial planning cycle includes several months of capital needs assessments, internal review, prioritization, and rate-setting activities before culminating in final Board action. He then provided a high-level organizational profile, summarizing EPWater’s operational scale, including its extensive capital asset portfolio, daily water delivery volumes, stormwater infrastructure, and the distribution of customer classes across the service area. Balliew noted that despite growth in population and system demands, conservation efforts over several decades have significantly reduced per-capita water consumption, which has helped delay the need for more aggressive capital expansion. He emphasized that EPWater’s overarching budget priority continues to be investment in infrastructure reliability and sustainable water supply development to maintain high-quality service at reasonable rates.

Mr. Balliew then presented the proposed Capital Improvement Program (CIP) for FY2025–26, totaling \$592 million across water, wastewater, reclaimed water, and stormwater systems. He described major capital categories, including conveyance, treatment, pumping systems, water resources, and other strategic projects. Significant planned improvements include upgrades and

rehabilitation at the Roberto Bustamante Wastewater Treatment Plant, expansion and rehabilitation projects at the Fred Hervey Water Reclamation Plant, major reinvestment in the Frontera Force Main, and continuous modernization of water transmission and distribution systems through projects such as meter replacements and large-diameter water line installations. He also reviewed longer-term CIP projections and discussed how prioritization efforts and operational efficiencies have contributed to reducing the total CIP forecast for future years. Additional capital investments highlighted included projects supporting growth in newly developing areas of the city, future water supply strategies such as advanced water purification and aquifer storage and recovery, and stormwater improvements including flood control structures, basin construction, and conveyance system upgrades.

In discussing operating budgets, Mr. Balliew outlined the FY2025–26 financial requirements for water, wastewater, reclaimed water, and stormwater operations. He noted increases in personnel services driven by retention initiatives and the addition of new positions to support system reliability and regulatory compliance. Rising costs for utilities, materials, and professional services were also identified as contributing factors. Balliew provided an overview of the utility's debt service obligations, explaining how capital financing needs affect annual budget totals and rate-setting considerations. He stated that the combined water and wastewater operating and capital budgets totaled nearly \$956 million, while the stormwater budget increased modestly to approximately \$101 million, primarily due to changes in debt service and indirect cost allocations.

Mr. Balliew then reviewed the recommended rate adjustments under Rate Structure Option 5. He explained that the proposed changes included a 7% increase in water rates, a 5% increase in wastewater rates, and a 16% increase in the stormwater fee. At the same time, the structure introduces important affordability measures, such as a reduced minimum charge for ultralow water users and an increased eligibility threshold for the Water Supply Replacement Charge waiver, benefiting customers with lower monthly water usage. He provided examples demonstrating how the proposed rates would affect typical residential customers, ultralow users, and low water users, illustrating both the impact and the relief provided by targeted adjustments. Balliew then described how EPWater's projected monthly bills compare to regional and national benchmarks, noting that the utility continues to remain at or below the midpoint of similar cities in Texas and across the United States, even with the proposed increases.

To further address customer affordability, Balliew highlighted existing and expanded customer support programs. These included residential rebates for water-efficient appliances and landscaping conversions, commercial WaterWise rebate opportunities for businesses, and the AguaRepairs leak repair program for qualifying homeowners. He also explained how conservation behaviors allow many customers to avoid certain charges, such as the Water Supply Replacement Charge, generating substantial savings annually for high-conserving households. He concluded by presenting a breakdown of how each dollar on a customer's bill is allocated, underscoring EPWater's commitment to transparency and responsible stewardship of public funds.

Finally, Mr. Balliew reviewed proposed updates to EPWater's Rules and Regulations. Recommended revisions included updates to stormwater fee tables, annexation fee schedules, refund rates, and language clarifications applicable to empty lots and design-fee requirements. He also reminded the Board of upcoming opportunities for public comment at future PSB meetings and through emailed submissions. Balliew closed by addressing Board questions and reaffirming staff's commitment to providing additional information and analysis as requested.

During the public comment period, a member of the public addressed the Board regarding the multifamily rate presentation. President/CEO John Balliew responded to the questions and

provided clarifications for the record. Following the public comment, the Board deliberated on the matter and offered recommendations to staff concerning the multifamily slide and related presentation materials. During the discussion, the Public Service Board also requested additional information and clarification regarding multifamily affordability, the multifamily rate structure review, and Very Large Water Users. The follow-up presentation will provide the Board with further analysis on rates for Very Large Water Customers as well as information from a Raftelis industry study reviewing multifamily rate structures and best practices

2. NOTATION OF PROPOSED 2026 PUBLIC SERVICE BOARD (PSB) MEETING SCHEDULE TO BE CONSIDERED FOR ACTION BY THE PSB AT THE DECEMBER 10, 2025 MEETING.

No action was taken on this item.

EXECUTIVE SESSION

On a motion made by Brian Morris, seconded by Mr. Intebi and unanimously carried, the Board retired into Executive Session 8:14 p.m., November 20, 2025, pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Section 551.071 through 551.089 to discuss the following:

Section 551.071	Consultation with Attorney
Section 551.072	Deliberation Regarding Real Property
Section 551.073	Deliberation Regarding Prospective Gift
Section 551.074	Personnel Matters
Section 551.076	Deliberations Regarding Security Devices or Security Audits
Section 551.087	Deliberation Regarding Economic Development Negotiations
Section 551.089	Deliberation Regarding Security Devices or Security Audits

Discussion on the following:

a. CONSULTATION WITH ATTORNEY REGARDING THE PROCEDURAL ASPECTS OF REGULAR MEETINGS OF THE PUBLIC SERVICE BOARD (551.071)

No action was taken on this item.

Any action as a result of these discussions will be taken at the re-opening of this meeting or at a subsequent meeting.

Adjournment.

On a motion made by Mr. Morris, seconded by Mayor Johnson and unanimously carried, the meeting adjourned at 8:26 p.m., November 20, 2025.

ATTEST:

Bryan Morris, Chair

Stefanie Block Uribarri, Secretary-Treasurer