



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

Wednesday, September 9, 2026

SUBJECT

Emergency Agreement for Technical Grade Methanol.

BACKGROUND

Methanol is essential to wastewater treatment operations at the Fred Hervey Water Reclamation Plant, where it is used as a carbon source for microorganisms in the nitrogen removal process. A continuous supply of methanol is necessary to maintain effective wastewater treatment, regulatory compliance, reliable plant operations, and to protect the public health or safety of EPWater customers.

Upon the expiration of Contract No. 86-22 Technical Grade Methanol, EPWater entered into an emergency agreement under the President/CEO delegated emergency authority for the purchase of technical grade methanol from Valenz Supply and Distribution, LLC (Valenz) from October 2025 through July 2026 to prevent an interruption in the supply of methanol necessary for wastewater treatment.

PRIOR PSB ACTION

- On October 12, 2022, the Public Service Board (PSB) awarded Bid Number 86-22, Technical Grade Methanol, to Southern Chemical Corporation in the estimated annual amount of \$205,350 and authorized an additional annual amount of \$100,000 for additional supply if needed, for a one-year term with the option for two one-year extensions.
- On July 12, 2023, the PSB approved the Consent of Assignment of Contract No. 86-22, Technical Grade Methanol, from Southern Chemical Corporation to Valenz Supply and Distribution, LLC.

UTILITY KPI ALIGNMENT

Infrastructure Performance

EVALUATION PROCESS

Following the expiration of Contract No. 86-22 an uninterrupted supply of technical grade methanol remained necessary for continued nitrogen removal and wastewater treatment at the Fred Hervey Water Reclamation Plant. EPWater purchased a total amount of \$194,761.94 of technical grade methanol from Valenz through an emergency agreement. Valenz was the previous contract holder to supply methanol to EPWater and has been a reliable supplier of methanol for the past 3 years. This purchase was necessary to preserve or protect the public health or safety of EPWater customers pursuant to Section 252.022(a)(2) of the Texas Local Government Code.

FINANCIAL IMPLICATIONS

This expenditure is in the approved budget.

PROPOSED ACTION REQUESTED

Presentation and discussion of the emergency agreement with Valenz Supply and Distribution, LLC in the amount of \$194,761.94 for the purchase of technical grade methanol for the Fred Hervey Water Reclamation Plant approved under the President/CEO's delegated authority; and that the Public Service Board finds that the emergency agreement was necessary to protect the public health or safety of the customers pursuant to Section 252.022(a)(2) of the Texas Local Government Code.

SUPPORTING DOCUMENTATION PROVIDED

- None