



Board of Directors Meeting

● ● ● Thursday, February 15, 2024



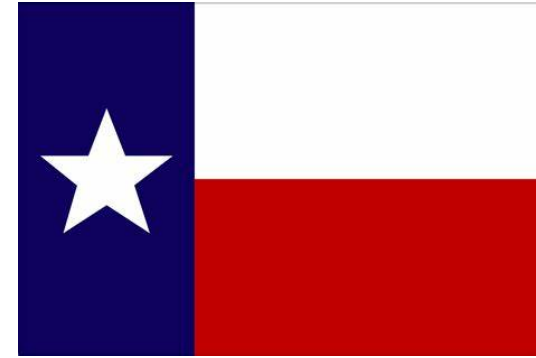
Confirmation of a Quorum

Pledge of Allegiance to the United States



I pledge allegiance to the flag of the
United States of America and to the
Republic for which it stands, one Nation
under God, indivisible, with liberty and
justice for all.

Texas Pledge



Honor the Texas flag, I pledge allegiance
to thee, Texas, one state under God,
one and indivisible.



BROWNSVILLE
PUBLIC UTILITIES BOARD



Workshop or Public Hearing(s)

Consent Agenda Items

1. Approval of Board Minutes:
 - a. October 9, 2023 Regular Meeting
 - b. November 13, 2023 Regular Meeting
2. Consideration and Possible Action to Approve Board Travel in Accordance with the Statement of Policy for Travel by Members of the Board of Directors of the Brownsville Public Utilities Board—Marilyn D. Gilbert
3. Consideration and Possible Approval of a Professional Geotechnical Engineering Services Contract for Materials Testing Services with Terracon Consultants, Inc. for the Downtown Water and Wastewater Improvements – ARPA Project 2—Marie C. Leal
4. Consideration and Possible Approval of a Professional Archeological Construction Monitoring Services Contract with Terracon Consultants, Inc. for the Downtown Water and Wastewater Improvements – ARPA Projects 1 and 2—Marie C. Leal



Consent Agenda Items

5. Consideration and Possible Action to Purchase One 2025 Year Model 114SD Roll-Off Truck—Marie C. Leal
6. Consideration and Possible Action for Approval to Purchase One TA60 60-Foot Bucket Truck—Marie C. Leal
7. Consideration and Possible Action to Purchase Three Digger Derrick Trucks—Marie C. Leal
8. Consideration and Possible Action to Approve Proposal Award for the Cellular Data Services for Three Years—Eddy Hernandez
9. Consideration and Possible Action to Extend the Contract for the Annual Supply of Liquid Aluminum-Based Water Treatment Coagulant—Jaime Estrada
10. Consideration and Possible Action for Bid Award, Contract Negotiations, and Execution of the Re-Bid of the Utility Locate Services—Cesar A. Cortinas





Individual Consideration Items

General Manager's Report

- a) Board Calendar—Marilyn D. Gilbert
- b) Industry and BPUB Updates—Marilyn D. Gilbert
- c) Employee Recognition Awards and Video

Board Calendar

February 2024

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

March 2024

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Monthly Scheduled Meetings

Feb 5	SRWA Board Meeting
Feb 12	BPUB Board Meeting
Feb 21	PUBCAP Meeting
Mar 11	SRWA Board Meeting
Mar 11	BPUB Board Meeting
Mar 20	PUBCAP Meeting
Apr 8	SRWA Board Meeting
Apr 8	BPUB Board Meeting
Apr 17	PUBCAP Meeting

April 2024

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Other Events

Feb 6-7	TPPA Marketing & Customer Service Conference/TPPA Legal Seminar, SA
Feb 7	BPUB Finance Committee Meeting
Feb 8	BPUB Regulatory/Policy Committee Meeting
Feb 21-23	8th Annual Water & Wastewater Regional Conference, Eagle Pass
Feb 26-28	2024 APPA Legislative Rally, Washington, DC
Mar 1	COB Boards & Commission Appreciation Luncheon
Mar 11-13	NWC Legislative Summit, Washington, DC
Mar 11-14	2024 Water Reuse Symposium, Denver, CO

(Charro Days—February 29-March 2, 2024)
(Spring Break—March 11-15, 2024)
(Easter—March 31, 2024)

BPUB Holidays (BPUB Offices Closed)

Feb 19	Presidents Day
Mar 29	Good Friday
Apr 1	Cesar Chavez Day (Observed)



BROWNSVILLE
PUBLIC UTILITIES BOARD



Excellence and Outstanding Employee of the Year Awards

FEBRUARY 12, 2024

• • • B O A R D O F D I R E C T O R S M E E T I N G

Employee Recognition Program

Employee recognition continues to be an important part of BPUB's culture

Employee Recognition Program was established in early 2000's

Employee Recognition Program Vision:

- To foster a culture of appreciation and recognition of employees who exemplify BPUB's core values.

Awards include:

- Outstanding Employee of the Year
- Excellence Award
- Shining Star
- Rising Star
- Outstanding Performance by a Team
- Instant Awards
- Service Awards

Employee Recognition Program

Employees nominate other employees!!!

Award Criteria

Core Values:

- Customer Service and Community Partnership
- Employee Satisfaction and Collaboration
- Environmental Stewardship
- Innovation and Continuous Improvement
- Open Communication
- Safety

Exhibited Attributes:

- Live core values in their day-to-day work
- Constantly show initiative
- Regularly demonstrate superior customer services
- Enhance BPUB's image
- Consistently demonstrate a positive attitude
- Demonstrate leadership regardless of title

Excellence Award Recipients

- Eli Alvarez
- Eddie Campirano Jr.
- Chezarae Gardiner
- Norma Gomez

Outstanding Employee of the Year Recipient

- Eli Alvarez

Thank You!

Executive Management supports the Employee Recognition Program.



Public Comments



Consideration and Action on Items Pulled Out of Consent

Staff Reports and Presentations to the Board

- a. Financial Report—Monica Cavazos
- b. Engineering and Legal Fees Monthly Expenses—Monica Cavazos
- c. City of Brownsville Capital Work Orders Report—Monica Cavazos
- d. Procurement Summary—Diane Solitaire
- e. Quarterly Investment Report—Jorge Santillan
- f. 2023 Annual Report—Miguel Collis/Ryan Greenfeld
- g. Drought Update—Lupe Garcia





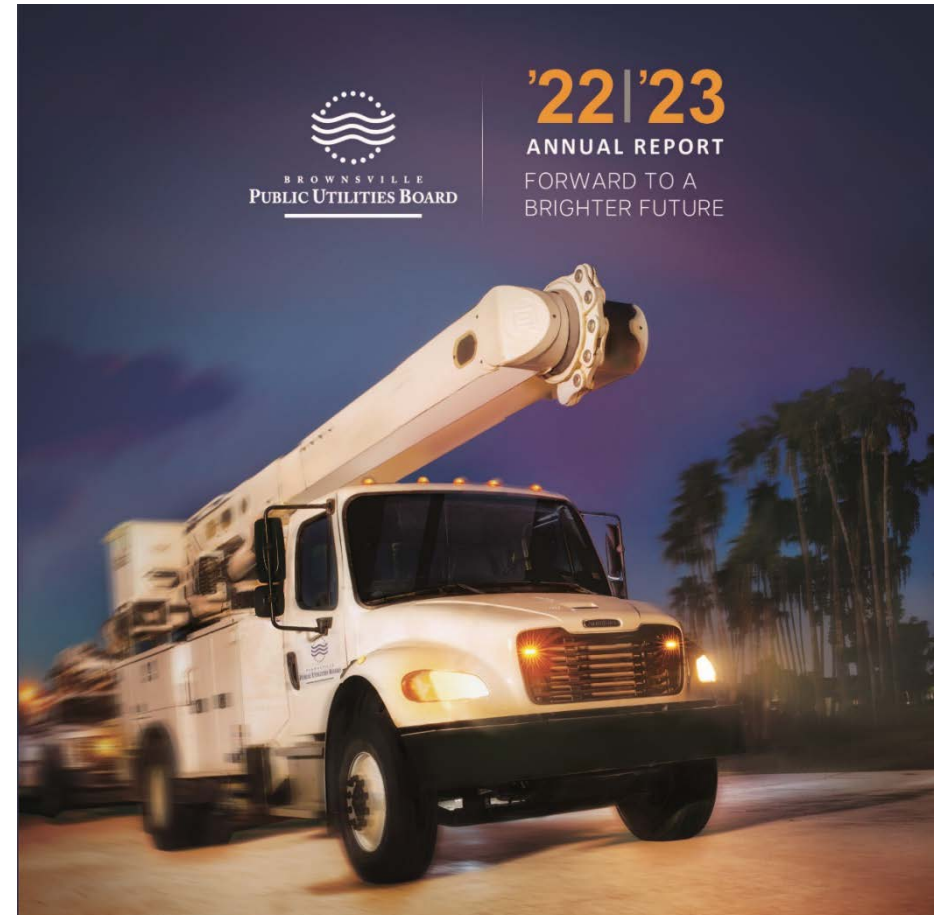
22-23 Annual Report

UPDATE

● ● ● B O A R D O F D I R E C T O R S M E E T I N G

Annual Report

- Scope: 22-23 Fiscal Year
- Purpose: To showcase BPUB's performance strategy and vision
- Theme: Forward to a Brighter Future



Annual Report

○ Topics:

- Letter from the CEO
- Letter from the Board
- Highlight Leadership/Board
- Overview of BPUB's History
- Special Projects
- Benefits of Public Power
- Customer-focused Issues
- Community Outreach Efforts
- Financial Summary

Financial General Summary September 30, 2023

Fiscal Year 2023 Amended Budget Highlights				
A. Total Combined Budget:	\$253.33 million			
B. Electric Budget:	\$190.03 million (\$67.57 million fuel, \$102.85 million other), 75.04% of total budget			
C. Water Budget:	\$36.25 million, 14.31% of total budget			
D. Wastewater Budget:	\$27.05 million, 10.68% of total budget			
E. Amended Funded Positions:	631			
F. Transfer to the City of Brownsville:	\$14.98 million gross			
G. Net Cash Transfer to COB after usage:	\$9.92 million			
BPUB Financial Highlights for the Quarter ended September 30, 2023				
1. Capital Assets, net of accumulated depreciation:	\$522.60 million			
2. Number of Customers excluding COB:	Electric 53,425, Water 94,625, Wastewater 55,375			
3. Customer Unit Sales / Operating Revenues				
Sales	Audited FY 2021	Audited FY 2022	Amended 2023 Revenues	Actuals as of Sept 30, 2023
Electric Service - kWh	1,333,923,834	1,389,883,240	1,340,033,383	1,382,200,399
Water Service - 1,000 gallons	6,740,690	6,746,817	6,887,098	6,790,305
Wastewater Service - 1,000 gallons	4,680,563	4,783,595	4,791,021	4,791,090
Operating Revenues				
	Audited FY 2021	Audited FY 2022	Amended 2023 Revenues	Actuals as of Sept 30, 2023
Electric Service	\$295,538,781	\$ 162,235,411	\$ 162,819,413	\$ 167,616,466
Water Service	25,676,340	29,042,631	34,256,484	31,914,715
Wastewater Service	23,235,894	25,097,715	25,069,329	26,295,343
Total Utility	\$ 384,654,023	\$ 246,301,767	\$ 218,175,436	\$ 227,801,352
4. Summary of BPUB Transfers to the City				
	Cash transfers to the City	City of Brownsville Usage	Total Transfers	
2023 Amended Budget	\$ 9,815,814	\$ 5,060,544	\$ 14,976,358	
YTD Actuals as of:				
Audited September 30, 2022	12,477,802	5,912,301	17,990,103	
Unaudited 9/30/23	12,007,719	6,053,425	18,061,144	
5. Debt Service Coverage by Quarter				
	Audited FY 2022	Amended Budget 2023	Quarter Ended September 2023	
Electric	4.09	1.99	3.06	
Water	2.94	3.09	3.91	
Wastewater	2.22	1.87	2.45	
Combined Utility	3.91	1.90	3.03	
6. Bond Ratings				
A. Moody's	A2/Outlook Stable	Medium Grade Investment Quality		
B. Standard & Poor's	A-/Outlook Stable	Medium Grade Investment Quality		
C. Fitch	A-/Outlook Stable	Medium Grade Investment Quality		



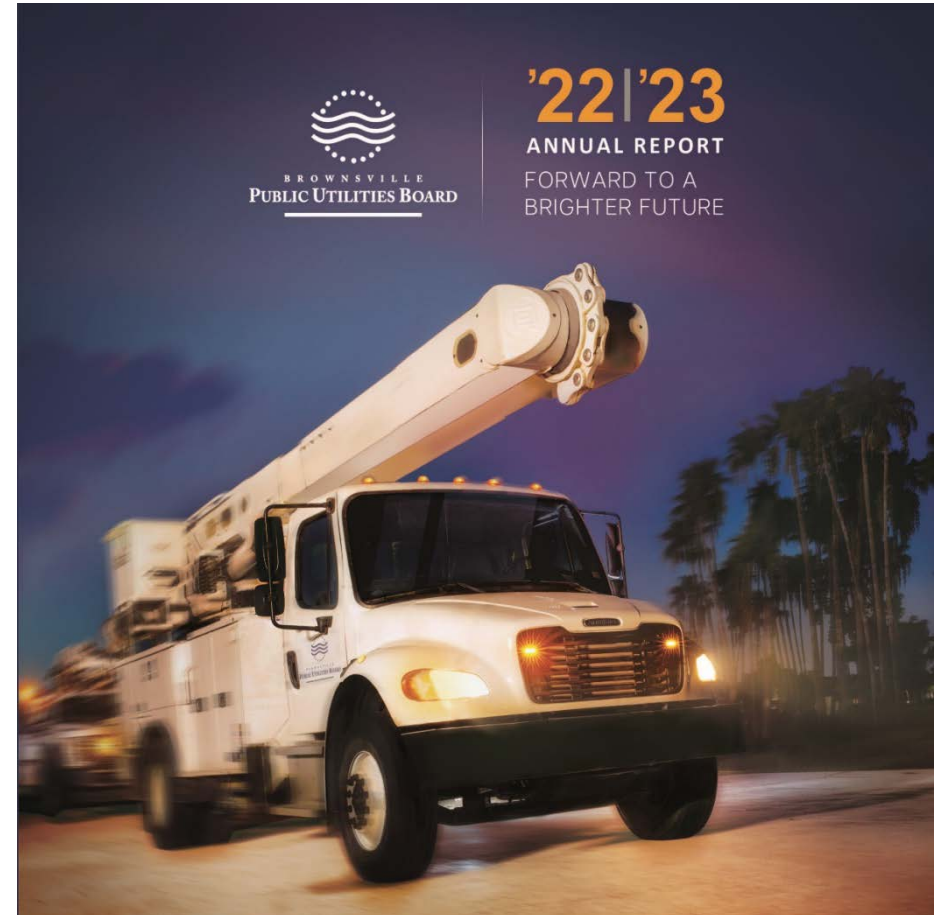
VISION
BPUB is a community-owned leader providing exceptional service.

MISSION
BPUB will be the foundation for our community's future by providing reliable infrastructure, competitive rates, and and exceptional customer service.

CORE VALUES: EMPLOYEE RESPECT, ACCOUNTABILITY AND TEAMWORK
We support and acknowledge our workforce for taking responsibility for their actions in providing quality service and exceeding customer expectations through teamwork.

Annual Report

- Available in digital format at www.brownsville-pub.com/corporate-reports
- Print edition for distribution to key stakeholders





Questions?

● ● ● B O A R D O F D I R E C T O R S M E E T I N G

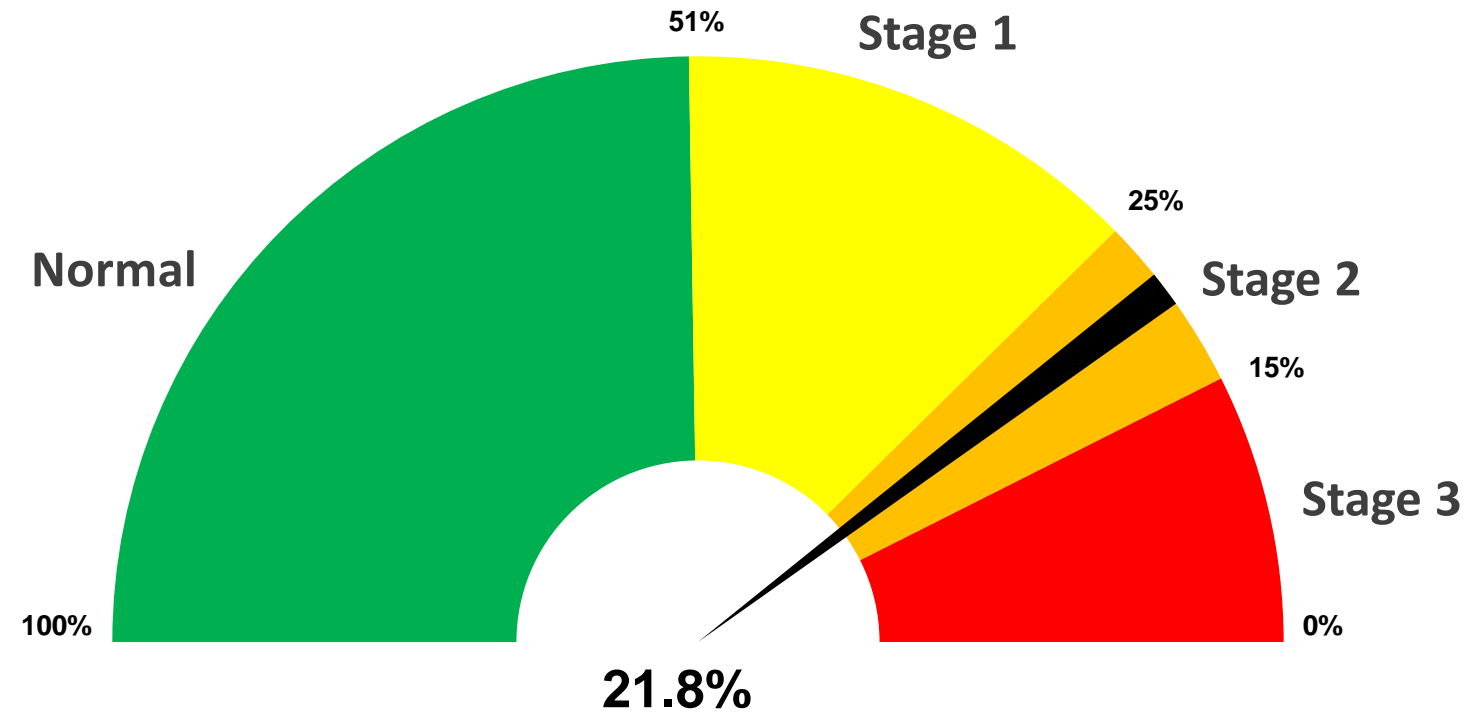


Drought Update

FEBRUARY 15, 2024

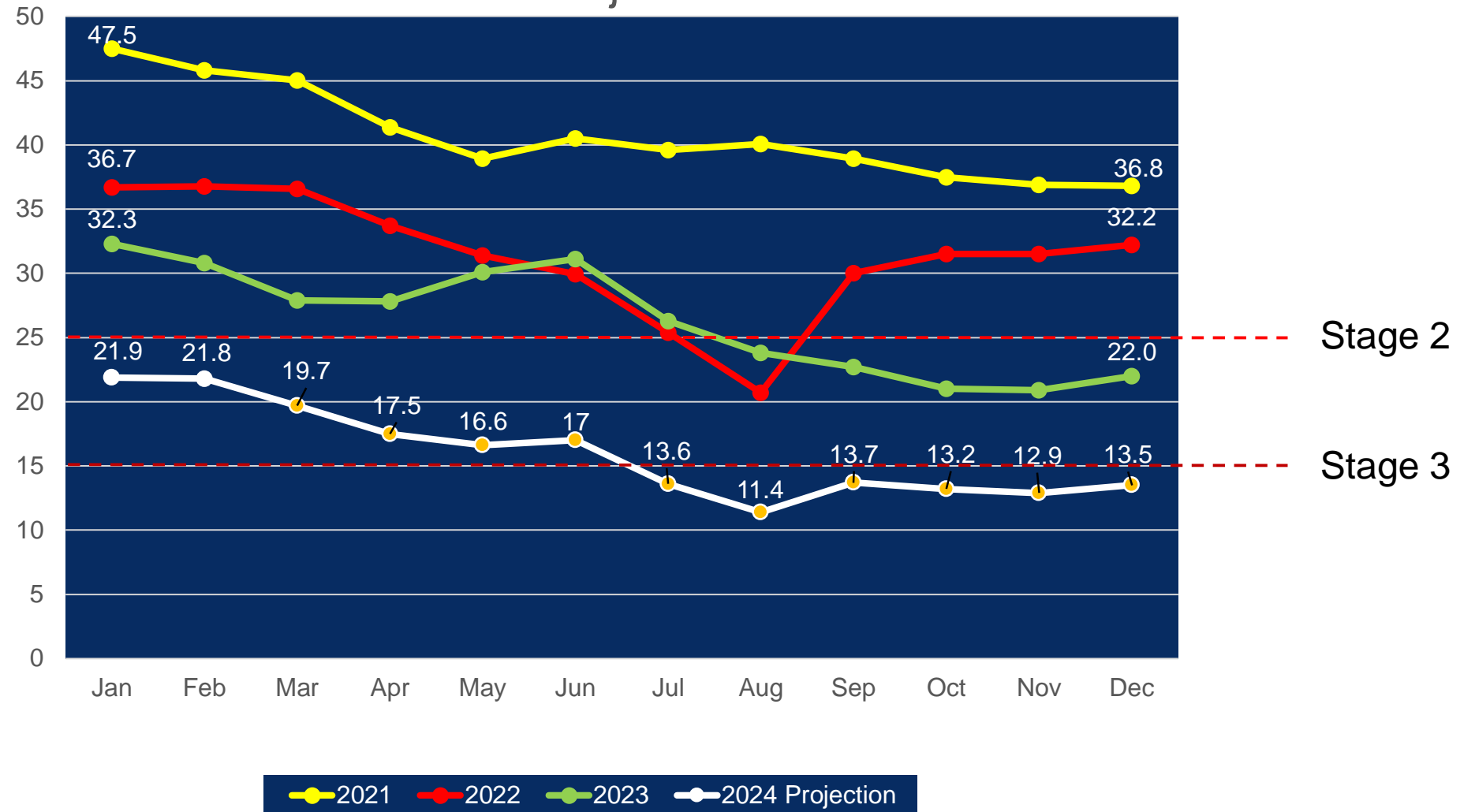
● ● ● B O A R D O F D I R E C T O R S M E E T I N G

BPUB Drought Stage Meter



U.S. Combined ownership at Amistad and Falcon Reservoirs
February 3, 2024 = 21.8%

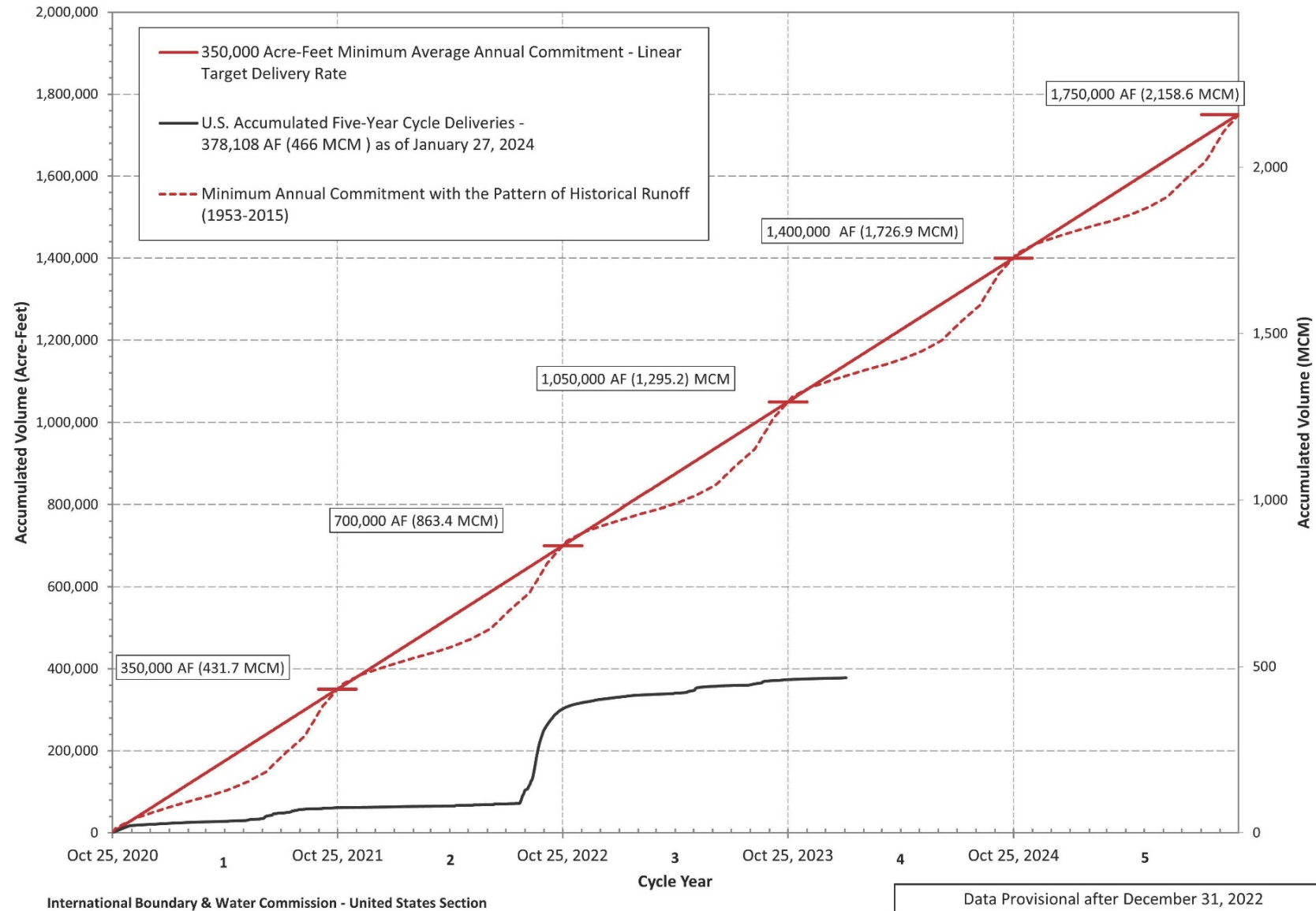
U.S. Combined Ownership at Amistad/Falcon 2024 Projection



U.S International Boundary Water Commission (USIBWC) Lower Rio Grande Valley Stakeholders Meeting

- Mexico Releases
 - Obligation = 350,000 acre-feet/year
 - Currently 378,109 acre-feet (at year 4 of 5-year cycle)
- Mexico releasing water from Amistad Reservoir to Falcon Reservoir
 - Began January 22, 2024 for approximately 40 days

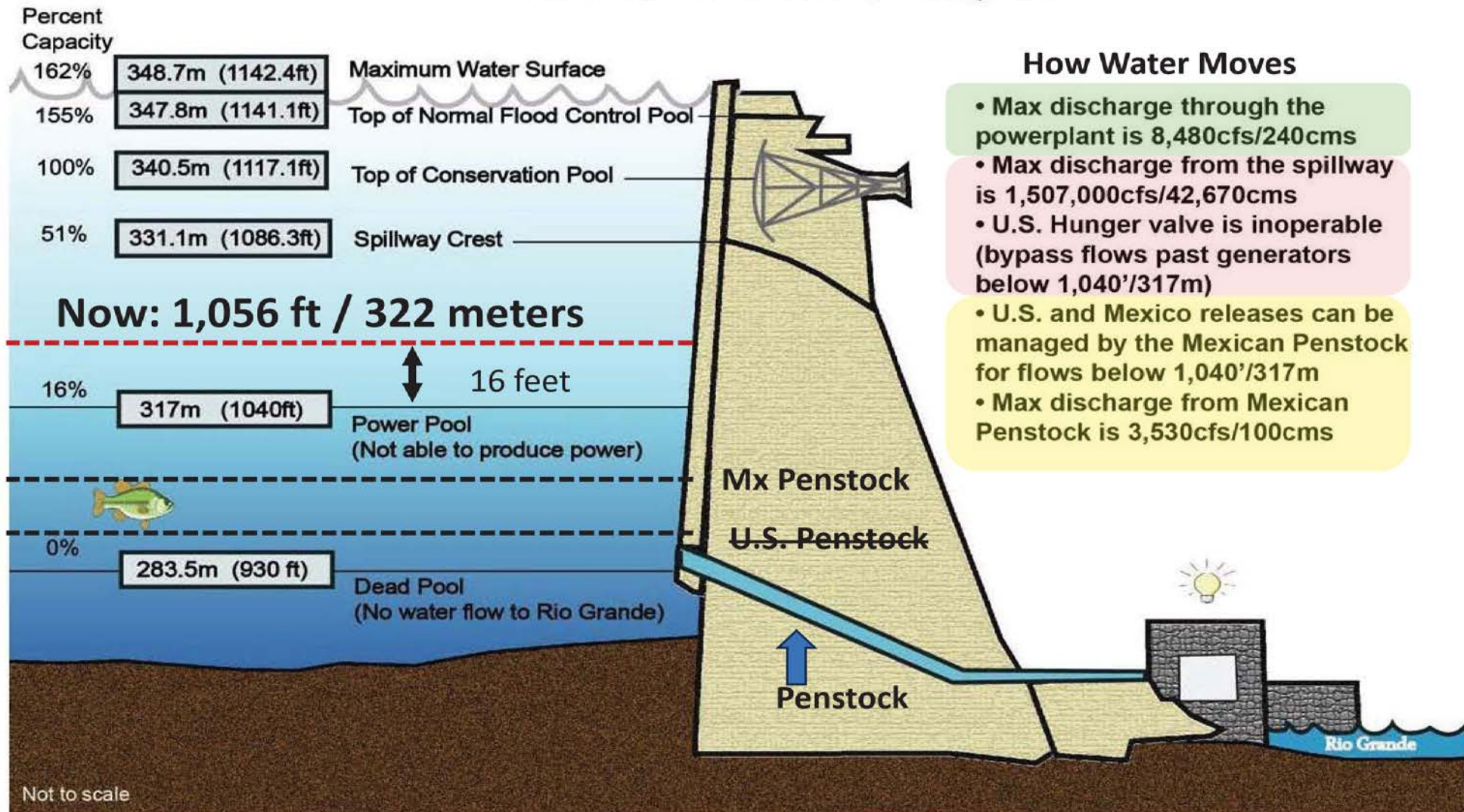
Rio Grande River Basin
Estimated Volumes Allotted to the United States by Mexico from Six Named Mexican Tributaries
and Other Accepted Sources* under the 1944 Water Treaty
Current Cycle: October 25, 2020 thru January 27, 2024





Amistad Critical Elevations

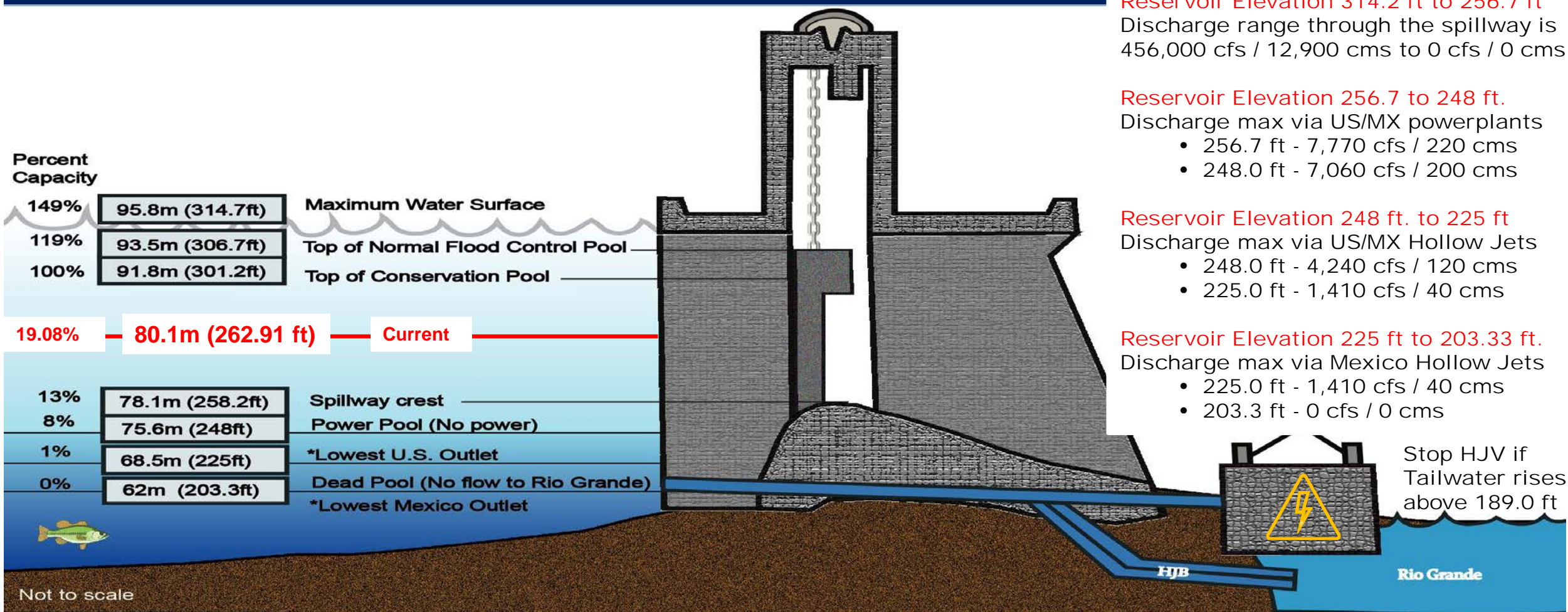
Amistad Dam at Del Rio, TX



Providing binational solutions along the U.S.-Mexico Border



FALCON DAM OPERATIONAL CONSTRAINTS



Providing binational solutions along the U.S.-Mexico Border

Bottom Line

- Do not anticipate significant Mexico releases
- Farming water demand “Peak Season” beginning February – March
- National Weather Service predicting below average rainfall on the Rio Grande Watershed causing inflows from Mexican reservoirs unlikely during the February – April 2024 period
- Drought Stage 3 projected for Summer 2024

Outreach: Drought and Resaca Restoration Awareness

Gladys Porter Zoo (Jan. 12,19, & 26)

- Water Conservation team passed out informational fliers to zoo guests

Career Day at Russell Elementary (Jan. 19)

- Water Conservation team presented and passed informational fliers to students

Career Day at Perez Elementary (Jan. 31)

- PR team talked to students about water conservation

Career Day at Southmost Elementary (Feb. 2)

- Resaca team presented about resaca restoration

Scout Government Day (Feb. 9)

- Tour of BPUB facilities, including stop with Resaca and Water Conservation teams

Girls Night Out Bingo (Feb. 9)

- Oasis vs Drought theme

Wild Tales at Gladys Porter Zoo (Feb. 10)

- Informational booth at event; resaca-themed mural activity for kids





B R O W N S V I L L E
PUBLIC UTILITIES BOARD

EVERY DROP COUNTS!

Learn more about drought at:



brownsville-pub.com/drought-resources

Consideration and Approval of the Annual Comprehensive Financial Report for the Period Ending September 30, 2023

MIGUEL A. PEREZ





The Right Choice.

BML

Burton
McCumber
& Longoria, LLP
CPAs & Advisors

Brownsville • McAllen

Public Utilities Board of the City of Brownsville, Texas

FINANCIAL REPORTING AUDIT – GOVERNANCE COMMUNICATIONS – FY 2023

Engagement team



Ben Pena, CPA, CVA, CFE

- Audit Partner
- 27+ Years Experience
- 956-574-0305 (direct)
- Ben.Pena@bmltexas.com



• Jose Diaz, CPA, CVA

- Audit Manager
- 12+ Years Experience
- 956-574-0315 (direct)
- Jose.Diaz@bmltexas.com

STAFF

- Zorayda DeLeon, CPA
- Roberto Santillana, CPA
- Gustavo Garcia
- Kristian Zamora
- Adrian Perez

Communications to Governance

AREA

New Accounting Policies
Adopted

GASB 96 – *Subscription
Based Information
Technology Agreements.*

Similar to Leases accounting

Footnote (13) – **Right of Use
asset of \$138,667** and
current year amortization of
\$18,719

Sensitive Estimates

Unbilled revenue

Allowance for Doubtful
Accounts

Depreciation on Capital
Assets

Estimated Costs on Capital
Contributions

Estimated self-Insurance
Claims

Net Pension / OPEB liability
and related deferrals

Communications to Governance

AREA

No Difficulties encountered
in performing the Audit.

There were no uncorrected
misstatements noted.

There were no
disagreements with
Management.

There were no reportable
financial statement findings.

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New in Current Year – Compliance

AREA	WHAT IS IT?	WHICH ONES?	
Single Audit under Title 2 U.S. Code of Federal Regulations Part 200 (Uniform Guidance)	Audit of Expenditures of Federal Awards related to Compliance Requirements under the Uniform Guidance <u>and</u> Controls over Financial Reporting	U.S. Dept of Treasury – through Texas Commission of Environmental Quality. RESTORE ACT Grant Town Resaca Watershed \$1,417,688	U.S Dept of Treasury – Through the City of Brownsville, Texas American Rescue Plan Act (ARPA) Downtown Water/Wastewater Improvements \$923,603
What we audit:	Internal Controls over Financial Reporting (ICFR) Findings: NONE	Internal Controls over Compliance (ICOC) Findings: NONE	Compliance (C) Findings: NONE

AUDITORS' OPINIONS & FINDINGS

FINANCIAL STATEMENTS

GOVERNMENT AUDITING STANDARDS (GAS) REPORT

SINGLE AUDIT REPORT ON COMPLIANCE – MAJOR

UNMODIFIED (a Clean Opinion")

"...the financial statements referred to above **present fairly, in all material respects**, the respective financial position of the Public Utilities of Board of the City of Brownsville..."

No Reportable Findings

Internal Controls over Financial Reporting, and "...compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

UNMODIFIED (a Clean Opinion")

"...in our opinion, the BPUB **complied, in all material respects, with the types of compliance requirements** ...that have a direct and material effect on each of its major programs".

With No Reportable Findings

Consideration and Possible Action on the Replacement of the Investment Advisor for the Other Post-Employment Benefits (OPEB) Trust Administered by Public Agency Retirement Services (PARS)



-MIGUEL A. PEREZ



Recess to Closed Meeting

Closed Session Items

1. Meeting with Board's legal counsel for advice about contemplated and pending court and administrative litigation and on matters in which the duty of the attorney under the Texas Disciplinary Rules of Professional Conduct conflicts with Chapter 551 (Sec. 551.071).
2. Discussion and consultation with Board Counsel of any contemplated and pending litigation involving Brownsville Public Utilities Board (Sec. 551.071).
3. Presentation, discussion, and possible recommendation of information upon pricing of purchased power, generation, and fuel and their impact upon the Fuel, Purchased Energy, and Marketing Charge (Sec. 551.086).





Consideration and Action on Closed Meeting Items



Consideration and Action on Future Agenda Items



Adjournment
