



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

Wednesday, February 09, 2022

SUBJECT

Board Resolution for U.S. Bureau of Reclamation (USBR) Grant Application – Desalination Expansion

BACKGROUND

EPWater is planning to submit a grant application due March 15, 2022, to pursue funding for installation of a new skid and a new concentrate pipeline as part of the expansion plan for the Kay Bailey Hutchison Desalination Plant (KBH). These two projects will complete Phase 1 of the Desalination Expansion project that will increase plant capacity by an estimated 6 MGD. The project has a USBR-approved Feasibility Report and has received funding for an initial Phase 1 project, a source augmentation pipeline to deliver source water to KBH. The funding opportunity is part of the U.S. Bureau of Reclamation's WaterSMART Program and authorized by Congress under the Water Infrastructure Improvements for the Nation (WIIN) Act.

STRATEGIC OBJECTIVES SUPPORTED

Strengthen Stakeholder Partnerships

EVALUATION PROCESS

USBR requires a Public Service Board resolution authorizing the President/CEO to sign and submit the WaterSMART funding application.

FINANCIAL IMPLICATIONS

Estimated cost of the project is \$15,500,000, which includes Reverse Osmosis Skid 6 and a Parallel Concentrate Pipeline. We are requesting \$3,875,000 in funding from the USBR. This amount represents 25% maximum funding for this project. EPWater is responsible for the 75% match in the estimated amount of \$11,625,000.

PROPOSED ACTION REQUESTED

Consider and approve a Resolution authorizing the President/CEO's submission of a grant application to the U.S. Bureau of Reclamation under Funding Opportunity R22AS00117 "WaterSMART: Desalination Construction Projects Under the WIIN Act" in the estimated amount of \$3,875,000 in grant funding for a new skid and concentrate pipeline to complete Phase 1 of the Desalination Expansion project in El Paso, Texas; and authorize EPWater's funding commitment to allocate the estimated amount of \$11,625,000; and further authorize the President/CEO to provide and sign any documents necessary in connection with the grant application, grant agreement and acceptance of the funds for this project.

SUPPORTING DOCUMENTATION PROVIDED

- Board Resolution

RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT/CEO'S SUBMISSION OF A GRANT APPLICATION TO THE U.S. BUREAU OF RECLAMATION (USBR) UNDER FUNDING OPPORTUNITY R22AS00117 "WATERSMART: DESALINATION CONSTRUCTION PROJECTS UNDER THE WIIN ACT" IN THE AMOUNT OF \$3,875,000 IN GRANT FUNDS, TO FUND A NEW SKID AND CONCENTRATE MANAGEMENT PIPELINE FOR THE KAY BAILEY HUTCHISON DESALINATION PLANT IN EL PASO COUNTY, TEXAS, AND AUTHORIZE EL PASO WATER'S COMMITMENT TO ALLOCATE AN ESTIMATED AMOUNT OF \$11,625,000; AND FURTHER AUTHORIZE THE PRESIDENT/CEO TO ENTER INTO ANY RELATED AGREEMENT, AND PROVIDE AND SIGN ANY OTHER DOCUMENTS NECESSARY IN CONNECTION WITH THE GRANT APPLICATION AND ACCEPTANCE OF THE FUNDS FOR THIS PROJECT.

WHEREAS, the El Paso Water Utilities Public Service Board (EPWU) was established on May 22, 1952, by Ordinance No. 752 of the City of El Paso for the purpose of providing potable water and wastewater collection and treatment for the City of El Paso; and

WHEREAS, EPWater has historically worked with grant agencies to obtain funds for the research and implementation of water treatment, water conservation, water reuse and recycling, membrane treatment processes, and potable water and energy improvement projects to benefit the residents of the City and County of El Paso, to improve the quality and reliability of their water services, and to promote the conservation of water and energy within the service area of El Paso; and

WHEREAS, EPWater has historically applied for and received U.S. Bureau of Reclamation grant funds for numerous water resource, conservation, infrastructure construction, reverse osmosis, water treatment research, supply, monitoring, and reclaimed water projects; and

WHEREAS, USBR has released Funding Opportunity R22A00117 "WATERSMART: Title XVI Congressionally Authorized Water Reclamation and Reuse Project" and is soliciting eligible proposals for project funding, and USBR requires a resolution of this type for submittal of a formal application for such grant funds; and

WHEREAS, EPWater has determined that this Project, which involves a sixth skid (in existing building) and a new parallel concentrate management pipeline for expansion of the Kay Bailey Hutchison Desalination Plant meets the objectives and requirements outlined under the funding opportunity.

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 El Paso Water Utilities Public Service Board (PSB) and made a part of this Resolution for all purposes.

Section 2. That the PSB, through EPWater's Government Affairs and Engineering divisions, has reviewed and supports EPWater's application to be submitted for Funding Opportunity R22A00117 "WATERSMART: Title XVI Congressionally Authorized Water Reclamation and Reuse Project".

Section 3. That the PSB hereby authorizes the President/CEO to sign any and all documents and to enter into an agreement required for the Grant Application for U.S. Bureau of Reclamation (USBR) funds under Funding Opportunity R22AS00117 “WaterSMART: Title XVI Congressionally Authorized Water Reclamation and Reuse Projects” in the amount of \$3,875,000 to obtain funding for expansion of the Kay Bailey Hutchison Desalination Plant in El Paso, El Paso County, Texas.

Section 4. That the PSB authorizes EPWater’s funding commitment to allocate an estimated amount of \$11,625,000 as contribution to the “WATERSMART: Title XVI Congressionally Authorized Water Reclamation and Reuse Project”, if grant funds are awarded to EPWater by the U.S. Bureau of Reclamation under Funding Opportunity R22AS00117.

Section 5. That the PSB agrees, if awarded, to work with U.S. Bureau of Reclamation to meet established deadlines for entering into a grant or cooperative agreement and to conduct this project, if awarded, according to all of the water conservation, planning, environmental, engineering, and renewable energy reporting and accounting procedures required by the USBR.

PASSED AND APPROVED at the regular meeting of the Public Service Board, this 9th day of February 2022 at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Sections 551.001, et. seq.

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD

Kristina Mena, Chair

ATTEST:

Bryan Morris, Secretary-Treasurer

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Daniel Ortiz
General Counsel

Arturo Duran
Chief Financial Officer