



PUBLIC SERVICE BOARD MEETING

AGENDA ITEM

REGULAR MEETING

Wednesday, July 8, 2026

SUBJECT

Discussion and action on adoption of a resolution approving the Renewable Natural Gas (RNG) Facility at Roberto R. Bustamante Wastewater Treatment Plant Public Private Partnership (P3) project is a Qualifying Project in accordance with the EPWater Public Private Partnership Guidelines.

BACKGROUND

EPWater desires to pursue an RNG project at the Roberto Bustamante Wastewater Treatment Plant to convert digester biogas into pipeline-quality renewable energy. The project is being considered for delivery through a Public Private Partnership process under the EPWater Public Private Partnership Guidelines and Chapter 2267 of the Texas Government Code.

Designation of the project as a Qualifying Project will allow EPWater to proceed with the issuance of a solicitation of proposals from a private party for the development and operation of an RNG facility at the wastewater treatment plant. Under this approach EPWater will seek proposals from a private party that would be responsible for financing, design, construction, operation, and maintenance of the facility, while EPWater would provide site access and biogas supply.

This model allows EPWater to minimize financial risk and avoid upfront capital costs while enabling the potential for improved operational efficiency, and long-term sustainability benefits. The project serves a public need, and purpose by reducing greenhouse gas emissions and beneficially reusing wastewater byproducts that would otherwise be flared or underutilized.

PRIOR PSB ACTION

- On April 9, 2025, the Public Service Board adopted the EPWater Public Private Partnership Guidelines by resolution, establishing the process for EPWater's consideration of and entry into public private partnerships in accordance with Chapter 2267 of the Texas Government Code.

UTILITY KPI ALIGNMENT

Infrastructure Performance

EVALUATION PROCESS

EPWater evaluated the proposed renewable natural gas project to determine its eligibility as a Qualifying Project under the EPWater Public Private Partnership Guidelines and Chapter 2267 of the Texas Government Code. The evaluation included consideration of technical feasibility, financial performance, delivery model options, and risk allocation.

Analysis supports implementation through a Public Private Partnership structure to transfer construction, operational, and market risks to a qualified private partner while allowing EPWater to retain ownership of core infrastructure. Approval of the resolution will allow EPWater to proceed with issuance of a Request for Qualifications and subsequent Request for Proposals to evaluate and select a private sector partner.

FINANCIAL IMPLICATIONS

This expenditure is part of the approved budget.

PROPOSED ACTION REQUESTED

Discussion and action on the adoption of a resolution approving the Renewable Natural Gas Facility at Roberto R. Bustamante Wastewater Treatment Plant Public Private Partnership (P3) project as a Qualifying Project and determining that the project serves a public needs and purpose in accordance with the EPWater Public Private Partnership Guidelines and Chapter 2267 of the Texas Government Code in order for EPWater staff to issue a solicitation for the project.

SUPPORTING DOCUMENTATION PROVIDED

- Resolution

RESOLUTION

A RESOLUTION OF THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD APPROVING THE RENEWABLE NATURAL GAS (RNG) FACILITY AT ROBERTO R. BUSTAMANTE WASTEWATER TREATMENT PLANT PUBLIC PRIVATE PARTNERSHIP PROJECT AS A QUALIFYING PROJECT AND DETERMINING THAT THE PROJECT SERVES A PUBLIC NEED AND PURPOSE IN ACCORDANCE WITH CHAPTER 2267 OF THE TEXAS GOVERNMENT CODE AND THE EL PASO WATER UTILITIES-PUBLIC SERVICE BOARD PUBLIC PRIVATE PARTNERSHIP GUIDELINES.

WHEREAS, the El Paso Water Utilities-Public Service Board (“EPWater”) is a component unit of the City, that as part of the complete authority and control of the management and operation of the water, wastewater and drainage utility systems (together referred to as “System”) has the authority to award EPWater public works contracts; and

WHEREAS, the Texas Legislature enacted the Public and Private Facilities and Infrastructure Act of 2011 (the “Act”) under Chapter 2267 of the Texas Government Code in order to facilitate the use of public/private partnerships for certain qualifying projects; and

WHEREAS, the use of public private partnerships method provides EPWater with an additional tool for developing capital improvement projects by contracting with private entities or persons with private investments to provide a public services through qualifying project; and

WHEREAS, EPWater, as component unit of the City, is a responsible governmental entity under the meaning of Section 2267.001(11) of the Texas Government Code; and

WHEREAS, on April 9, 2025, the Public Service Board (“PSB”) adopted the El Paso Water Utilities- Public Service Board Private Public Partnership Guidelines (“Guidelines”) in accordance with Chapter 2267 of the Texas Government Code; and

WHEREAS, the Renewable Natural Gas (“RNG”) Facility at Roberto R. Bustamante Wastewater Treatment Plant Public Private Partnership project (“Project”) consist of the development and operation of an RNG facility at the wastewater treatment plant; and

WHEREAS, the proposed Project serves a need and public purpose by converting wastewater treatment byproducts into renewable natural gas, reducing greenhouse gas emissions, enhancing EPWater infrastructure efficiency; and

WHEREAS, the PSB desires to adopt this Resolution to approve the Project as a Qualifying Project in order for EPWater staff to proceed with the issuance a solicitation for the Project as a public private partnership in accordance with the Act and Guidelines.

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 PSB and made a part of this Resolution for all purposes.

Section 2. That the PSB approves the RNG Facility at Roberto R. Bustamante Wastewater Treatment Plant Public Private Partnership project as a Qualifying Project as defined in the Act and the Guidelines, as an improvement to real property owned by EPWater.

Section 3. That the PSB determines that the development and operation of an EPWater RNG facility at the Roberto R. Bustamante Wastewater Treatment Plant through the Project serves a public purpose of the Act and Guidelines based on the following findings:

1. there is a public need for or a benefit derived from the Project of the type being proposed as a Qualifying Project;
2. the estimated cost of the Project is reasonable in relation to similar facilities; and
3. the proposed plans will result in the timely development and operation of a Qualifying Project.

Section 4. That EPWater may proceed with the issuance of solicitation for the Project in accordance with the Guidelines and the Act in order to consider proposals for the Project, as Qualifying Project through a public private partnership.

Section 5. This Resolution and its authorization shall take effect immediately from and after its passage.

(Signatures begin on the following page)

PASSED AND APPROVED at the regular meeting of the El Paso Water Utilities Public Service Board of the City of El Paso, Texas, this 8th day of July 2026, 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**

Dr. Anna Gitter, Chair

ATTEST:

Stefanie Block, Secretary/Treasurer

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Daniel Ortiz, General Counsel

John E. Balliew, CEO/President